Approved: 3-31-99
Date

MINUTES OF THE SENATE ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Senator Audrey Langworthy at 11:20 a.m. on March 25, 1999, in Room 519-S of the Capitol.

All members were present except: Senators Donovan, Hardenburger, and Steffes

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list.

Senator Langworthy opened a discussion on a previously heard bill, **SB 242**, which would allow an income tax credit for foster parents and which was requested by Senator Hensley. She called attention to copies of a balloon of the bill. (Attachment 1)

Senator Lee recalled that the balloon amendment was suggested at the hearing on the bill by Joyce Allegrucci, Commissioner of Children and Family Services. She explained that, if the bill is amended as suggested, the income tax credit would apply if licensed foster families have had one or more foster children in their care for at least 305 days, whether or not consecutive. She noted that the original bill required that a foster family have a child in their care for twelve consecutive months in order to be eligible to receive an income tax credit.

Senator Lee moved to amend **SB 242** as indicated in the balloon, seconded by Senator Steineger.

Senator Langworthy pointed out that the corrected fiscal note on the bill indicates an impact $2,084,000 if all foster families claim the refundable credit. Senator Lee said the Department of SRS indicates that most families are foster families for only six months; therefore, in all probability, the fiscal note will be one half of the amount calculated.

Shirley Sicilian, Kansas Department of Revenue, explained that the corrected fiscal note was dramatically less than the original fiscal note because the Department double counted some families when they originally prepared the fiscal note. She further explained that two agencies have the number of foster families, but one of the agencies has the numbers for both agencies. When this error was discovered, a corrected fiscal note was published.

Senator Bond felt that perhaps foster families would ask SRS to leave foster children in their care for 305 days in order to receive the income tax credit. He feels a better approach is to increase funding and payment to all foster parents as opposed to a credit based on the amount of time a child is in a foster family's care. He commented further that the goal of the current system is permanency, and perhaps the bill would encourage longer foster care.

Senator Lee responded that about 80 percent of the children in the foster care system are eventually returned to their homes. Typical foster families do not have one child for a year but rather have four or five for two or three months each. The objective of **SB 242** was to resolve the problem SRS has of keeping foster families in the foster care system more than six months, the average length of time for a foster family. Senator Lee noted that persons wishing to become foster parents must be trained by SRS. The intent of the income tax credit is to encourage and reward foster parents to stay for a year, thus making the training by SRS a good investment. She further noted that SRS makes its decision as to how long a child is in foster care based on the appropriate time for the child to return to the original family or on when the child should be adopted, not on the basis of convenience to a foster family.

Senator Bond reiterated that, in his opinion, the bill is the wrong way to reward foster parents and that perhaps it would result in controlling the placement of foster children. He feels it is more appropriate to reward foster parents by paying them directly rather than providing a tax credit. Senator Lee responded that she would support this approach if it could be guaranteed that the amount indicated in the fiscal note ($2 million) will go to foster families and not be used by foster care contractors.

Senator Stephens expressed his support of the bill as means to help foster families continue to care for foster children and to help the state.

On a call for a vote on Senator Lee's motion to amend **SB 242**, the motion carried.

Senator Lee felt that the bill did not have enough votes to pass out of Committee favorably; therefore, she suggested that it remain in Committee rather than being voted upon and reported adversely.

The meeting was adjourned at 11:40 a.m.

The next meeting date is to be announced.

SENATE ASSESSMENT AND TAXATION COMMITTEE
GUEST LIST

DATE: March 25, 1999

NAME	REPRESENTING
Julie Hein	Hein & Weir, Chtd
DR. FESTUS E. OBIAKOR	SEN. HARRY STEPHENS
Shane Hagnelin	Sen. Stephens staff
Christy Caldwell	Topeka Chamber of Commerce
Martha Neu Smith	KMHA
Otto Sitz	KCC
Jim Yonally	USD #512
Diane Gjerstad	USD 259
STEVE KEARNEY	SWKIA
Lee Eisenhauer	PMAK
Scott Schneider	MAA
John Frederick	Boeing
Jackie Clark	Hallmark
Jim Langford	DOB

Session of 1999

SENATE BILL No. 242

By Senators Hensley, Barone, Biggs, Downey, Feleciano, Gilstrap Gooch, Goodwin, Jones, Lee, Petty, Steineger and Stephens

2-4

AN ACT relating to income taxation; allowing a credit therefrom for foster parents.

Be it enacted by the Legislature of the State of Kansas:

Section 1. For all taxable years commencing after December 31, 1998, there shall be allowed a credit against the tax liability of a resident individual imposed under the Kansas income tax act who[, for at least 12 consecutive months,] is a foster parent licensed pursuant to the provisions of K.A.R. 28-4-311 *et seq.*, and amendments thereto. Such credit shall be [claimed for the taxable year in which such time period ends, and shall be] in the amount of $1,000. If the amount of such credit exceeds the income tax liability of the individual, such excess amount shall be refunded to the individual.

and who has in placement one or more children in the custody of the secretary of social and rehabilitation services or the commissioner of the juvenile justice authority during at least 305 days, whether or not consecutive, of the taxable year of such individual

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

Senate Assessment + Taxation
3-25-99
Attachment 1