

MINUTES OF THE SENATE WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 3, 1999 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department  
Debra Hollon, Legislative Research Department  
Rae Anne Davis, Legislative Research Department  
Norman Furse, Revisor of Statutes  
Michael Corrigan, Revisor of Statutes  
Judy Bromich, Administrative Assistant  
Ann Deitcher, Committee Secretary

Conferees appearing before the committee: Rochelle Chronister, Secretary of SRS  
Duane A. Goossen, Director of the Budget

Others attending: See attached list.

Chairman Kerr called the Committee's attention to **SB 39** asking that they consider the possibility of adding \$1 million. This would be an emergency supplement to provide funding for the permanent guardianship program. (Attachment 1).

Rochelle Chronister, Secretary of SRS asked first for a point of personal privilege in order to publicly before the Committee, thank Senator Feleciano for what he has done with the Healthway promotion. By the end of January, the SRS had over 6,000 children enrolled in Healthway.

The Secretary then spoke in response to questions about the emergency funding for support of permanent guardianship for children in foster care. This would allow judges to close cases. (Attachment 2).

She said they anticipate there are about 600 children who are in a position now where a permanent guardianship would be appropriate. This funding would be for five months of this present fiscal year. She said this would be an appropriate amount and also need to be included in the FY 2000 budget.

In response to a question asked at an earlier meeting, it was stated that there were 1755 birth certificates amended as a result of adoption in 1998. 529 of those were SRS.

It was moved by Senator Morris and seconded by Senator Petty to amend **SB 39** to include the addition of \$1 million and favorably pass it out of Committee. The motion passed on a roll call vote.

Next on the agenda was Duane Goossen, Director of the Budget who spoke to the Committee in regard to the fiscal note concerning **SB 100**. (Attachment 3). He said the sole purpose of the bill is to make some revisions in the way the emergency fund receives money so that they have a more workable way to finance the state's share of cost associated with an emergency. It could be a problem if an emergency occurred during a time that the legislature was not in session and there was a shortage in the state emergency fund.

In answer to whether or not this bill was constitutional, Mr. Goossen said that he would have someone look into that. He said the intention was to make a workable situation where in the case of an emergency that requires money there's a way to get the money.

Senator Kerr asked the Budget Director if he would do the research on the constitutionality of the bill so that the Committee could make a decision.

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 3, 1999.

Copies of the State General Fund Receipts for July through January, FY 1999 were distributed. (Attachment 4).

It was moved by Senator Salisbury and seconded by Senator Morris that the minutes for January 25, 26, 27, 28 and February 2 be approved.. The motion carried by a voice vote.

The meeting adjourned at 12:05 p.m. The next meeting is scheduled for Thursday, February 4, 1999.



# SENATE BILL No. 39

For Consideration by Senate Committee on  
Ways and Means

By Committee on Ways and Means

1-12

9 AN ACT making and concerning appropriations for the fiscal year ending  
 10 June 30, 1999, for the adjutant general, authorizing certain transfers  
 11 and imposing certain restrictions and limitations, and directing or au-  
 12 thORIZING certain receipts and disbursements and acts incidental to the  
 13 foregoing.

years  
and June 30, 2000,  
and the department of social and rehabilitation services

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

15 Section 1. (a) For the fiscal year ending June 30, 1999, appropriations  
 16 are hereby made, restrictions and limitations are hereby imposed, and  
 17 transfers, fees, receipts, disbursements and acts incidental to the fore-  
 18 going are hereby directed or authorized as provided in this act.

years  
and June 30, 2000,

19 Sec. 2.  
 20  
 21 ADJUTANT GENERAL  
 22 (a) There is appropriated for the above agency from the state general  
 23 fund the following:

24 Disaster relief .....	\$2,801,780
--------------------------	-------------

25 ~~Sec. 3.~~ This act shall take effect from and after its publication in the  
26 Kansas register.

### Sec. 3. DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1999, the following:

Permanent guardianship .....	\$1,000,000
------------------------------	-------------

Provided, That all expenditures from the permanent guardianship account shall be made to provide support payments to individuals appointed as permanent guardians in child in need of care actions under the Kansas code for care of children, K.S.A. 38-1501, et seq.

(b) Any unencumbered balance in the permanent guardianship account of the state general fund in excess of \$100 as of June 30, 1999, is hereby reappropriated for fiscal year 2000.

