Approved: January 28, 2016

### MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 10:30 am on Wednesday, January 20, 2016, 548-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 the Revisor of Statutes
J.G. Scott, Legislative Research Department
Chris Courtwright, Legislative Research Department
Shirley Morrow, Legislative Research Department
Dezeree Hodish, Legislative Research Department
Bobbi Mariani, Legislative Research Department
Amy Deckard, Legislative Research Department
Mark Skoglund, Legislative Research Department
Debbie Luper, Chief of Staff
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

Larry Isaak, President, Midwest Higher Education Compact

Others in attendance:

See Attached List

# **Bill introductions**

Senator Fitzgerald introduced proposed legislation concerning the Kansas Law Enforcement Training Center. Senator Arpke seconded the motion and the motion carried on a voice vote.

<u>Senator Denning requested the introduction of the Governor's two budget bills, the rescission bill for fiscal year 2016, and the supplemental bill for fiscal year 2017. Senator Arpke seconded the motion and the motion carried on a voice vote.</u>

#### **Presentation on:**

Richard Short, President of Short and Son, Inc, of Goodland, Kansas, and a Midwestern Higher Education Compact Commissioner Designee, introduced Larry Isaak, President, who gave the presentation on the Midwest Higher Education Compact. He stated that MHEC was created in 1991 and Kansas was the first founding member to pass state legislation to join the Compact. He explained some of the advantages and savings for higher educational institutions who have joined the Compact. Mr. Isaak explained MHECare, the student health collaborative, that provides member institutions with

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sustainable student health insurance solutions. He reported that the Kansas Board of Regents' institutions began participating in MHECare in the fall of 2012 (Attachment 1). He expounded on the Selected Performance Indicators for Kansas 2014-2015 (Attachment 2). Mr. Isaak included a breakdown of the annual and cumulative savings of member states for entities and citizens in MHEC (Attachment 3).

Senator Tyson asked for documentation showing all of the states involved in the Midwest Student Exchange being attended by Kansas students. Mr. Isaak said he would furnish that information to the committee.

Senator Kelly asked for information for the transfer-adjusted percentage for first-time, four-year private not-for-profit institutions. Mr. Isaak said he would provide that information to the committee, if the data was available.

## **Briefing on:**

Jill Wolters, First Assistant Revisor, Office of the Revisor of Statutes, explained the case of Solomon versus the State of Kansas. She outlined the dates, actions and bills involved in this case (Attachment 4). A copy of a concurring opinion by Justice Caleb Stegall concerning the case was distributed to the committee (Attachment 5).

### **Update on:**

Chris Courtwright, Principal Economist, gave an update on the State General Fund Revenue Estimate, and said the Consensus Estimating Group met in November to revise the revenue estimate for FY2016 and FY2017. His report included detailed actual revenue for FY2015, and revisions to the FY2016 and FY2017 estimated revenue (Attachment 6). Mr.Courtwright said severance taxes were highly likely to continue to decrease with the expected lower oil prices.

Senator Melcher asked if the Legislature has influence over estimating the revenue that the Consensus Estimating Group provides. Mr. Courtwright said the Legislature does not influence the revenue estimates; however, the Consensus Estimating Group was created by a statute and the Legislative Research Department is involved in gathering data for the Group to estimate revenue.

#### <u>Update on:</u>

Bobbi Mariani, Managing Fiscal Analyst, reported on the Fall 2015 Human Services Consensus Caseload Estimates for FY2016 and FY2017. She said the Division of the Budget, Department for Children and Families, Department of Health and Environment (KDHE), Department of Aging and Disability Services (KDADS), Department of Corrections, and the Legislative Research Department met on October 28, 2015, to revise the estimates on human services caseload expenditures for FY 2016 and FY2017 (Attachment 7). Ms. Mariani also updated the committee on the Economic Development Initiatives Fund income and expenditures for FY2015 and estimates for FY2016 and FY2017 (Attachment 8).

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.

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Senator Arpke asked for an updated FMAP amount for each of our surrounding states.

### **Update on:**

Dezeree Hodish, Fiscal Analyst, reported on the Expanded Lottery Act Revenues Fund revenue and transfers and expenditures for FY2015-FY2017 (Attachment 9).

Amy Deckard, Assistant Director for Information Management, reported on the Children's Initiatives Fund for FY2015-FY2017. Her handout included a flowchart of the tobacco payments to Kansas (Attachment 10). She also explained the FY2017 Approved Children's Initiatives Fund moneys shifted in the Governor's Recommendation (Attachment 11).

Senator Arpke inquired about the timing of the receipt of the tobacco money. Ms. Deckard said the tobacco payment receipts come to the State in April.

Senator Francisco requested information concerning the eligibility requirements for administering the Parents as Teachers program with TANF funds.

Mark Skoglund, Fiscal Analyst, reported on the State Water Plan Fund (Attachment 12).

J G Scott, Assistant Director for Fiscal Affairs, reported on the State General Fund (SGF) Receipts for July through December, FY2016 (Attachment 13). He also distributed a State General Fund Profile for FY2014-FY2017, and called attention to Foot Note #5 on the bottom of the Profile (Attachment 14).

The next Ways and Means Committee meeting is scheduled for Tuesday, January 26, 2016, at 10:30 a.m., in Room 548-S at the Capitol.

Chairperson Masterson adjourned the meeting at 11:57 a.m.