

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 10:30 a.m. on February 25, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator David Wysong- excused

Committee staff present:

Alan Conroy, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Aaron Klaassen, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Melinda Gaul, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Senator Derek Schmidt
Barb Hinton, Legislative Post Audit
Robin Kempf
Joe Tilghman, Kansas Health Policy Authority (KHPA)

Others attending:

See attached list.

Introduction of Legislation

Senator Vratil moved to introduce legislation concerning teachers/teacher contracts for the School for the Blind and the School for the Deaf (9rs0884). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Umbarger moved to introduce legislation concerning the blind and visually impaired (9rs0854). The motion was seconded by Senator Taddiken. Motion carried on a voice vote.

Senator Umbarger moved to introduce legislation concerning liens on commercial property (9rs0864). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Lee moved to introduce legislation concerning hit and run drivers and the severity level of the crime (9rs0883). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Approval of Minutes

Senator Schodorf moved to approve the minutes of February 16 and February 17. The motion was seconded by Senator Taddiken. Motion carried on a voice vote.

Hearing on SB 141 - Inspector general within Kansas health policy authority transferred to division of post audit.

Jill Wolters, Revisor of Statutes, explained that **SB 141** transfers the position of inspector general of the Kansas Health Policy Authority (KHPA) to the Legislative Division of Post Audit. Current functions would be transferred from KHPA to Legislative Division of Post Audit or the post auditor. Duties and access of the inspector general remain as under current law (Attachment 1).

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 25, 2009, in Room 545-N of the Capitol.

Senator Derek Schmidt provided testimony in support of **SB 141** (Attachment 2). Senator Schmidt stated that the office of inspector general (OIG) was established within KHPA to oversee the state's Medicaid program and related health care programs. Senator Schmidt indicated that **SB 141** brings forth the opportunity to revisit the initial legislation, revise where the OIG is housed, how the OIG is supervised and the scope of authority. The Senator stated that he supports the move of the OIG from KHPA to the Legislative Division of Post Audit and clarification of the scope of authority given to the OIG.

The Committee noted that the Department of Administration might also be a possible agency in which to locate the OIG.

Barb Hinton, Legislative Division of Post Audit, presented testimony on **SB 141**, noting that she provides neutral testimony on the move of the OIG from KHPA to the Legislative Division of Post Audit (Attachment 3). Ms. Hinton felt it is important to place the OIG where the office can act independently to effectively carry out its critical audit, evaluation and investigation functions.

Ms. Hinton provided several amendments to **SB 141** to clarify the duties of the OIG, term of office, how compensation is determined and how the OIG staff is hired. Responding to a question from the Committee, Ms. Hinton indicated that there are 10 members of the Legislative Post Audit Committee - 5 from the Senate and 5 from the House of which 6 are from the majority party and 4 from the minority party.

Ms. Hinton stated that the Division of Legislative Post Audit is fully funded by the State General Fund (SGF) and felt that current staff could support the OIG without additional support staff.

Robin J. Kempf, the former Inspector General for KHPA, provided testimony in support of **SB 141** (Attachment 4). Ms. Kempf noted that the KHPA OIG was created by the 2007 Legislature to provide independent oversight of KHPA programs and operations and to investigate waste, fraud and abuse in Medicaid and the State Children's Health Insurance Plan (SCHIP). Ms. Kempf indicated that it is important for the OIG to be free of any coercive effects that undermine the objectivity and strength of the office's conclusions. For these reasons, she supports the move of the OIG from KHPA to the Legislative Division of Post Audit.

Joe Tilghman, Chairman, KHPA, presented testimony on concerns of KHPA with regard to **SB 141** (Attachment 5). Mr. Tilghman indicated that the OIG is a critical part of the overall capacity of KHPA to conduct audits and investigate concerns of the public, noting that the OIG provides an additional dimension to agency performance. Mr. Tilghman voiced concern that **SB 141** broadens the functions of the OIG but does not clearly define the new functions. He noted that the functions refer to "investigate inefficiency, mismanagement, and misconduct" with mandatory referral of findings to the Attorney General.

There were no other conferees to come before the Committee on **SB 141**.

