

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at a Joint Meeting with Senate Ways and Means and House Appropriations at 9:00 a.m. on Wednesday, January 13, 2016, Room 346-S of the Capitol.

All members were present

Committee staff present:

Jill Wolters, Office of Revisor of Statutes  
Scott Abbott, Office of Revisor of Statutes  
David Wiese, Office of Revisor of Statutes  
J G Scott, Legislative Research Department  
Shirley Morrow, Legislative Research Department  
Dezeree Hodish, Legislative Research Department  
Bobbi Mariani, Legislative Research Department  
Amy Deckard, Legislative Research Department  
Sharon Wenger, Legislative Research Department  
David Fye, Legislative Research Department  
Steven Wu, Legislative Research Department  
Aaron Klaassen, Legislative Research Department  
Mark Dapp, Legislative Research Department  
Justin Carroll, Legislative Research Department  
Mark Skoglund, Legislative Research Department  
Jennifer Ouellette, Legislative Research Department  
Debbie Luper, Chief of Staff  
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

Shawn Sullivan, Director, Division of the Budget and Business Processes, State of Kansas

Others in attendance:

[See Attached List](#)

**Bill introductions**

There were no bills introduced.

**Joint Meeting with House Appropriations**

Shawn Sullivan, Director of Budget and Business Processes, State of Kansas, reported on the Governor's Budget Report for FY2017 ([Attachment 1](#)).

Mr. Sullivan explained in-depth, the following topics that are outlined in the Governor's Budget Report:

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Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

## CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at a Joint Meeting with Senate Ways and Means and House Appropriations at 9:00 a.m. on Wednesday, January 13, 2016 in Room Room 346-S of the Capitol.

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- Revenue and Expenditure Trends, page 2;
- State General Fund, Compound Annual Growth Rate, page 3;
- Consensus Revenue Estimates, pages 4, 5 and 6;
- Fiscal Year-to-Date, Revenue Report, page 7;
- State General Fund, Outlook Comparison, page 8;
- FY2016 Adjustment, page 9;
- FY2017 Adjustments, page 10;
- State General Fund Outlook, page 11;
- Where State Dollars Come From and Go, page 12;
- Major Categories of State Aid for K-12 Education in Kansas, State Expenditures Perspective, page 13;
- Medicaid Expenditures by Fiscal Year, page 14;
- Children's Initiatives Fund Changes, page 15;
- Contributions to KPERS, page 16;
- KDOT, page 17 and 18;
- Other Key Issues, pages 19, 20 and 21;
- For additional information, visit the Kansas Division of the Budget's website, <http://budget.ks.gov>, page 22.

After Mr. Sullivan completed his presentation, the remainder of the time was used for questions and answers.

Several committee members voiced their concerns and questioned the consensus revenue estimate reporting process. These questions centered around the consensus revenue estimating board, how they are chosen, the composition of the board, and how the estimated budget for revenue reporting is compiled. Mr. Sullivan explained the makeup of the board, and how many board members are from the different geographical and institutional areas. He also stated that each board member presents his own budget recommendations by using the budgetary information received from the Kansas Department of Revenue. He said he feels since the past recent estimates were highly inaccurate, and in order to obtain more reliable estimates for revenue in the future, another layer of expertise for revenue estimating needs to be added.

A question was posed to Mr. Sullivan concerning the problems with the Centers of Medicare and Medicaid at the Osawatimie State Hospital and if the problems at that institution will affect the State's budgeting process. Mr. Sullivan said it was too early to know, if and how, the problems with Osawatimie State Hospital would affect the budget.

The question was asked why Kansas chose not to expand Medicaid. Mr. Sullivan said all indicators did not point to a good monetary and fiscal outcome for Medicaid expansion at this time.

A request was presented for a historical report for the total amount the State invested in the Kansas Bioscience Authority. Mr. Sullivan said the amount was \$240 million and the State would not recoup the amount invested when the Authority is privatized.

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The next Ways and Means Committee meeting is scheduled for Wednesday, January 20, 2016, at 10:30 am, in Room 548-S at the Capitol.

Chairperson Masterson adjourned the joint meeting at 11:02 am.