

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 1, 2010, in Room 548-S of the Capitol.

All members were present except:
Senator Ty Masterson- excused

Committee staff present:
J. G. Scott, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Leah Robinson, 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
James Fisher, Intern

Conferees appearing before the Committee:
Mike Leitch, Deputy Attorney General
Patrick Broxterman, Senior Assistant Attorney General in the Tobacco Enforcement Unit
Melissa Ness, Chairperson, Children Cabinet
April Holman, Kansas Action for Children
Cammie Braden, President, Kansas Parents as Teachers Assoc (PAT)

Others attending:
See attached list.

Introduction of proposed legislation

Senator Umbarger moved to introduce legislation relating to transportation; providing for a transportation works for Kansas program (9rs1718); and removing the sales tax exemption on fuels (9rs 1733). The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Update of Water and Tobacco Litigation

Mike Leitch, Deputy Attorney General, presented an update on the State's ongoing water litigation against Colorado and Nebraska (Attachment 1). Mr Leitch stated that the successful litigation against Colorado over its violations of the Arkansas River Compact resulted in a U.S. Supreme Court decree requiring Colorado to reduce its groundwater pumping and to pay to Kansas approximately \$34 million in damages and interest. Mr. Leitch indicated that Nebraska has violated the Republican River Compact and a U.S. Supreme Court decree by overusing its allocation every year from 2003 to 2006. Future violations by Nebraska with regard to the Republican River, could affect the Milford Reservoir and the Kansas River, a critical water source to cities downstream. As it is unlikely that Nebraska will take the initiative on its own therefore, Kansas will pursue enforcement of its rights through renewed litigation in the U.S. Supreme Court. Mr. Leitch noted that Colorado has also been out of compliance with the decree and the Republican River Company. Colorado has proposed a pipeline plan to come into Compact Compliance. This plan is currently being arbitrated by the three states involved.

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Mr. Leitch informed the Committee that the \$34 million received for damages from Colorado was deposited in the Interstate Water Litigation Fund "Lock Box". Through an error in the 2007 budgeting process and language in the 2007 appropriations bill, the \$17 million remaining in the fund was lapsed, along with other unencumbered balances throughout the system, and deposited in the State General Fund (SGF). The problem was realized during the budget process in the fall of 2009 when it became apparent that no moneys existed in the fund. Mr. Leitch indicated that the agency has requested an additional appropriation of \$680,000 in FY 2010 and \$1 million in FY 2011 in the Governor's Budget Proposal to fund further litigation.

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on February 1, 2010, in Room 548-S of the Capitol.

The Committee expressed concern that funds can be lapsed from a "lock box" fund through the budget process and that no one in the system was aware of the reappropriation. It was noted that language in the appropriations' bill overrides other legislation.

Patrick Broxterman, Senior Assistant Attorney General in the Tobacco Enforcement Unit, presented an update on the tobacco issue and the Master Settlement Agreement (MSA) (Attachment 2). Mr. Broxterman noted that the states in the MSA are being challenged with regard to a qualifying statute in effect stating that the state must "diligently enforce" the provisions relating to Non-Participating Manufacturers (NPM). Kansas has such a qualifying statute. If the state is found out of compliance with the statute, the state could risk loss of a portion of or all of the annual payments for 2003, 2004, and 2005, and loss of monies up to 2010. Mr. Broxterman stated that because of the complexities of the resolution, the Attorney General's office is unable to evaluate a likely outcome at this time.

Responding to questions from the Committee, Mr. Broxterman stated that "diligently enforce" has not been defined at this time. Since 2008, the Attorney General's office has revamped the way they process tobacco litigation.

Hearing on SB 327 - Creating the tobacco master settlement agreement compliance fund; transferring \$900,000 from Kansas endowment for youth fund; enforcing tobacco laws.