The hearing on SB 141 was closed.

Subcommittee Report on Department of Transportation

Senator Umbarger, Chair of the Transportation Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Department of Transportation for FY 2010 and moved for the adoption of the Subcommittee recommendation on the Department of Transportation for FY 2010 with notations and adjustments (Attachment 6). The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

The Subcommittee provided a report on maintenance projects by district and county (Attachment 7).

Subcommittee Report on Human Rights Commission

Senator Emler, Vice-Chair of the Department of Administration Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Human Rights Commission for FY 2010 (Attachment 8).

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 25, 2009, in Room 545-N of the Capitol.

Senator McGinn moved for the adoption of the Subcommittee recommendations on the Human Rights Commission for FY 2010 with notations and adjustments. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Subcommittee Report on Kansas Corporation Commission

Senator Emler, Vice-Chair of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Kansas Corporation Commission for FY 2010 (Attachment 8).

Senator Kelly moved to amend the Subcommittee report on the Kansas Corporation Commission for FY 2010 by adding language to Item No. 3 for a "review at Omnibus". The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

The Committee noted that the Kansas Corporation Commission (KCC), who functions as a "court" and the Citizens Utility Ratepayer Board (CURB), who function as the people's lawyer, have budgets being reduced by at least 10.0 percent, while the lawyers who work the utilities will not see their budgets reduced. However, both are paid for by the utility ratepayers. The Committee felt this is a disadvantage to KCC, CURB and the ratepayers.

Senator Schordorf moved for the adoption of the Subcommittee recommendations on the Kansas Corporation Commission for FY 2010 with notations and adjustments as amended. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Subcommittee Report on Citizens Utility Ratepayer Board (CURB)

Senator Emler, Vice-Chair of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Citizens Utility Ratepayer Board for FY 2010 (Attachment 8).

With reference to Item No. 4 of the Subcommittee report, Jill Wolters, Revisor, explained that a proviso is necessary which allows reappropriation of any unspent funding for professional services from one fiscal year to the next. Legislation would put the process in substantive law but would be effective for only 1 year.

Senator Emler moved to amend the Subcommittee report on the Citizens Utility Ratepayer Board for FY 2010 by striking language pertaining to substantive law but maintain the language for a proviso, allow for a technical corrections to Item No. 3, and add language to review Item No. 3 at Omnibus. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Lee moved for the adoption of the Subcommittee recommendation on the Citizens Utility Ratepayer Board for FY 2010 with notations and adjustments as amended. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Subcommittee Report on Attorney General

Senator Emler, Chairman of the Legislative and Elected Officials Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Attorney General for FY 2010 and moved for the adoption of the Subcommittee recommendations on the Attorney General for FY 2010 with notations and adjustments (Attachment 9). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Subcommittee Report on Secretary of State

Senator Emler, Chairman of the Legislative and Elected Officials Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Secretary of State for FY 2010 (Attachment 9).

Because of necessary corrections being made on Item No. 3 of the report, action will be delayed until additional information is available.

Subcommittee Report on Insurance Commissioner

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 25, 2009, in Room 545-N of the Capitol.

Senator Emler presented the Subcommittee report on the Governor's budget recommendations for the Insurance Commissioner for FY 2010 with notations and adjustments (Attachment 9).

Senator Lee moved to add language to Item No. 3 for a review at Omnibus. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator McGinn moved for the adoption of the Subcommittee report on the Governor's budget recommendations on the Insurance Commissioner for FY 2010 with notations and amendments as amended. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Subcommittee Report on State Treasurer

Senator Emler presented the Subcommittee report on the Governor's budget recommendations for the State Treasurer for FY 2010 with notations and adjustments (Attachment 9).

Senator Teichman moved to add language to the Subcommittee report on the State Treasurer for FY 2010 to review Item No. 3 and Item No. 4 at Omnibus. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Emler moved for the adoption of the Subcommittee report on the Governor's budget recommendations on the State Treasurer for FY 2010 with notations and adjustments as amended. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Adjournment

The next meeting is scheduled for February 26, 2009.

The meeting was adjourned at 12:45 p.m.