

Approved: _____

Date

1-16-01

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Sandy Praeger at 9:30 a.m. on January 11, 2001 in Room 234-N of the Capitol.

All members were present except:

Committee staff present: Dr. Bill Wolff, Kansas Legislative Research Department
Ken Wilke, Office of the Revisor of Statutes
JoAnn Bunten, Committee Secretary

Conferees appearing before the committee:

Susan Mahoney, Legislative Liaison, Governor's office
Chuck Stones, Kansas Bankers Association

Others attending: See attached list

Introduction of Bills

Susan Mahoney, Legislative Liaison, Governor's office, requested introduction of a bill that would remove the six-month waiting period for children to enroll in HealthWave, the state's health care program for children. (Attachment 1)

Senator Feleciano made a motion that the Committee introduce the proposed legislation, seconded by Senator Steineger. The motion carried.

During Committee discussion concern was expressed that state employees' children are not eligible to participate in the HealthWave program based on restrictions in the federal law.

Overview of Kansas Banking

Chuck Stones, Kansas Bankers Association, presented an overview of the Kansas banking industry as outlined in his written testimony entitled "Kansas Bank Facts." (Attachment 2)

Ag-lending, production credit, paper transfer, and charter banks were some of the topics discussed by the Committee.

Adjournment

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee is scheduled for January 16, 2001.

SENATE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE GUEST LIST

DATE: 1-11-01

NAME	REPRESENTING
Rick Guthrie	Health Midwest
Waldo Turner	State Farm
Bill Sneed	State Farm
Jim Liu	Division of the Budget
George Barbee	Gacher Broden Barbee
Susan Mahoney	Gov's Office
Matt Goddard	HCBA
Kathy Olsen	KS Bankers Assoc
Chuck Stokes	" "
John Federico	Federico Consulting
Chris Collins	KMS
K. Bone	Hem Jewer
Anne Spiess	H.I.F.A.
Judi Stork	OSBC (Office of the State Bank Comm)
Sonye Allen	OSBC
Rudy Shaw	Kearney Law Office

STATE OF KANSAS

BILL GRAVES, *Governor*
State Capitol, 2nd Floor
Topeka, Kansas 66612-1590



(785) 296-3232
1-800-748-4408
FAX: (785) 296-7973

OFFICE OF THE GOVERNOR

January 11, 2001

TO: Committee of Financial Institutions and Insurance

FROM: Susan Mahoney, Governor Graves Office

RE: Bill Introduction

Madame Chair and members of the Committee, my name is Susan Mahoney and I am one of the Governor's Legislative Liaisons. I am here today to request a bill introduction into your committee. This bill removes the 6- month waiting period for children to enroll in Healthwave, our health care program for children. The Governor's Vision 21 Task Force on Early Childhood made this recommendation, and the Governor fully supports it. As you know, the Governor's goal, as I'm sure is yours, is to reach as many children as possible. We believe removing this barrier will allow Healthwave to fulfill this goal.

Thank you for your time this morning. I will be glad to answer any questions you may have.

Senate Financial Inst. & Insurance

Date: 1-11-01 /

Attachment No. /

KANSAS BANK FACTS

(Based on 6/30/00 data)

- Kansas has 375 chartered banks of which 270 are state charters and 105 are national charters. Kansas ranks 5th in the nation behind Texas, Illinois, Minnesota, and Iowa in the number of chartered banks.
- There is at least one chartered bank in 102 of the 105 Kansas counties. Only Wichita, Wallace, and Edwards counties are without a chartered bank. 17 other counties have only one chartered bank while Johnson County has the most with 21 charters.
- Kansas law has allowed multi-bank holding companies since 1985. There are currently 23 multi-bank holding companies in Kansas, which control 56 Kansas banks and 21 out-of-state banks.
- Interstate banking began in Kansas in 1992. Bank holding companies from three states own 10 Kansas chartered banks. Kansas holding companies control banks in Oklahoma, Missouri, Nebraska, Nevada, Texas, New Mexico, Arizona and Colorado.
- Interstate branching began in Kansas in 1997. There are currently nine out-of-state banks operating 160 branches in Kansas while four Kansas banks have a total of 13 out-of-state branches.
- There are banking facilities in 439 Kansas towns and cities. Over 70% of all chartered banks in Kansas are located in towns of less than 5,000 population. 20% of all chartered banks are located in towns of less than 500. There are chartered banks in 37 Kansas towns where the population is less than 250. The smallest town in the state with a chartered bank is Aliceville (pop. 37).
- There are 1,116 banking facilities (home offices and branches) throughout Kansas. Johnson County has the most facilities with 143 while Sedgwick County has 118. There are 20 counties that have three or fewer facilities.

Senate Financial Inst. & Insurance

Date: 1-11-01

Attachment No. 2

- Out-of-town branching was allowed in Kansas on a limited basis starting in 1986 and statewide branching has been possible since 1990. There are 464 out-of-town branch offices operated by 180 banks and 162 Kansas towns have only branch facilities of an out-of-town bank. Over 40% of all Kansas banks do not have any in-town or out-of-town branch offices.
- Kansas's chartered banks have total assets of \$36.27 billion. The largest chartered bank in Kansas is Firststar Bank of Overland Park with \$4.25 billion in assets and the TriCentury Bank of Simpson is the smallest with \$2.10 million in assets.
- While the average asset size of Kansas banks is \$96.7 million the median asset size is \$39.4 million. 25% of all Kansas banks have less than \$20 million in assets while 58% have less than \$50 million in assets. Only 19% of all Kansas banks have more than \$100 million in assets.
- Total deposits for Kansas banks currently stands at \$29.82 billion. The ten largest banks in Kansas hold 35% of the total deposits in the state.
- Tier I capital (core capital) for all Kansas banks stands at \$3.50 billion which is 9.64 % of total assets - well above the national average (8.51) for Tier I capital.
- Loan volume for Kansas banks totals \$23.19 billion with a loan to deposit ratio of 77.8% - an historic high. The largest segment of loans was non-farm real estate (44.8%) followed by commercial and industrial loans (20.9 %), and agricultural production and farm real estate loans (16.8%). The statewide ROA average for Kansas banks as of 6/30/00 was 1.28.
- Kansas banks employ over 13,500 people. Nearly one-third of all Kansas banks have fewer than 10 employees and 56% of the banks employ fewer than 20 people.