Leah Robinson, Legislative Research Department, presented an explanation of the legislation. Ms. Robinson indicated that, if the bill becomes law, it would affect FY 2010, and appropriate \$900,000 from the Kansas Endowment for Youth (KEY) fund to a Tobacco Master Settlement Agreement Compliance Fund. The current balance in the KEY fund is \$16,000.

Patrick Broxterman, Senior Assistant Attorney General, presented testimony in support of **SB 327** (Attachment 3). Mr. Broxterman indicated that the funding will help ensure continued receipt of monies from the tobacco MSA. The bill would provide direct funding from the MSA payouts rather than from the SGF.

The Committee expressed concern that the agency might not be able to predict the amount of funding needed for future litigation issues and, therefore, not need a full \$900,000 each year. It was noted by the Committee that the Governor recommends a transfer of \$232,432 from the KEY fund in FY 2010 and recommends a transfer of \$475,985 from the KEY fund in FY 2011.

In response to a question from the Committee, Mr. Broxterman indicated that currently the agency receives \$500,000 from the KEY. The legislation would remove this funding and appropriate \$900,000 from the MSA to come directly to the Attorney General's office for litigation. The Committee questioned whether the language of the legislation indicated that the agency is currently receiving tobacco settlement funding in the amount of \$500,000 from the CIF, appropriated by the Legislature.

Melissa Ness, Chairperson, Children's Cabinet, provided testimony in opposition to **SB 327**. Ms. Ness explained that the Children's Cabinet makes recommendations for the use of funds from CIF, noting that in the past, the funds have not been used for programs such as proposed by the Attorney General. There has been a long standing commitment to programs for children.

April Holman, Kansas Action for Children, presented testimony in opposition to **SB 327** (Attachment 4). Ms. Holman indicated that they stand in opposition to the legislation because it would result in a reduction of funds from CIF for children's programs.

Cammie Braden, President, Kansas Parents as Teachers Association (KPATA), presented testimony in opposition to **SB 327** (Attachment 5). Ms. Braden stated that funds from CIF are used to fund Parents as Teachers programs across the state of Kansas as well as early learning programs including Infant/Toddler Special Services, Early head Start, Healthy Families, Infant Mental Health, and Child Care.

The Committee noted that Ms. Braden's testimony in the next to last paragraph should read "without taking additional money from the KEY Fund".

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on February 1, 2010, in Room 548-S of the Capitol.

Written testimony in opposition to **SB 327** was received from Janet Schalansky, President/CEO, Kansas Children's Service League (Attachment 6).

There were no other conferees to come before the Committee - proponents, opponents or neutral.

The hearing on SB 327 was closed.

Adjournment

The next meeting is scheduled for February 2, 2010.

The meeting was adjourned at 12:05 p.m.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE: February 1, 2010

NAME	REPRESENTING
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Chris Grunewald	AG
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Mike Leitch	A.G.
Jana El-Koubysi	A.G.
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SAM SPEED	A.G.
Nick Arnold	KHI NEWS
Steven Miller	KDOR - ABC
Ann Zinn	KDDI ABC
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Patrick Boxerman	AG
Dan Gibb	AG
Carol Cramer	KOHE
Tracie Lansing	Kansas Children's Service League
Junie Ray	KCSL
Oliver Neptok	KNASW
Catie Reck	KNASW
Scott Kothichal	WJW
Nike Reed	GACHES BRADEN
Levi Henry	Sandstone Group LLC
Jeff	Lawrence
MP Hillman	TFKE

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST

DATE: February 1, 2010

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Ken Secher	KGF
Leslie Kaufman	Ks Co-op Council
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Senate Ways & Means Committee
Water Litigation Update
Deputy Attorney General Michael Leitch
February 1, 2010

Mr. Chairman and members of the committee, thank you for allowing me to provide you with an update on the State's ongoing water litigation against Colorado and Nebraska.

