

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 3, 2009, in Room 545-N of the Capitol.

All members were present.

Committee staff present:

J. G. Scott, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Amy Deckard, 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:

Dan McLaughlin, State Fire Marshal
Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERs)

Others attending:

See attached list.

Introduction of Legislation

Senator Julia Lynn appeared before the Committee to request the introduction of legislation pertaining to funding for physical disabilities (PD) and developmental disabilities (DD) waivers.

Senator Umbarger moved to introduce legislation pertaining to the funding for physical disabilities (PD) and developmental disabilities (DD) waivers. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Senator Lee moved to introduce legislation pertaining to the garnishment of wages. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Dan McLaughlin, State Fire Marshal's office, appeared before the Committee to request the introduction of legislation pertaining to the state fire marshal commissioned inspector act.

Senator Vratil moved to introduce legislation pertaining to the state fire marshal commissioned inspector act. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Hearing on SB 93 - Joint committee on special claims against the state; membership; requiring only one attorney member from each house, not two.

Jill Wolters, Office of the Revisor of Statutes, explained that **SB 93** would reduce the number of attorneys from each Chamber of the Legislature that must serve on the Joint Committee on Special Claims from two attorneys to one attorney.

Senator Vratil provided testimony in support of **SB 93** (Attachment 1).

There were no other conferees to appear before the Committee on **SB 93**.

The hearing on **SB 93** was closed.

Senator Teichman moved to recommend **SB 93** favorable for passage and move to the consent calendar. The motion was seconded by Senator Masterson. Motion carried on a voice vote.

The Committee discussed the possibility of reducing the number of members assigned to the Special Claims Against the State Committee and ways to improve the process of reviewing the claims.

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 3, 2009, in Room 545-N of the Capitol.

Presentation on Kansas Public Employees Retirement System Death & Disability Program Status

Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERs), presented an overview of the Death & Disability Program and the affect of placing a moratorium on State General Funding (SGF) to the Program as proposed in the Governor's Budget Recommendation (GBR) (Attachment 2). Mr. Deck stated that the Death & Disability Program provides benefits to active members of the KPERs system and certain other groups of active public employees, primarily those in local government. Mr. Deck reported that there are approximately 3100 individuals receiving benefits at this time.

Mr. Deck explained that the Governor's proposal would put a moratorium on employer contributions for the first three quarters of FY 2010. **Sub for SB 23**, as passed by the Senate and the House Appropriations Committee, would advance the moratorium to begin in March 2009 for the last four months of FY 2009. Because the moratorium would also apply to local governments, it would produce savings at the local level in addition to savings for the SGF. Mr. Deck stated that the program would be manageable if the moratorium is imposed; however, that would depend on the number of claims filed for benefits. In addition, it would be necessary to monitor cash-flow carefully. Mr. Deck noted that statute allows for a loan from the Pooled Money Investment Board (PMIB) if necessary.

Responding to a question from the Committee, Mr. Deck stated that because lower claims have been experienced since 2005, the balance in the fund has grown. If the strategy of the program was changed to "pay-as-you go," it is possible that the 1 percent employer contribution rate could be lowered to .8 percent. Presently, the program's strategy has been to build a balance to provide stability in the program. Mr. Deck noted that the number of claims is not predictable. Changes in the economy could result in additional claims being filed; however, he had no data to support this projection.

Information to Subcommittees

Subcommittee meeting date information was distributed to the Committee (Attachment 3).

Adjournment

The next meeting is scheduled for February 4, 2009.

The meeting was adjourned at 11:30 a.m.