

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:40 a.m. on March 27, 2003, in Room 123-S of the Capitol.

All members were present except: Senator Paul Feleciano, Jr. - excused

Committee staff present:

J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Robert Waller, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Dr. Lorne Phillips, Director and State Registrar, Center for Health and Environmental Statistics
Susan Somers, Executive Director, Kansas Board of Accountancy
T. C. Anderson, Executive Director, Kansas Society of Certified Public Accountants

Others attending: See attached list

Senator Adkins moved, with a second by Senator Jordan, to approve the minutes of the March 5, March 6, and March 7, 2003 meetings. Motion carried on a voice vote.

Bill Introductions

Senator Jackson moved, with a second by Senator Bunten, to introduce a bill allowing private companies to construct correctional facilities (3rs0936). Motion carried on a voice vote.

Senator Jordan moved, with a second by Senator Jackson, to introduce a bill concerning workers compensation; work disability (3rs1000). Motion carried on a voice vote.

Senator Adkins moved, with a second by Senator Jackson, to introduce a conceptual bill concerning adult care home licensing and other functions proposed to be transferred from the department on health and environment to the department on aging. Motion carried on a voice vote.

Senator Adkins moved, with a second by Senator Jordan, to introduce a bill concerning income tax deductions and credits for long-term care insurance premiums paid by an individual (3rs0996). Motion carried on a voice vote.

Chairman Morris called the committee's attention to discussion of:

HB 2014--Retirement annuities for members of legislature for past service

Senator Adkins moved, with a second by Senator Downey, to reconsider the committee's action taken on HB 2014. Motion carried by a voice vote.

Senator Adkins moved, with a second by Senator Downey, to amend HB 2014 by inserting the language contained in SB 90 into HB 2014 and recommend HB 2014 favorable for passage as amended. Motion carried on a roll call vote.

CONTINUATION SHEET

Chairman Morris opened the public hearing on:

SB 268--Department of health and environment, center for health and environment statistics, fee funding

Staff briefed the committee on the bill.

Dr. Lorne A. Phillips, Director and State Registrar, Center for Health and Environmental Statistics, Kansas Department of Health and Environment, spoke before the committee regarding **SB 268** (Attachment 1). Dr. Phillips explained that the establishment of the Civil Registration and Health Statistics Fee Fund (CRHSFF) is the principal feature of the bill. Additional details are found in Dr. Phillip's testimony. Committee questions and discussion followed.

There being no further conferees to come before the committee, the Chairman closed the public hearing on **SB 268**.

Senator Schodorf moved, with a second by Senator Adkins, to recommend SB 268 favorable for passage. Motion carried on a roll call vote.

Chairman Morris opened the public hearing on:

HB 2241--Certified Public Accountants, fees

Staff briefed the committee on the bill.

Susan L. Somers, Executive Director, Board of Accountancy, testified in support of **HB 2241** (Attachment 2). Ms. Somers explained that the major portion of the bill provides for the computerization of the uniform CPA exam.

T. C. Anderson, Executive Director, Kansas Society of Certified Public Accountants, testified in support of **HB 2241** (Attachment 3).

There being no further conferees to come before the committee, the Chairman closed the public hearing on **HB 2241**.

Senator Downey moved, with a second by Senator Schodorf, to recommend HB 2241 favorable for passage. Motion carried on a roll call vote.

Bill Introduction

Senator Kerr moved, with a second by Senator Jordan, to introduce a conceptual bill regarding repeal of property tax exemptions for certain electric generation facilities and pollution control devices. Motion carried on a voice vote.

The meeting adjourned at 11:50 a.m. The next meeting is scheduled for March 28, 2003.



K A N S A S

RODERICK L. BREMBY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

DEPARTMENT OF HEALTH AND ENVIRONMENT

Testimony on Establishment of the Civil Registration and Health Statistics Fee Fund (SB No. 268)

To

Senate Ways and Means Committee

Presented by Dr. Lorne A. Phillips

Director and State Registrar

Center for Health and Environmental Statistics

March 27, 2003

Senator Morris and members of the Senate Ways and Means Committee, I am pleased to appear before you today to discuss Senate Bill No. 268.

Establishment of the Civil Registration and Health Statistics Fee Fund (CRHSFF) is the principal feature of this Bill. Numerous individuals rely on responsiveness of the civil registration system to meet their day-to-day needs for vital records. The civil registration system is also the staple of effective public health surveillance and management. However, during the current and recent fiscal years, volatility of State General Fund (SGF) allocations has substantially hampered ability of the Center for Health and Environmental Statistics (CHES) to fulfill its goals to:

- Produce accurate and timely vital records to meet individuals' present or future day-to-day life needs for proving identity, establishing or preserving benefit or property rights or providing proof of United States citizenship, and
- Ensure quality health data is available and accessible for administrative and research purposes of National, State and local program managers, policy makers, researchers and the general public.

Many civil registration system processes are centralized and automated. However, human intervention is an essential bridge between the system and needs of customers. Since the preponderance of CHES' budget and expenditure requirements relate to salaries, virtually no opportunity exists to distribute reduced SGF allocations to other operating expenses. Consequently, CHES' salary shrinkage (turnover) rate has been used to cover the gap between declining, and often volatile, SGF budget allocations and public demand for services. For example, to meet the FY 2002 Budget SGF allocation, CHES' salary shrinkage (turnover) rate was increased to 10.7%. Output of the civil registration system is achieved through a variety of production processes. Consequently, depending on the type of process, each position vacancy may delay or backlog service to customers

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Attachment 1

in a different manner, i.e., a worker needing a birth record to begin work with a new employer, the survivor needing rapid registration of a death record to initiate survivor benefits, a student needing a birth record to begin attendance at a new school, etc. Clearly, customers' needs are real, and given the revenue generated, the expectation that these needs will be met on a timely basis is valid. During FY 2002, the monthly average of customer requests was 14,696 (282 received by Fax, 369 by the Internet, 1,873 by customer walk-in, 2,375 by telephone and 10,797 by U.S. Mail), for a Fiscal Year total of 176,352.