OUR LEGISLATIVE MANDATE TO DEFEND INTERSTATE WATER RIGHTS

For over 100 years, Kansas has defended its interest in water through litigation. See *Kansas v. Colorado*, 182 U.S. 125 (1902); *Kansas v. Colorado*, 206 U.S. 46 (1907); and *Kansas v. Colorado*, 514 U.S. 673 (1995). The legislature has stated as a matter of policy that the State of Kansas will continue defending its interstate water rights through litigation, when necessary. The legislature has established and funded this mandate through the interstate water litigation fund. K.S.A. 82a-1801 *et seq.*

Our successful litigation against Colorado over its violations of the Arkansas River Compact resulted in a United States Supreme Court decree requiring Colorado to reduce its groundwater pumping and to pay to Kansas approximately \$34 million in damages and interest. The legislature placed the majority of that damage payment into the interstate water litigation fund, reaffirming our mandate to protect our water resources. These cases have been necessary to defend the rights of Kansas to water resources that in coming years will come under increased demand throughout the region and the country.

The benefits to Kansas of reliable sources of water are obvious. To restate them: every municipality, industry and agricultural concern in the state relies on water. Without water, quite literally, there is no life. The material prosperity of Kansas and the health of its citizens depend on reliable access to water resources.

CURRENT SITUATION

Kansas has water rights in the Republican and the Arkansas Rivers. These rights are protected by federal statutes, known as Compacts, and court decrees. [ARKANSAS RIVER: 63 Stat. 145-152 (1949) and *Kansas v. Colorado*, 556 U.S. ____ (2009); REPUBLICAN RIVER: 57 Stat. 86 (1943) and *Kansas v. Nebraska and Colorado*, 538 U.S. 720 (2003)]. However, those rights will only result in actual water coming to Kansas through constant vigilance on the part of the Kansas Department of Agriculture - Division of Water Resources, the threat of litigation by the Attorney General and actual litigation.

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Attachment 1

The upstream states of Nebraska and Colorado have powerful economic and political incentives to take Kansas' water. The value of water is understood in those states, and that value drives them to test the limits of Kansas' commitment to defending its rights. Kansas must, and will, pursue court orders in the United States Supreme Court to protect its rights on the Republican River and on the Arkansas River.

Even though Kansas has clearly defined water rights based on the Republican River Compact and a U.S. Supreme Court decree, Nebraska has still taken Kansas' water. Nebraska violated the decree and the Compact by overusing its allocation every year from 2003 to 2006. During those years, Nebraska shorted Kansas by 117,776 acre feet. In just the two year period 2005 to 2006 (which was declared water short by the United States Bureau of Reclamation), Nebraska shorted Kansas by approximately 78,000 acre feet. This amount is roughly what it would take to supply a city of 100,000 people in Kansas for ten years.

Future violations by Nebraska can affect more than just the Republican River basin. The Republican River supplies Milford Reservoir and feeds the Kansas River, which is a critical municipal water source to Topeka, Lawrence, and Johnson County.

Nebraska's continued violations are caused in large part by its internal politics. The only feasible way for Nebraska to come into compliance is to limit groundwater use in its portion of the Republican River basin. While the State is responsible for complying with the Compact and the Supreme Court's decree, the legal right to control groundwater use in Nebraska sits in the hands of its irrigators. The Nebraska legislature has delegated authority over groundwater to locally elected political subdivisions known as Natural Resource Districts. These Districts are controlled by the local irrigators who profit from increased water use, while damages caused by violations of the Compact are liabilities of the State as a whole.

The controlling legal authority in Nebraska on the issue of groundwater use must be changed. As it is entirely unlikely the Nebraska Unicameral will take this initiative on its own, then it will require a court order. Therefore, Kansas must pursue enforcement of its rights through renewed litigation in the U.S. Supreme Court. We are preparing to do just that.

