

Approved: May 7, 2008  
Date

## MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:40 A.M. on February 5, 2008 in Room 123-S of the Capitol.

All members were present except:

Senator Donald Betts, Jr. - excused  
Senator Greta Goodwin - excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes  
Alan Conroy, Director, Kansas Legislative Research Department  
Kristen Clarke Kellems, Assistant Revisor of Statutes  
Amy Deckard, Kansas Legislative Research Department  
Cody Gorges, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Jarod Waltner, Kansas Legislative Research Department  
Melinda Gaul, Chief of Staff, Senate Ways & Means  
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Linda Sheppard, Deputy Attorney General  
Barb Hinton, Legislative Post Auditor, Legislative Division of Post Audit  
Robin Kempf, Inspector General, Kansas Health Policy Authority  
Connie Hubbell, Chair, Kansas Health Policy Authority and Marcia Nielsen, Executive Director,  
Kansas Health Policy Authority (written)  
George Webb, Executive Director, Kansas Commission on Veterans' Affairs  
Chuck Yunker, American Legion  
Ken Stodgell, Legislative Chairman, Veterans of Foreign Wars  
Michele Henry, Executive Director, National Guard Association of Topeka (written)

Others attending:

See attached list.

### **Bill Introductions**

The Chairman recognized Senator Laura Kelly who explained a bill request from Senator Anthony Hensley regarding a study of attendant care workers. Senator Kelly moved, with a second by Senator Teichman, to conceptually introduce the bill. Motion carried on a voice vote.

Senator McGinn moved, with a second by Senator Schodorf, conceptual introduction of a bill concerning food labeling and agricultural products. Motion carried on a voice vote.

Chairman Umbarger welcomed Linda Sheppard, Deputy Attorney General, Office of the Attorney General, who provided an overview of the tobacco master settlement agreement (MSA) (Attachment 1). Ms. Sheppard addressed the background of the MSA which resulted from a lawsuit filed in 1996 and was finalized in 1998. She also explained that through the MSA, each state was assigned an allocable share or percentage of national cigarette sales.

Ms. Sheppard mentioned that under the original terms of the MSA, the state's 2005 and 2006 total receipts should have been significantly higher than they were and two MSA companies have withheld a portion of their payment to all states in the MSA while they are disputing the basis of the payments. The two companies are arguing that the states have not proven that they are diligently enforcing their escrow statutes. Future receipts were also discussed.

The Chairman opened the public hearing on:

### **SB 456--Kansas health policy authority, inspector general**

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:40 A.M. on February 5, 2008 in Room 123-S of the Capitol.

Staff briefed the committee on the bill.

Chairman Umbarger welcomed the following conferees:

Barb Hinton, Legislative Post Auditor, Legislative Division of Post Audit, provided information to the committee and noted that **SB 456** ([Attachment 2](#)). Ms. Hinton mentioned that the bill changes the reporting requirements from the Health Policy Authority's new inspector general from the Authority's executive director to the Authority's board. In closing, Ms. Hinton explained that having the inspector general report directly to the Authority's Board would be the most independent reporting structure.

Robin J. Kempf, Inspector General, Kansas Health Policy Authority, testified in support of **SB 456** ([Attachment 3](#)). Ms. Kempf provided details in her written testimony and indicated that the bill simply cleans up a small inconsistency in the Office of Inspector General's (OIG) enabling legislation and strengthens the protections to the OIG's independence. She noted that this change would ensure that the OIG would be free from any impairment to its independence that could hypothetically be imposed by an Executive Director and which could bias the OIG's judgement.

Written testimony was submitted from Connie Hubbell, Chair, Kansas Health Policy Authority Board and Dr. Marcia Nielsen, Executive Director, Kansas Health Policy Authority ([Attachment 4](#)).

The Chairman closed the public hearing on **SB 456**.

Chairman Umbarger turned the Committee's attention to discussion of:

**HB 2578--Establishing the utilization of unused medications act; exemptions**

The Revisor explained a balloon amendment ([Attachment 5](#)).

Following committee discussion, Senator V. Schmidt moved, with a second by Senator Emler, to adopt the balloon amendment, allow technical corrections to the balloon, amend the language contained in SB 456 in its entirety into HB 2578 and recommend HB 2578 favorable for passage as amended. Motion carried on a roll call vote.

The Chairman opened the public hearing on:

**SB 533--Veterans assistance; appropriations therefor; income tax credit; property tax abatement; leave for employees; tuition rates**

Jill Wolters, Senior Assistant Revisor of Statutes briefed the Committee on the bill ([Attachment 6](#)).

The Chairman welcomed the following conferees:

George Webb, Executive Director, Kansas Commission on Veterans' Affairs, testified in support of the bill ([Attachment 7](#)). Mr. Webb explained that the bill would appropriate \$500,000 for aid and assistance for veterans and their family members, as well as the families of reserve component personnel called to active duty. He noted that a statutory change to the eligibility requirements would be necessary to expand the program.

Chuck Yunker, American Legion, spoke in support of the bill ([Attachment 8](#)). He noted a couple of areas in his written testimony where there was concern and explained that the American Legion fully supports all other provisions of **SB 533**, especially those sections addressing opportunities for veterans at educational institutions located in the state.

Ken Stodgell, Legislative Chairman, Veterans of Foreign Wars, testified in support of the bill ([Attachment 9](#)). Mr. Stodgell mentioned that he encouraged the testimony given by Mr. Yunker and he also addressed the issues the VFW supported and was concerned with regarding the bill. Mr. Stodgell noted that the bill brings meaningful support and relief to veterans and their families.

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Written testimony was submitted by Michele Henry, Executive Director, National Guard Association of Kansas (Attachment 10).

The Chairman closed the public hearing on **SB 533**.

The meeting adjourned at 12:05 p.m. The next meeting was scheduled for February 6, 2008.