

## MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 10:40 a.m. on February 9, 2004, in Room 123-S of the Capitol.

All members were present except:

Senator Christine Downey- excused  
Senator Dave Jackson- excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Susan Kannarr, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
Judy Bromich, Administrative Analyst  
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Terry Bernatis, State of Kansas Health Care Benefits Program, Kansas Department of  
Administration

Others attending:

See Attached List.

### **Bill Introductions**

Senator Adkins moved, with a second by Senator Barone, to introduce the following four bills: An act concerning taxation on cigarettes and tobacco products; relating to rates and disposition of revenue (3rs1877); An act concerning mineral severance tax; relating to disposition of revenue; creating the gas valuation depletion trust fund and providing for distribution of moneys therefrom (3rs1797); An act amending the open records act; relating to application to certain records (3rs1860) and An act concerning open meetings; relating to executive sessions requiring recording thereof (3rs1861). Motion carried on a voice vote.

Chairman Morris called the committee's attention to discussion of:

### **SB 336--Establishment of a tobacco use prevention and control program**

There was committee discussion and some additional information was distributed by Senator Barnett regarding Tobacco Cessation which was requested by the committee (Attachment 1).

Senator Schodorf moved, with a second by Senator Jordan, to amend **SB 336** to add language making the provisions of the bill subject to appropriations. Motion carried on a voice vote.

Senator Jordan moved, with a second by Senator Salmans, to recommend **SB 336** favorable for passage as amended. Motion carried on a roll call vote.

The Chairman called the committee's attention to discussion of:

### **SB 365--Deleting a provision in the post audit statute prohibiting a person who is regulated by the KCC from being audited by post audit**

The committee discussed a balloon amendment presented by the Division of Legislative Post Audit. Legislative Post Audit defined the following information regarding the bill:

**SB 365** amends K.S.A. 46-1114 to remove the blanket prohibition against Legislative Post Audit auditing KCC-regulated entities. The bill establishes a limited authority to audit those entities' compliance with laws or regulations, collection or remittance of fees or taxes, or other matters directly related to State government

## CONTINUATION SHEET

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programs or functions.

K.S.A. 46-1114 gives Legislative Post Audit access to a non-governmental entity's records to the same extent that the granting, contracting, or regulating State agency has access. Because the KCC has full access to all the records of the entities it regulates, this amendment would have the effect of limiting Legislative Post Audit only to those matters directly related to some governmental purpose. Under the amendment, Legislative Post Audit would not be authorized to conduct audits related to stock prices, dividends, shareholder disputes with management, or other financial or corporate-governance issues not directly related to a government activity.

Senator Barone moved adoption of, with a second by Senator Schodorf, the Legislative Post Audit balloon amendment for **SB 365** (Attachment 2). Motion carried on a voice vote.

Senator Schodorf moved, with a second by Senator Kerr, to recommend **SB 365** favorable for passage as amended. Motion carried on a roll call vote.

Chairman Morris welcomed Terry Bernatis, Health Care Benefits Administration, Kansas Department of Administration (Attachment 3). Ms. Bernatis presented an overview of the State of Kansas Health Care Benefits Program. She explained that the State of Kansas Healthcare Benefits Program is an employer-sponsored benefit program that provides medical, prescription drugs, dental, vision and hearing benefits for over 90,000 covered lives. Ms. Bernatis detailed four areas that included:

- Plan Design - 2004 Active Employee Open Enrollment Booklet
- Membership
- Contracting
- Funding and Budgeting

Ms. Bernatis addressed why the plan costs what it does and details are found in her written testimony. She noted that the plan design, and therefore, the cost of the program is driven by their plan participant's utilization of services and the cost for those services in the market place.

Copies of the 2003 and 2004 State of Kansas Open Enrollment booklets were distributed to the committee and are on file with the Health Care Benefits Administration office, Kansas Department of Administration.

The meeting adjourned at 11:50 a.m. The next meeting is scheduled for February 10, 2004.