Colorado has also been out of compliance with the decree and the Republican River Compact. Colorado has proposed a pipeline plan to come into Compact compliance. The decree requires that all three states agree to a pipeline plan of this type. Kansas was unable to accept Colorado's plan principally because the plan ends up depriving Kansas of its' rightful share of water. Kansas, Colorado and Nebraska are currently arbitrating this issue at the request of Colorado. In the event that Colorado cannot present an acceptable solution, Kansas will have to ask the U.S. Supreme Court for an order requiring curtailment of use and damages.

In the Arkansas River Basin, the most recent litigation brought by Kansas against Colorado to enforce our rights under the Arkansas River Compact came to an end last year. A final U.S. Supreme Court decree has been entered, and Kansas is monitoring Colorado's compliance with that decree. There are two potential disputes looming. Both disputes concern Colorado water court decrees authorizing Colorado water users to take certain actions that Kansas has determined will deprive us of our rightful share of water under the decree and the Arkansas River Compact. Late last year, we asked Colorado to address our concerns and we continue discussion with them. If we cannot reach an acceptable solution, our office will pursue a U.S. Supreme Court order to remedy the situation.



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STEVE SIX
ATTORNEY GENERAL

Senate Ways and Means Committee
Tobacco Update
Assistant Attorney General Patrick Broxterman
February 1, 2010

Mr. Chairman and members of the committee, thank you for allowing me to provide you with this tobacco update. I am the senior Assistant Attorney General in the Tobacco Enforcement Unit of the Office of Attorney General Steve Six and have been asked by the Office of the Attorney General to provide this update.

State of Kansas v. RJ Reynolds Tobacco Co., Shawnee County, Kansas District Court Case Number: 96-CV-000919. This matter arises under the Tobacco Master Settlement Agreement ("MSA"), entered into in 1998, that settled litigation and claims by Kansas and 45 other states, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa and the Northern Marianas (collectively the "States"), against the major tobacco manufacturers. Pursuant to the MSA, participating manufacturers agreed to make annual payments to the states. The payments made by the Original Participating Manufacturers ("OPMs") and Subsequent Participating Manufacturers (collectively the "Participating Manufacturers" or "PMs"), however, are subject to a number of potential adjustments. One such adjustment is the Non-Participating Manufacturer ("NPM") adjustment, which can be triggered if, among other things, the PMs suffer a specified market share loss attributable in significant part to their compliance with the MSA. Because it has been determined that the PMs did experience such market-share loss in 2003, 2004, and 2005, the PMs claim that they are entitled to offset the annual settlement payments due in April 2006, April 2007, and April 2008 by the amount of their alleged overpayments in 2003, 2004, and 2005. The total potential NPM Adjustment for all states is approximately \$1.15 billion for 2003, \$1.13 billion for 2004, and \$709 million for 2005, for a total of approximately \$3 billion. Kansas' total allocable share of that amount (as defined by the MSA) is approximately \$25 million.

Under the MSA, a state is immune from the NPM adjustment if the state continuously had a "qualifying statute," as defined in the MSA, "in full force and effect during the entire calendar year immediately preceding the year in which the payment in question was due, and diligently enforced the provisions of such statute during such entire calendar year." Kansas had such a qualifying statute in effect for the relevant period. Nonetheless, the PMs have asserted that Kansas and all other states failed to diligently enforce their qualifying statutes in 2003, 2004, and 2005 as required by the

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MSA. Based on this assertion, the PMs have disputed \$9.6 million of their payments into Kansas for 2003, \$9.5 million for 2004, and \$5.9 million for 2005. Payments from 2006, 2007, 2008, 2009, and 2010 will also likely be in dispute.

