

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 10:30 am on Thursday, February 11, 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
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David Wiese, Office of the Revisor of Statutes
J.G.Scott, Legislative Research Department
Shirley Morrow, Legislative Research Department
Dezeree Hodish, Legislative Research Department
Dylan Dear, Legislative Research Department
Bobbi Mariani, Legislative Research Department
Mark Dapp, Legislative Research Department
David Fye, Legislative Research Department
Aaron Klaassen, Legislative Research Department
Mark Savoy, Legislative Research Department
Jennifer Ouellete, Legislative Research Department
Debbie Luper, Chief of staff
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

J. W. Rust, Senior Director, Alvarez and Marsal
Erica Kaperkowiak, Director, Insurance and Risk Advisory Services

Others in attendance:

[See Attached List](#)

Bill introductions

Senator Fitzgerald made a motion to introduce proposed legislation concerning municipalities. The motion was seconded by Senator Arpke and the motion was adopted on a voice vote.

Senator Fitzgerald made a motion to introduce proposed legislation concerning judicial retention. The motion was seconded by Senator Arpke and the motion was adopted on a voice vote.

Senator Denning made a motion to introduce proposed legislation concerning skilled nursing care facilities; relating to the quality care assessment; rate and sunset. The motion was seconded by Senator

CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 10:30 am on Thursday, February 11, 2016 in Room 548-S of the Capitol.

Arpke and the motion was adopted on a voice vote.

Senator Denning made a motion to introduce proposed legislation concerning Osawatomie State Hospital and classification of employees. The motion was seconded by Senator Arpke and the motion was adopted on a voice vote.

Senator Denning made a motion to introduce proposed legislation concerning depositing funds in the state treasury to improve transparency. Senator Arpke seconded the motion and the motion was adopted on a voice vote.

Senator O'Donnell made a motion to introduce proposed legislation concerning postsecondary education; authorizing the merger and consolidation of Wichita State University and the Wichita Area Technical College. The motion was seconded by Senator Arpke and the motion was adopted on a voice vote.

Senator O'Donnell made a motion to introduce proposed legislation concerning adult care homes, related to electronic monitoring. The motion was seconded by Senator Arpke and the motion was adopted on a voice vote.

Senator Arpke introduced proposed legislation for Senator King related to docket fees. The motion was seconded by Senator Powell and the motion was adopted on a voice vote.

Informational hearing:

J. W. Rust, Senior Director, Alvarez and Marsal, explained that cost savings opportunities exist through centralization of shared services agreements. He emphasized that Kansas should apply for additional funds from public and private sources. He identified 4 education related grants that peer states have received; however, Kansas has not ([Attachment 1](#)).

Erica Kaperkowiak, Director, Insurance and Risk Advisory Services, Alvarez and Marsal, explained the K-12 benefit program consolidation and implementing a retiree exchange platform recommended by Alvarez and Marsal. She said there is potential for \$40 million in the first year and \$80 million in ongoing fiscal years by consolidating the K-12 benefit program.

Senator Denning explained to the committee, that implementing the K-12 consolidation program process would be a huge project and will take many hours of work and a fairly long process to implement.

Senator Melcher asked what percent of savings of the K-12 benefit consolidation plan was attributed to plan design and administration and Ms. Kaperkowiak said 5 and 20 percent respectively. He then asked who were the beneficiaries of the other 80 percent earmarked for savings, and Ms. Kaperkowiak stated that it was the insurance companies. Ms Kaperkowiak noted that Nebraska, Texas and Washington have

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CONTINUATION SHEET

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implemented a K-12 benefit consolidation similar to this recommendation.

A spreadsheet was distributed itemizing the savings that were possible through centralization and consolidation of these services ([Attachment 2](#)).

Possible action on bills previously heard

No action was taken on bills previously heard.

The next Ways and Means Committee meeting is scheduled for Monday, February 15, 2016, at 10:30 a.m., in Room 548-S at the Capitol.

Chairperson Masterson adjourned the meeting at 11:18 a.m.