The Bill includes another key feature, amendment of K.S.A. 65-2418. Section 2. is simply cleanup language to eliminate cumbersome and confusing duplication of provisions in K.S.A. 65-2418. and K.S.A. 65-2418d., which relate to authority to issue and charge fees for certified abstracts of vital records, and to eliminate the need for the Vital Statistics Maintenance Fee Fund, since it will become part of the CRHSFF when this Bill is enacted.

A chart which shows projected FY 2004 expenditures and revenue, including the \$1 increase for issuance of each certified copy or abstract, is attached.

Therefore, Senate Bill No. 268:

- Relieves mission critical functions of CHES from uncertainty and volatility of annual SGF allocations; and,
- Eliminates cumbersome and confusing structure and content in K.S.A. 65-2418. and K.S.A. 65-2418d.

Consequently, I recommend favorable consideration of Senate Bill No. 268.

Thank you for the opportunity to appear before the Senate Ways and Means Committee. I will be pleased to respond to any questions members of the Committee may have regarding this Bill.

Attachment

030403

CIVIL REGISTRATION AND HEALTH STATISTICS FEE FUND

	Estimated Copies Processed	Current Fees	Governor Fee Recommend	Fees Generated	New Fee	Scenario #2 Increased Receipts	New Fee	Scenario #3 Increased Receipts	New Fee	Scenario #4 Increased Receipts
Births	166,200	\$11/\$6	\$12/\$7	\$166,200	\$13/\$8	\$332,400	\$14/8	\$448,740	\$15/\$9	\$614,940
Marriage	11,750	\$11/\$6	\$12/\$7	\$11,750	\$13/\$8	\$23,500	\$14/8	\$32,900	\$15/\$9	\$44,650
Divorce	1,400	\$11/\$6	\$12/\$7	\$1,400	\$13/\$8	\$2,800	\$14/8	\$4,020	\$15/\$9	\$5,420
Deaths	189,200	\$12/\$7	\$13/\$8	\$189,200	\$13/\$8	\$189,200	\$14/8	\$227,040	\$15/\$9	\$416,240
TOTAL	368,550			\$368,550		\$547,900		\$712,700		\$1,081,250

	Governor Recommend	Scenario #2 FY 2004	Scenario #3 FY 2004	Scenario #4 FY 2004
1 Projected Annual Customer Receipts	\$3,209,550	\$3,209,550	\$3,209,550	\$3,209,550
Proposed fee increase	\$368,550	\$547,900	\$712,700	\$1,081,250
Less transfer to Family & Childrens Fund	(\$393,000)	(\$393,000)	(\$393,000)	(\$393,000)
Less transfer to District Coroner's Fund	(\$427,500)	(\$427,500)	(\$427,500)	(\$427,500)
Subtotal Receipts Available	\$2,757,600	\$2,936,950	\$3,101,750	\$3,470,300
2 Proposed CRHSFF Expenditures	(\$2,258,373)	(\$2,258,373)	(\$2,258,373)	(\$2,258,373)
3 Office Space Rental	(\$296,125)	(\$296,125)	(\$296,125)	(\$296,125)
Proposed 1.5% Salary increase	(\$37,822)	(\$37,822)	(\$37,822)	(\$37,822)
Proposed Expenditure Totals	(\$2,592,320)	(\$2,592,320)	(\$2,592,320)	(\$2,592,320)
 CASH BALANCE	 \$165,280	 \$344,630	 \$509,430	 \$877,980

1 ALL CUSTOMER RECEIPTS

2 BUDGETED STATE GENERAL FUND AND VITAL STATISTIC MAINTENANCE FEE FUNDS EXPENDITURES

3 OFFICE RENTS FOR FY 2003 ARE BUDGETED IN ADMINISTRATION; RENTS FOR FY 2004 ARE NOT CURRENTLY BUDGETED

KANSAS

BOARD OF ACCOUNTANCY

SUSAN L. SOMERS, EXECUTIVE DIRECTOR

KATHLEEN SEBELIUS, GOVERNOR

**Testimony
March 27, 2003
Senate Ways and Means Committee**

Good Morning. I am Susan Somers, Executive Director of the Kansas Board of Accountancy. Thank you very much for granting us the time to present our bill.

House Bill 2241 makes two changes to the Board's fee statute—

First, by creating a fee for late firm registrations. Two years ago, when we created a fee for firm registrations, we failed to provide for a fee for late registration.

Second, since 1997, the Board has contracted with a third party to process applications for the CPA exam; however, should the Board desire to take back this function in the future, it will be necessary for us to have enabling language to charge a fee for this service.

The major portion of this Bill provides for the computerization of the uniform CPA exam. Currently the exam is given in pencil and paper form; however, commencing next year, the exam will only be given in a computerized format. It is vital for us to amend our laws so that we are uniform with the other jurisdictions and so that rules and regulations regarding the examination process may be adopted in time for transitioning from the paper exam to the computerized exam.

We respectfully request favorable passage of this bill.

I will be happy to answer any questions that the Committee may have.



Kansas Society of Certified Public Accountants

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March 27, 2003

Chair Morris and members of the Committee.

I am T.C. Anderson, Executive Director of the 2,600 member Kansas Society of Certified Public Accountants.

I am here today to urge your support for H.B. 2241 as amended by the House Committee.

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Attachment 3