

Approved: March 2, 2011

Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30 a.m. on January 27 2011, in Room 548-S of the Capitol.

Senator Janis Lee (resigned from Senate January 26, 2011)

Committee staff present:

Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
David Wiese, Office of the Revisor of Statutes
Alan Conroy, Director, Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department
Aaron Klaassen, Senior Fiscal Analyst, Legislative Research Department
Dorothy Hughes, Fiscal Analyst, Legislative Research Department
Brea Short, Intern, Senator McGinn's Office
Jan Lunn, Committee Assistant
Josh Lewis, Chief of Staff

Others attending:

See attached list.

Senator McGinn called attention to follow-up information received from Elaine Frisbie, Deputy Director, Kansas Division of the Budget. The spreadsheet, "Major Categories of State Aid for Education" is attached (Attachment 1). Senator McGinn noted the information was provided at Senator Kelly's request during the Senate Ways and Means meeting of January 24, 2011.

SB 16 - Supplemental appropriations for FY 2011 for various state agencies.

A handout from the Kansas Legislative Research Department (KLRD) was distributed which reflects the Governor's recommended adjustments. This handout was used as a line-by-line review of adjustments by agency (Attachment 2).

Senator Vratil reported that, under the "Legislature" subtotal, lapsing \$283,050 would jeopardize the completion of the computer project that is currently in progress. Therefore, **Senator Vratil moved to restore \$283,050 to the "Legislature." Senator Teichman seconded the motion which passed on a voice vote.**

Senator Masterson discussed the proposal to delete \$94,864 from the "Real Estate Commission" fee fund and the impact this would have in FY 2012 and FY2013 unless the legislature authorizes a fee fund increase. **Senator Masterson moved to restore \$94,864 to the "Real Estate Commission." Senator Taddiken seconded the motion which failed on a voice vote.**

Senator Kultala moved to reinstate \$28,588 from the "Governmental Ethics Commission" fee fund; Senator Kelly seconded the motion which failed on a voice vote.

Senator Kelly requested explanation from staff regarding the "State Treasurer" agency line, numbers 1, 2, and 3 which increase these funds to "no limit" funds. Dorothy Hughes, Legislative Research Department, responded that the purpose of the Kansas Postsecondary Education Program Trust Fund is to encourage family postsecondary savings accounts by eligible individuals/families. The is a matching program which is transferred out of the State General Fund (SGF) to the Kansas Postsecondary Education Trust Fund; all expenses paid to administer the program are paid out of the Kansas Postsecondary Education Expense Fund. The request is to remove limits from these funds as well as to the Learjet Bond Fund and the Siemens Bond Fund. This will enable bond fund administrators more flexibility in their daily operations.

Under "Department of Commerce," Senator Kelly expressed concern over item #2 which allows the State Affordable Airfare Fund to carry forward funding that was unspent in FY 2010 to FY 2011. Discussion was heard from several senators regarding this issue. **Senator Kelly moved**

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to delete \$125,000 from the State Affordable Airfare Fund; Senator Kultala seconded the motion. The motion failed on a voice vote.

Amy Deckard, KLRD, noted under the "Health Policy Authority" #4 (page 4), the agency is requesting authority to include limits on State Employee Health Plan allowable operating expenses for FY 2011.

Under item #8, "Social and Rehabilitation Services," page 4, Senator Kelly requested additional information. Ms. Deckard explained the \$2.1 million, including \$861,551 from the SGF, allows persons on Developmentally Disabled or Physically Disabled waivers to relocate within the community. Funding allocated for the services is transferred from the applicable facility budget to the appropriate waiver program.

Senator Vratil discussed the special education maintenance of effort (MOE) issue heard during the Senate Ways and Means meeting on January 24, 2011. If Kansas does not appropriate an additional \$16.7 million for special education in 2011, the "Department of Education" agency page 5, #1 on the handout) projects a significant penalty in federal aid. A balloon amendment to **SB16 - Supplemental appropriations for FY 2011 for various state agencies** was distributed. **Senator Vratil moved to decrease the amount on line 23, page 15 of the bill from \$85,948,820 to \$69,237,942, and to insert on line 24, page 15 "(2) On the effective date of this act, the director of accounts and reports shall transfer \$16,710,878 from the general state aid account of the state general fund to the special education services aid account of the state general fund."** Senator Umbarger seconded the motion which **passed on a voice vote.**

Several senators questioned why "Department of Corrections" and "Kansas Commission on Peace Officers' Standards and Training" undermarket pay adjustments were not included in the "Undermarket Pay" section on page 7. Staff reported that calculations didn't cover all employees, and supplemental requests were made from these agencies.

