

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30 a.m. on February 11, 2011, in Room 548-S of the Capitol.

Senator Emler, absent

Committee staff present:

Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
David Wiese, Office of the Revisor of Statutes
Alan Conroy, Director, Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department
Aaron Klaassen, Senior Fiscal Analyst, Legislative Research Department
Dorothy Hughes, Fiscal Analyst, Legislative Research Department
Brea Short, Intern, Senator McGinn's Office
Jan Lunn, Committee Assistant
Josh Lewis, Chief of Staff

Others attending:

See attached list.

Bill Introductions

Senator Vratil moved introduction of a bill (#rs0897) related to qualifying correctional inmates for Medicaid; Senator Schmidt seconded the motion, which passed on a voice vote.

Senator Steineger requested introduction of a bill authorizing a study related to county consolidation. Senator McGinn moved introduction (#rs0712); Senator Kelly seconded the motion, which passed on a voice vote.

Senator Steineger requested introduction of a bill that would downsize the Kansas Senate and House of Representatives. Senator McGinn moved introduction (#rs0597); Senator Masterson seconded the motion, which passed on a voice vote.

Follow-Up Information

Chairperson McGinn called attention to a follow-up response from Elaine Frisbie, Deputy Director, Division of the Budget, who answered a question posed at the January 13 Ways and Means Committee meeting concerning how many FTEs were filled versus unfilled at the time the budget was put together and how many FTEs were filled versus unfilled at the current time (Attachment 1).

Subcommittee Reports

Department of Administration

Subcommittee Chairperson Teichman reviewed the agency request and the Governor's recommendations (Attachment 2). The Department of Administration Subcommittee concurred with the Governor's recommendation with the following adjustments and recommendations:

- Delete \$1,484,995 from the "Systems Account" Department of Administration (DofA) for FY 2012. The subcommittee recommended the agency explore alternative sources of revenue other than the State General Fund (SGF) for contractual services fees.
- Add \$1,484,995 from the SGF to Public Broadcasting Council Grants.
- The point was made that the reduction could be shifted "off-budget," allowing the DofA to reduce overall expenditures or charge other state agencies for these expenses.
- The Subcommittee emphasized the importance of the Public Broadcasting Council Grants program in disseminating public and emergency information throughout Kansas, particularly in rural and western regions.
- The Subcommittee recognized that if **SB 50**, the Kansas 911 Act, becomes law, the role of the DofA in distributing these funds will be curtailed; if **SB 50** is passed, the DofA will receive \$7.3 million in Wireless Enhanced 911 grants that will be distributed by the Attorney General's office for FY 2012.

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Senator Teichman moved to accept the Subcommittee Report; Senator Francisco seconded the motion, which passed on a voice vote. Senator Taddiken requested his vote be recorded as "No" in the permanent record.

Veterans' Affairs FY 2011

Subcommittee Chairperson Taddiken reviewed the agency estimate including supplemental requests (Attachment 3); he also reviewed the Governor's recommendation, which excludes supplemental funding in FY 2011.

The Subcommittee concurred with the Governor's recommendation for expenditures and FTE positions in FY2011 and made the following recommendations:

- Expenditure limitations for FY 2011 for the Kansas Soldiers' Home Medicaid Fund, the Kansas Soldiers' Home Medicare Fund, the Kansas Veterans' Home Medicaid Fund, and the Kansas Veterans' Home Medicare fund be increased to "no limit."
- Grant authority to the Executive Director of the Kansas Commission on Veterans' Affairs to transfer funds between SGF accounts and between special revenue accounts in FY 2011.
- Request the Senate Ways and Means Committee consider the agency's FY 2011 supplemental funding request in the amount of \$81,320 for Medicare billing software and training at the Kansas Veterans' Home.

Considerable discussion ensued relative to supplemental funding for software and training given the fact that the software (billing and clinical) is currently operational at the Kansas Soldiers' Home. Steve Dunkin, Superintendent of both facilities, elaborated that the total funding request is for approximately \$21,000 for purchase of the billing software and \$60,000 in training expenditures for the Veterans' Home. The clinical software is operational at the Veterans' Home. Senator Schmidt suggested that since one home (Soldiers' Home) is performing the billing function for that facility, efficiencies could be realized if the billing function at the Veterans' Home were assumed by the staff at the Soldiers' Home, saving \$60,000 in training expenditures. Mr. Dunkin indicated he would seek answers to these questions from the software vendor.

Senator Taddiken moved to adopt the Veterans' Affairs FY 2011 Subcommittee Report; Senator Kultala seconded the motion, which passed on a voice vote.

Veterans' Affairs FY 2012

Senator Taddiken reviewed the agency request for FY 2012 and the Governor's recommendations (Attachment 4) which included a 158.0 FTE reduction. All FTE positions are currently vacant.

Chairperson Taddiken reported the Subcommittee concurred with the Governor's recommendation for FY 2012 expenditures and FTEs accompanied by the following additional recommendations:

- For FY 2012, expenditure limitations for Kansas Soldiers' Home Medicaid Fund, Kansas Soldiers' Home Medicare Fund, Kansas Veterans' Home Medicaid Fund, and the Kansas Veterans' Home Medicare Fund become "no limit" funds.
- Grant authority to the Executive Director of the Kansas Commission on Veterans' Affairs to transfer funds between the SGF and special revenue funds for FY 2012.
- Request U.S. Army Command and General Staff College at Fort Leavenworth collaborate with a Kansas higher education institution to conduct a study and make recommendations to the 2012 Legislature regarding the delivery of services to veterans, veterans' access to benefits, and possible benefits that the State could provide to Kansas veterans.

Senator Taddiken moved adoption of the Subcommittee Report; Senator Teichman seconded the motion, which carried on a voice vote.

Lottery

Chairperson Teichman reviewed the FY 2012 agency request and the Governor's recommendations (Attachment 5).

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The Subcommittee concurred with the Governor's recommendation with the following recommendations and adjustments:

- The Subcommittee recommends the decision on the purchase of replacement vehicles for FY 2012 be delayed until the vehicles have exceeded 100,000 miles
- The Subcommittee encourages the development and pursuit of marketing partnerships between the State Lottery and private business to encourage instant lottery sales and promote Kansas businesses.
- The Subcommittee recommends the transfer of \$18.04 million from the Expanded Lottery Act Revenue Fund to the State General Fund for FY 2012.

Senator Teichman moved the committee adopt the Subcommittee Report with the recommendations and adjustments presented; Senator Vratil seconded the motion, which carried on a voice vote.

Racing and Gaming Commission

Senator Teichman reviewed the agency request and the Governor's recommendation (Attachment 6). Senator Teichman reported the Subcommittee concurred with the Governor's recommendation with the following notations and recommendations:

- The Subcommittee noted the appropriation of the Illegal Gaming Enforcement Fund in FY 2011 and commended the agency for increasing regulation enforcement.
- It was recommended that the Commission provide regular updates to the Legislature regarding the progress of gaming facility construction in the Northeast and Southcentral zones.

Senator Schmidt inquired how revenue from the Illegal Gaming Enforcement Fund comes into the state. Senator Teichman clarified funds come directly from the Illegal Gaming Enforcement Fund to SRS. Ed Van Petten, Director of the Kansas Lottery Commission, verified 2 percent of the net win daily is swept into the Illegal Gaming Enforcement Fund which is transferred to SRS for distribution. Senator Schmidt requested the SRS Subcommittee report on the disposition of these funds.

Senator Teichman moved adoption of the Subcommittee report and its notations and recommendations; Senator Huntington seconded the motion, which carried by voice vote.

The meeting was adjourned at 11:57 a.m.