In addition to withholding a portion of annual payments, the diligent enforcement dispute theoretically could jeopardize the entire Kansas allocable share payment. Under the MSA, each state has an interest in the diligent enforcement determination of every other state. If one state is found to have diligently enforced its qualifying statute, that state's allocable share may be reallocated on a pro rata basis to the payments made to states that did *not* diligently enforce their statutes. *See* MSA Section IX(d)(2)(C). Theoretically, that means that if some states diligently enforced, and others did not, those states that did *not* diligently enforce could have their payments reduced up to and including their *total* MSA payment. In total, Kansas has received approximately \$167 million in MSA payments for the years 2003, 2004, and 2005.

On October 27, 2006, the PMs filed a motion in the Shawnee County District Court to compel arbitration of the diligent enforcement dispute for 2002. On July 10, 2007, the District Court granted the PMs' motion to compel arbitration. Kansas did not appeal that order. (As of April 2008, 47 out of 48 courts across the country that had addressed the question of whether the dispute concerning the 2003 NPM Adjustment is arbitral had ruled that arbitration is required under the MSA. In approximately 35 states, the orders compelling arbitration are final and/or non-appealable.) The District Court did not resolve the merits of the diligent enforcement dispute, leaving that determination to a panel of arbitrators selected in accordance with the terms of the MSA. At the present time, two of the three arbitrators have been selected. The beginning stages of arbitration are scheduled to commence as early as February 2010.

There are many potential outcomes to this litigation, which include everything from losing no money to losing the full \$167 million Kansas received for the years of 2003, 2004, and 2005, and loss of monies up to 2010. Due to the complexities of the MSA, the many parties to the MSA, and uncertainty over the final resolution of the NPM adjustment claims asserted by the PMs, we are unable to evaluate a likely outcome at this time.

In Fall 2008, the office completed a competitive bidding process to take over representation of the case, and outside counsel has now been retained and is vigorously defending the case.

In Winter 2009, the Attorney General's Office along with the Attorneys General's Offices of the majority of other settling states negotiated a 20% liability reduction for the 2003 arbitration. Additionally, based on that negotiation, Kansas received approximately \$4.5 million from the PMs previously held in a disputed payment account.

Thank you for allowing me to testify today in support of the tobacco update. I am happy to answer any questions.



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STEVE SIX
ATTORNEY GENERAL

Senate Ways and Means Committee
Senate Bill 327
Assistant Attorney General Patrick Broxterman
February 1, 2010

Mr. Chairman and members of the committee, thank you for allowing me to provide testimony in support of Senate Bill 327, an appropriations bill to fund tobacco enforcement in Kansas. I am the senior Assistant Attorney General in the Tobacco Enforcement Unit of the Office of Attorney General Steve Six. Attorney General Six is a strong proponent of this legislation and believes it will help ensure continued receipt of monies from the tobacco Master Settlement Agreement ("MSA").

Pursuant to the MSA, Kansas receives a payout of approximately \$55 million per year, plus an approximate additional \$15 million per year from 2008 through 2017.¹ To receive this money, all Settling States, including Kansas, must "diligently enforce" certain laws ensuring that Non-Participating Tobacco Manufacturers to the MSA deposit the required funds into individual escrow accounts. Without this diligent enforcement, Kansas, along with all Settling States, could be in danger of losing its total MSA payout for any given year.

In July, 2008, the Six administration created the Tobacco Enforcement Unit. In order to finance this unit, in FY 2009, the Attorney General's Office requested \$500,000; FY 2010, the Attorney General's Office asked for \$385,540 (this number was ultimately lowered to \$232,432); and for FY 2011, the Attorney General's Office requested \$475,985. Other states, such as Hawaii, Oregon, and Vermont, fund this enforcement directly from MSA payouts. However, no tobacco enforcement efforts in Kansas are directly funded from this MSA payout.

The \$900,000 yearly allocation addressed in SB 327 comes directly from MSA payouts, not the State General Fund. MSA enforcement efforts, which in turn help ensure continued receipt of MSA payouts, should be tethered to these payouts. This proposed annual funding will be administered by the Attorney General's Office specifically for tobacco enforcement, such as attorney and staff funding, administrative costs, annual training, field enforcement, auditing activities, technology updates, and licensing issues. Expenses for field enforcement, auditing, and licensing funding, will presumably be distributed to the Kansas Department of Revenue.