### Sec. 4.

Senate Ways and Means Committee  
Date 2/3  
Attachment #1

**State of Kansas  
Department of Social  
& Rehabilitation Services**

Rochelle Chronister, Secretary  
Janet Schalansky, Deputy Secretary

For additional information, contact:

**SRS Office of the Secretary**

Laura Howard, Special Assistant  
915 SW Harrison Street, Sixth Floor  
Topeka, Kansas 66612-1570  
☎785.296.6218 / Fax 785.296.4685

For fiscal information, contact:

**SRS Finance Office**

Diane Duffy, CFO  
915 SW Harrison Street, Tenth Floor  
Topeka, Kansas 66612-1570  
☎785.296.6216 / Fax 785.296.4676



**Senate Ways and Means  
February 3, 1999  
11:00 a.m., Room 123-S**

**Testimony:  
Permanent Guardianships--Emergency Funding to  
Support Children in Foster Care**

**Rochelle Chronister  
Secretary, Social and Rehabilitation Services  
785-296-3271**

Senate Ways and Means Committee

Date 2/3/99

Attachment # 2-1

## Contents

<b>Testimony</b>	Permanent Guardianships: Emergency Funding to Support Children in Foster Care
------------------	---

**Kansas Department of Social and Rehabilitation Services  
Rochelle Chronister, Secretary**

**Senate Ways and Means**

**Permanent Guardianships: Emergency Funding to Support  
Children in Foster Care**

February 3, 1999

Mr. Chairman and members of the Committee, I am Rochelle Chronister, Secretary of the Department of Social and Rehabilitation Services. I thank you for the opportunity to appear before you today in response to your questions about the emergency funding to support permanent guardianships for children in foster care.

Last year you passed House Bill 2820 which embodied major revisions to the Kansas Code for the Care of Children to improve child safety and permanency. An important piece of this legislation was the provision for the establishment of Permanent Guardianship which is intended to be permanent, bestowing upon the guardian the rights and responsibilities of a parent without on-going state oversight. While not the substitute family provided by adoption, the permanent guardian makes a commitment to care for the child through minority; court oversight ceases, and the guardianship cannot be revoked by a parent.

Permanent guardianship under House Bill 2820 provides permanent families for children when neither returning home nor adoption is appropriate. However, the bill did not provide resources to assist the guardian in meeting the expenses of rearing a child. This lack of financial support has been a significant drawback in enabling families to assume the responsibility of permanent guardianship.

Funding now would help alleviate the backlog of children in foster care who could achieve a permanent home except for the lack of financial support.

Who Would Be Served?

Children who are currently in foster care and who:

- cannot return home;
- for whatever reason adoption is not appropriate;
- have a stable relationship with a relative, foster parent or other person who is able and willing to assume Permanent Guardianship, but lacks the financial resources to do so;
- have no resources of their own such as social security or veterans benefits or SSI to meet current cost of care and for whom there is no eligibility for Temporary Assistance to Families (TAF) or the \$175 TAF benefit is insufficient.

How Would SRS Manage the Funds?

It is too soon to have specific details available today, but at this time we are proposing to:

- establish a guardianship fund;
- develop actuarial data to determine the number of children who could be supported and at what level throughout the period of their minority;
- prepare emergency rules and regulations regarding child eligibility and maximum stipend amount;
- encumber funds for each eligible child throughout his or her minority;
- issue monthly stipend checks.

Providing for permanent guardianship support now for those children who are waiting for permanency is critical for the child and cost effective for the state. I appreciate your commitment to Kansas children.



STATE OF KANSAS



DIVISION OF THE BUDGET

Room 152-E

State Capitol Building

Topeka, Kansas 66612-1575

(785) 296-2436

FAX (785) 296-0231

Bill Graves  
Governor

Duane A. Goossen  
Director

January 27, 1999

The Honorable Dave Kerr, Chairperson  
Senate Committee on Ways & Means  
Statehouse, Room 120-S  
Topeka, Kansas 66612

Dear Senator Kerr:

SUBJECT: Fiscal Note for SB 100 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 100 is respectfully submitted to your committee.

SB 100 provides a means for financing the state's costs associated with natural disasters when the Legislature is not in session. Under current law, the State Finance Council is restricted to approving whatever funds are available in the State Emergency Fund. This bill would allow the Director of the Budget to certify any deficiency in funding to implement an emergency action of the State Finance Council. Such actions require a unanimous vote. With this certification, the Director of Accounts and Reports would transfer the necessary funds from the State General Fund to the State Emergency Fund to cover any shortfall. However, total transfers cannot exceed \$10.0 million in any fiscal year.

The passage of this bill alone does not have a fiscal effect. However, there is a potential effect to the extent that emergencies occur in the future and transfers are made from the State General Fund to the State Emergency Fund. The current balance in the fund is \$16,465. Most of the balance was spent by action of the State Finance Council on December 16, 1998, for emergencies arising from flooding in several areas of the state and the grain elevator disaster near Haysville. The Governor recommends a new transfer in FY 1999 to bring the balance in the fund to \$2.0 million.

Sincerely,

A handwritten signature in cursive script that reads "Duane A. Goossen".

Duane A. Goossen  
Director of the Budget

Senate Ways and Means Committee

Date 2/3/99

Attachment # 301

February 3, 1999

To: Legislative Budget Committee

## State General Fund (SGF) Receipts July through January, FY 1999

There are now three months of experience under the revised estimate of SGF receipts in FY 1999 made by the Consensus Estimating Group on November 5, 1998. The figures in both the "Estimate" and "Actual" columns under FY 1999 on the following table include actual amounts received in July-October. Thus, the report deals mainly with the difference between estimated and actual receipts in November through January.