Senator Emler expressed support to add \$4 million in the "Adjutant General" line in order to prevent federal loss of monies for disaster relief. **Senator Emler moved to add \$4 million to the "Adjutant General" line to provide for state disaster relief matching funds in FY 2011; Senator Vratil seconded the motion which passed on a voice vote.**

Aaron Klaassen, KLRD, clarified for Senator Kelly that under the "Kansas Commission on Peace Officers' Standards and Training" line, the funds being deleted reduce the Commission's authority to spend.

Senator Schmidt provided a historical perspective of the broad, in-depth work invested in the evaluation of Kansas' employees compensation levels to ensure competitive salaries for similar positions in the region. **Senator Schmidt moved to restore \$8,534,972 in state employee undermarket pay to the FY 2012 budget; the motion was seconded by Senator Kelly. The motion passed by voice vote.**

Senator Schmidt moved to restore \$8,534,972 in state employee undermarket pay to the FY 2013 budget; the motion was seconded by Senator Kultala. The motion passed by voice vote.

Senator Kelly questioned the transfer of \$4.3 million from the Kansas Endowment for Youth Fund (KEY) to the Children's Initiatives Fund for FY 2011. Ms. Deckard clarified that the KEY fund is a trust fund from tobacco settlement dollars. The fund is invested and managed by the Kansas Public Employees Retirement System.

Chairperson McGinn recessed the meeting at 11:23 a.m.

Chairperson McGinn reconvened the meeting at 11:29 a.m.

Staff clarified the \$500,000 transfer from the Kansas Commission on Peace Officers' Standards

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and Training was a fund sweep in FY 2011, and the \$3,081 from the State Highway Fund to the Water Structures State Highway Fund of the Department of Agriculture was to fund undermarket increases in FY 2011.

Senator Huntington returned to the "Kansas Technology Enterprise Corp" agency listed on page 3 of the handout. **Senator Huntington moved to restore \$71,426 to the PIPELINE Program from the Economic Development Initiatives Fund (EDIF) in FY 2011; Senator Schodorf seconded the motion which passed on a voice vote.**

Senator Schodorf moved to add \$5.7 million in FY 2011 from the SGF for unexpected enrollment increases; Senator Vratil seconded the motion which passed on a voice vote.

Senator Taddiken expressed concern for at-risk student funding and moved to add \$8.6 million from the SGF in FY 2011 to partially fund an increase in at-risk students. The motion was seconded by Senator Vratil and passed on a voice vote.

Chairperson McGinn referenced the House Committee amendments to **HB 2014**, the Governor's FY 2011 rescission bill. **Senator McGinn moved to reduce salary and wage expenditures for legislators, statewide elected officials, and statutory agency heads by 7.5 percent for the remaining pay periods in FY 2011. The motion was seconded by Senator Emler and passed on a voice vote.**

Senator Kelly moved to add \$100,000 from the SGF in 2011 for the Teen Pregnancy Prevention Program. The motion was seconded by Senator Kultala and passed on a voice vote.

Ways and Means Subcommittee Assignment

Chairperson McGinn reviewed the process for Subcommittee Assignments and meetings. She indicated that Senate Ways and Means committee of the whole would not meet on Thursdays to allow additional time for the subcommittees complete their work. Senator McGinn added that the final schedule would be hand delivered to each Senator on January 28; an electronic copy will be distributed as well.

Kansas Day - Sesquicentennial Celebration

Senator Schodorf briefed committee members on the celebration that will occur at 9:45 a.m. on the south steps of the Capitol Building on January 28, 2011. She invited all to attend.

The meeting was adjourned at 11:53 a.m.