Thank you for allowing me to testify today in support of the tobacco update. I am happy to answer any questions.

¹ These numbers differ each year depending on, among other things, nationwide cigarette and roll-your-own tobacco sales.

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Attachment 3

April Holman, Director of Economic Policy
Kansas Action for Children
Legislative Testimony
Senate Ways and Means Committee
Senate Bill 327
February 1, 2010

Good morning, Chairman Emler and members of the Committee. On behalf of Kansas Action for Children (KAC) I would like to thank you for this opportunity to testify in opposition to Senate Bill 327.

Kansas Action for Children is a not-for-profit child advocacy organization founded in 1979. For more than 30 years, KAC has worked with lawmakers on policy solutions that improve the lives of Kansas children and their families.

We stand in opposition to Senate Bill 327 because it would result in a reduction to the Children's Initiative Fund (CIF) which funds programs serving roughly half of the state's children - more than 340,000 in 2009. These programs serve children of all ages with the primary focus on children ages birth to five.

When the state receives tobacco settlement money, the dollars flow first into the Kansas Endowment for Youth (KEY) Fund. From the KEY Fund, a portion of the money flows to the CIF. The system wasn't specifically designed as a source of revenue to the State General Fund (SGF). However, in practice there has been excess funding after the CIF transfer in past years to allow lawmakers to transfer a portion to the SGF and still retain a measurable ending balance in the KEY Fund.

Senate Bill 327 would take the first \$900,000 received in the KEY Fund and place it in a newly created Tobacco Master Settlement Agreement Compliance Fund. In Fiscal Year 2011 this action would result in almost a dollar-for-dollar \$900,000 reduction in the CIF.

By the end of FY 2010 the KEY Fund ending balance is estimated to be only \$1.7 million. This would barely support the \$900,000 transfer to the Tobacco Master Settlement Agreement Compliance Fund. By fiscal year 2011, almost the full amount in the KEY Fund will be needed in the CIF in order to maintain current funding levels for important children's programs. In fact, under the Governor's budget recommendation for FY 2011, \$67.1 million would be transferred from the KEY fund to the CIF with only an ending balance of \$16,040 remaining in the KEY Fund.

We have been in contact with the Attorney General's office and we understand how important it is for Kansas to meet the expectations set out for states in the Tobacco Master Settlement Agreement. We understand that if Kansas is found to have fallen short of its obligation to diligently enforce the Tobacco Master Settlement Agreement it could place future tobacco funding in jeopardy. However, as we understand it there is no guarantee that passing Senate Bill 327 will satisfy the parties to the tobacco settlement that Kansas is meeting its obligations. In fact, the state already provides SGF funding to support Tobacco Master Settlement Agreement compliance efforts without taking money from the KEY Fund.

Kansas has made the commitment to invest in early childhood health and education and it's a commitment that is working. We need to honor that commitment by maintaining the CIF and continuing our investment in early childhood programs. Therefore I respectfully ask for your opposition to Senate Bill 327.



Shaping policy that puts children first

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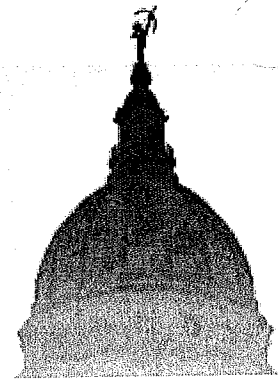
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Senate Ways & Means Cmte

Date 2-01-2010

Attachment 4

KEEPING THE PROMISE to KANSAS KIDS



What is the Children's Initiatives Fund?