**Total receipts through January of FY 1999 were \$19.516 million or 0.8 percent below the estimate.**

Taxes falling below the estimate by more than \$1.0 million were the sales tax (\$9.8 million), individual income tax (\$5.1 million), compensating use tax (\$4.7 million), corporation income tax (\$1.9 million), and severance tax (\$1.1 million). The only tax source exceeding the estimate by more than \$1.0 million was the inheritance/estate tax (\$3.0 million)

The corporation income tax made up some of the lost ground through December due to receipt of a \$14.6 million assessment from one company. This was offset somewhat by the payment of refunds totaling about \$8.0 million.

Interest earnings fell below the estimate by \$4.0 million while net transfers from the SGF were \$5.2 million less than had been estimated.

Receipts for the first seven months of FY 1999 are \$3.9 million or 0.2 percent above the receipts for the same period in FY 1998.

**STATE GENERAL FUND RECEIPTS**

July-January, FY1999

(dollar amounts in thousands)

	FY 1999				Percent Increase-- FY 1999 Over	
	Actual FY1998	Estimate*	Actual	Difference	FY 1998	Estimate
Property Tax:						
Motor Carriers	\$ 9,713	\$ 10,550	\$ 10,224	\$ (326)	5.3 %	(3.1) %
Income Taxes:						
Individual	\$ 926,387	\$ 960,000	\$ 954,929	\$ (5,071)	3.1 %	(0.5) %
Corporation	171,246	114,000	112,090	(1,910)	(34.5)	(1.7)
Financial Inst.	11,510	12,200	11,925	(275)	3.6	(2.3)
Domestic Ins. Co.	26	20	(1,197)	(1,217)	--	--
Total	\$ 1,109,168	\$ 1,086,220	\$ 1,077,748	\$ (8,472)	(2.8) %	(0.8) %
Inher./Estate Tax	\$ 52,996	\$ 54,000	\$ 57,028	\$ 3,028	7.6 %	5.6 %
Excise Taxes:						
Retail Sales	\$ 787,508	\$ 835,000	\$ 825,151	\$ (9,849)	4.8 %	(1.2) %
Comp. Use	110,181	118,500	113,782	(4,718)	3.3	(4.0)
Cigarette	30,664	30,800	30,585	(215)	(0.3)	(0.7)
Tobacco Prod.	1,919	2,015	2,023	8	5.4	0.4
Cereal Malt Bev.	1,492	1,435	1,504	69	0.8	4.8
Liquor Gallonage	8,073	7,800	8,229	429	1.9	5.5
Liquor Enforce.	16,945	17,800	18,297	497	8.0	2.8
Liquor Dr. Places	2,950	3,125	3,101	(24)	5.1	(0.8)
Corp. Franchise	6,420	6,750	6,411	(339)	(0.1)	(5.0)
Severance	40,368	25,950	24,874	(1,076)	(38.4)	(4.1)
Gas	30,830	21,100	19,622	(1,478)	(36.4)	(7.0)
Oil	9,539	4,850	5,252	402	(44.9)	8.3
Total	\$ 1,006,520	\$ 1,049,175	\$ 1,033,957	\$ (15,218)	2.7 %	(1.5) %
Other Taxes:						
Insurance Prem.	\$ 40,662	\$ 37,250	\$ 37,483	\$ 233	(7.8) %	0.6 %
Miscellaneous **	536	745	692	(53)	29.1	(7.1)
Total	\$ 41,199	\$ 37,995	\$ 38,175	\$ 180	(7.3) %	0.5 %
<b>Total Taxes</b>	<b>\$ 2,219,595</b>	<b>\$ 2,237,940</b>	<b>\$ 2,217,132</b>	<b>\$ (20,808)</b>	<b>(0.1) %</b>	<b>(0.9) %</b>
Other Revenue:						
Interest	\$ 53,286	\$ 59,859	\$ 55,839	\$ (4,020)	4.8 %	(6.7) %
Transfers (net) **	(19,764)	(21,185)	(15,989)	5,196	(19.1)	24.5
Agency Earnings and Misc.	27,717	27,614	27,729	115	0.0	0.4
Total	\$ 61,239	\$ 66,288	\$ 67,580	\$ 1,292	10.4 %	1.9 %
<b>TOTAL RECEIPTS</b>	<b>\$ 2,280,834</b>	<b>\$ 2,304,228</b>	<b>\$ 2,284,712</b>	<b>\$ (19,516)</b>	<b>0.2 %</b>	<b>(0.8) %</b>

\* Consensus estimate as of November 5, 1998.

\*\* Estimates include transfers out attributable to Project 2000 of the Dept. of Revenue. Actual tax receipts from the Project cannot be separately identified.

NOTE: Details may not add to totals due to rounding.