The Children's Initiatives Fund (CIF) was created by the Legislature in 1999. Funding for the CIF comes from payments made to the state from the master tobacco settlement. The CIF is administered by the Children's Cabinet and Trust Fund. Programs that receive CIF funding undergo a rigorous evaluation by the Children's Cabinet to ensure that state dollars are being spent effectively.

Who is served by the CIF?

More than 340,000 – roughly half of the state's children – were served in 2009 by programs that rely on CIF dollars. These programs serve children of all ages with the primary focus on children ages birth to five.

Our future depends on the health and well-being of our next generation. That's why, more than a decade ago, Kansas legislators made a commitment to our state's future prosperity by establishing the Children's Initiatives Fund (CIF). We dedicated those CIF dollars to quality early childhood programs — programs like Early Head Start, newborn screening, Pre-K and Parents as Teachers — that are making a difference every day in the lives of our youngest citizens and in the livelihood of our state.

Investing early is the key

Early intervention is the key to improving outcomes for children. In fact, scientists now know that 90 percent of a child's brain architecture is established before the age of five and everything they learn – both as students and as adults – is built upon the strength of that architecture. Recognizing the importance of early intervention for children, the state has invested through the CIF in quality early childhood programs that are making sure more Kansas children have the tools they need to succeed in school and in life.

Early intervention results in cost-savings

Investing in early childhood programs optimizes state spending by reaching young children at a time when it is less costly to address educational and health challenges. Research shows that for every dollar we invest in early childhood education, we save the state at least \$7 down the road. Those savings come from such outcomes as fewer criminals in our justice system, fewer adults

WHAT PROGRAMS RELY ON FUNDING FROM THE CIF?

- Child Care Assistance Program
- Child Care Quality Initiatives
- Children's Mental Health Initiative
- Early Childhood Block Grant
- Early Head Start
- Family-Centered Systems of Care
- Family Preservation
- Four-Year-Old At Risk
- Healthy Start Home Visitors
- Immunization Outreach
- Infants and Toddlers Program
- Juvenile Graduated Sanctions Grants
- Juvenile Prevention & Intervention Grants
- Newborn Hearing Aid Loaner Program
- Newborn Screening
- Parents As Teachers
- Pre-K Pilot
- Reading and Vision Research
- SIDS Network Grant
- Smart Start Kansas
- Smoking Prevention Grants

on public assistance, fewer teen pregnancies and a stronger workforce.

Maintaining the CIF is a good investment

As Kansans, we need to make decisions today that will give our state the best possible chance to thrive in the future. That means giving Kansas children resources that will equip them to be a strong workforce, community leaders and taxpayers for tomorrow. Kansas has made the commitment to invest early and it's a commitment that is working. We need to honor that commitment by maintaining the CIF and continuing our investment in early childhood programs.



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Cammie Braden, President
Kansas Parents as Teachers Association
Legislative Testimony
Senate Ways and Means Committee
SB 327
February 1, 2010

Good morning, Chairman Emler and members of the Committee. On behalf of Kansas Parents as Teachers Association (KPATA), I would like to thank you for this opportunity to testify in opposition to SB 327.

Kansas Parents as Teachers Association (KPATA) represents Parents as Teachers (PAT) programs in 219 Kansas school districts. These programs serve over 19,500 children and 15,000 families. Sixty-six percent of Kansas PAT programs currently have a waiting list.

Parents as Teachers is a home-based program of Parent Education for families with children prenatal to age 3. It is designed to give children the best possible start in life and to prepare them for school success. The program uses an evidence-based curriculum and is part of the Early Learning Continuum of services to parents and their young children in Kansas by providing: personal visits, group meetings, screenings, resources, and referral to programs when there is greater need.

We stand in opposition to SB 327 because it would result in a reduction to the Children's Initiative Fund (CIF) which funds Parents as Teachers programs across the state of Kansas. The CIF also funds many other early learning programs: Infant/Toddler Special Services, Early Head Start, Healthy Families, Infant Mental Health, and Child Care.

Parents as Teachers programs partner with the CIF programs to provide services that make profound impact with families. We help parents access any additional services when needed. We continue to work with parents and children in partnership with these intensive services. Most often, through participation in PAT, the other more intensive costly services are not even needed. Meeting the needs of young children better prepares them for school and life. This remediation results in a savings to the State of Kansas. For every \$1 invested in early education, the state saves at least \$7 from reduced special education, welfare, and child abuse and neglect.

The research is clear about the impact of Parents as Teachers: PAT children at age 3 were more advanced in language, social development, problem-solving, and intellectual development; PAT children outscored their peers on measures of school readiness and in standardized assessments in reading, math, and language; PAT parents took a more active role in their child's education; participation in PAT reduces the need for placement in special education; and participation in PAT lowers the incidence of abuse and neglect.

Kansas has made the commitment to invest in Parents as Teachers since 1989. Parents as Teachers and the other CIF programs are working together to make a difference to more than 340,000 Kansas children and families. It is the best return on our education dollars and is a difference that we must continue to fund. SB 327 could cut nearly \$900,000 for Fiscal Year 2011. That would likely result in cuts to important children's programs, including Parents as Teachers, which already has a waiting list of over 4,000 families.

Therefore, on behalf of Kansas Parents as Teachers Association and Parents as Teachers families, I respectfully ask for your opposition to SB 327.

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Attachment 5



Kansas Children's Service League

Giving Kids Our Best. For Over 100 Years.

February 1, 2010

The Honorable Jay Emler, Chair
Senate Committee on Ways and Means
Room 548-S, Statehouse

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Testimony: S.B. 327

Chairman Emler and Members of the Committee:

Thank you for the opportunity to provide written testimony regarding S.B. 327, creating the tobacco master settlement agreement compliance fund.

This bill would authorize the attorney general to transfer the first \$900,000 received from the Kansas Endowment to Youth (KEY fund) to the AG's office to administer the Master Tobacco Settlement Agreement and to enforce tobacco control. According to the fiscal note submitted April 23, 2009, the monies in this new account would be spent on administration and enforcement related to the Tobacco Master Settlement Agreement and any other tobacco-related laws.

The Kansas Children's Service League opposes this proposal for the following reasons:

- The KEY Fund is the source of funding for the Children's Initiatives Fund (CIF); therefore, a reduction to the KEY Fund translates into a reduction to the CIF. If passed, S.B. 327 would increase the amount of potential cuts facing the CIF for 2011 to nearly \$18 million.
- The State has an established, proven mechanism for allocating funds flowing through the Children's Initiatives Fund that relies on a prioritization process and recommendations from the Children's Cabinet and requires ongoing evaluation of funded programs. By taking these funds "off the top," they would not be subject to this process, resulting in diminished accountability for their use in achieving positive outcomes for Kansas' children.
- Approving this legislation could open the door for a whole host of other proposals that, while possibly worthwhile, do not fit within the framework of programs and initiatives for the Children's Initiatives Fund that has been established and followed with considerable discipline thus far.

In sum, we believe passage of S.B. 327 would unnecessarily diminish the funding available for programs currently funded with CIF dollars, reduce the accountability for the use of CIF funds, and undermine the systems in place to ensure that Kansas' tobacco settlement dollars are used effectively for the benefit of Kansas children.

Sincerely,

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Locations

Cimarron
Deerfield
Emporia
Garden City
Hays
Hugoton
Hutchinson
Kansas City, KS
Kingman
Lenexa
Leoti
Liberal
Manhattan
Pittsburg
Pratt
Salina
Satanta
St. John
Stafford
Topeka
Ulysses
Wichita

Kansas Children's Service League
is the Kansas Chapter of Prevent
Child Abuse America, a member of
the Child Welfare League of America
and the United Way. Accredited by
the Council on Accreditation.

Senate Ways & Means Cmte

Date 2-01-2010

Attachment 6

