

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on February 7, 2006 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Kansas Legislative Research
Martha Dorsey, Kansas Legislative Research
Gordon Self, Revisor of Statutes Office
Judy Swanson, Secretary

Conferees appearing before the committee:

State Senator Barbara Allen
Roy Jensen, M.D., KU Cancer Center
Major General Todd Bunting, Adjutant General of Kansas

Others attending:

See attached list.

Senator Lee took over the Chair for the purpose of the hearing on **SB 482—providing checkoff for breast cancer research.**

Senator Barbara Allen testified why a checkoff fund was needed in Kansas for breast cancer research. (Attachment 1) She gave personal testimony as to why she sought medical treatment outside of Kansas. She said women in Kansas should not have to travel to Texas, Minnesota or Boston to obtain the highest standard of care for treatment of breast cancer.

Roy Jensen, M.D., Director of University of Kansas Cancer Center, testified that in order to achieve National Cancer Institute (NCI) designation, significant additional resources are needed. (Attachment 2) In addition to state appropriations, he will aggressively seek support from federal government sources and investments from private donors. Funds raised from a checkoff would be used to enhance the opportunities for Kansans to participate in clinical trials, understand breast cancer, and how to treat and prevent cancer.

During Committee discussion, Dr. Jensen said NCI-designated institutions have access to the latest clinical trials. It would be a benefit to rural Kansans because it would be geographically more convenient for treatment. He said breast cancer is not gender specific.

Senator Apple gave special appreciation to Senator Allen for her courage and compassion in bringing this issue to the Committee, and also to Dr. Jensen for his assistance with this program.

The American Cancer Society will forward written testimony in support of **SB 482.**

Hearing on **SB 482** was closed.

Senator Allen returned to the Chair for the purpose of the hearing on **SB384—income tax checkoff for Kansas military emergency relief.**

Major General Todd Bunting, Adjutant General, State of Kansas, testified in support of **SB 384.** (Attachment 3) The need for this fund was first determined when many Guard and Reserve members began to mobilize to support the war on terrorism in both Afghanistan and Iraq. He said this bill would give a new source for funding and allow the citizens of Kansas to show their support of the military.

Discussion followed, and Maj. Gen. Bunting said he did not have an estimate as to how much revenue this checkoff might provide. He felt \$50,000 would probably cover their needs. Richard Cram, KDOR, said checkoffs are expensive to set up. Senator Schmidt suggested a simple appropriation to the fund would be the more efficient way to handle the issue. In response to Senator Allen, Mr. Cram said if two checkoff bills were set up at the same time, the cost would be shared and the fiscal note would be less on each checkoff.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:40 A.M. on February 7, 2006 in Room 519-S of the Capitol.

Both checkoffs would be on-going checkoffs.

Hearing on **SB 384** was closed.

Further Committee discussion was held on **SB 358, electronic filing of returns and electronic funds transfer for payments required in certain circumstances.**

Senator Lee provided additional information from KDOR on what KDOR can do with electronic W2 information. (Attachment 4)

Senator Lee made a motion to amend SB 358 so that electronic filing of W2s is required from companies with a minimum of 51 employees, and to remove Section 1. Senator Pine seconded the motion, and the motion passed.

Gordon Self, Revisor, said that this amendment would be best handled by a substitute bill. The Committee agreed.

Senator Bruce moved to report a substitute bill for SB 385 as amended favorable for passage. Senator Donovan seconded the motion, and the motion passed.

Senator Donovan moved to approve the Minutes of the February 2 Committee meeting. Senator Schmidt seconded the motion. Motion carried.

Being no further business, the Committee adjourned at 11:30 a.m.

BARBARA P. ALLEN
SENATOR, EIGHTH DISTRICT
JOHNSON COUNTY
9851 ASH DRIVE
OVERLAND PARK, KANSAS 66207
(913) 648-2704
STATE CAPITOL, ROOM 122-E
TOPEKA, KANSAS 66612-1504
(785) 296-7353



TOPEKA
SENATE CHAMBER

COMMITTEE ASSIGNMENTS
CHAIR: ASSESSMENT AND TAXATION
MEMBER: EDUCATION
JUDICIARY

February 7, 2006

Re: SB 482 - Income Tax Check-Off for Breast Cancer Research

Madame Chairman:

SB 482 calls for the creation of the Kansas Breast Cancer Research Fund (the Fund) through a check-off program in which a taxpayer "checks off" on the state personal income tax form, in addition to his/her liability, or designates from his/her refund, a contribution to the Kansas Breast Cancer Research Fund. All moneys deposited in such Fund shall be used by the University of Kansas Cancer Center (KUCC) to conduct research relating to the prevention, treatment and cure of breast cancer.

Check-off programs have ballooned in scope and popularity over the last decade. In the last two years, state revenue agencies have seen strong growth in both the number of programs and the amount collected. Currently, 11 states have implemented breast cancer check-offs. Breast cancer check-off legislation is pending in many other states.

You might ask why this check off is targeted specifically to breast cancer. The reason is simple. Breast Cancer is the most frequently diagnosed cancer among women in Kansas, and it is the second leading cause of cancer death among women in Kansas. In the next year, more than 2000 new breast cancer cases will be diagnosed in Kansas, and approximately 400 women will die.

While the statistics are stark reminders of the magnitude of the impact of breast cancer, they fail to represent the real cost of cancer. The real cost includes the mothers and wives stolen from their children and husbands, and the family, friends and neighbors who are no longer with us. Behind each breast cancer statistic is a woman – a woman we have to remember as we wage the battle against this devastating disease.

Assessment & Taxation
Date 02-07-06
Attachment # 1

SB 482 calls for the Kansas Breast Cancer Research Fund to be administered by the University of Kansas Cancer Center. Why the KUCC? The answer is because the University of Kansas Medical Center is the only academic medical center in Kansas. And the KUCC is the umbrella organization driving the cancer partnership between the University of Kansas, its Medical Center campuses in Kansas City and Wichita, the Kansas Masonic Cancer Research Institute, the Stowers Institute for Medical Research, the University of Kansas Hospital, and the developing Midwest Cancer Alliance (MCA), a key component of the KUCC's plan for enhancing care in the Heartland region. (See chart.)

The MCA will offer professional education opportunities, advanced screening and prevention protocols, and support the delivery of comprehensive cancer care in rural communities. A core value of the MCA is to help community oncologists provide more comprehensive cancer care locally to improve cancer survival rates and reduce travel time and costs for cancer patients. The MCA will allow access to second opinions and multidisciplinary oncology teams via telehealth and the opportunity to participate in clinical trials.

The KUCC has already recruited Dr. Roy Jensen, a Kansas-born top-flight breast cancer researcher, to lead the KUCC's efforts. You will hear personally from Dr. Jensen in a moment. He will tell you the KUCC plans to achieve National Cancer Institute (NCI) designation as a Comprehensive Cancer Center by 2015. NCI designation will place the KUCC among a premier group of 61 U.S. cancer centers.

NCI designation is a "good housekeeping" seal of approval indicating that an academic cancer center has achieved the highest standards in cancer research and care. It also increases access to cutting edge clinical trials and special grant funding mechanisms to both the cancer center and its affiliated partners. In addition, having NCI designation increases a cancer center and its' partners ability to recruit world-class researchers and physicians. Cancer patients seek out the level of care offered by a Comprehensive Cancer Center like MD Anderson in Houston, TX and the Mayo Clinic in Rochester, MN.

It is no secret breast cancer has touched my life personally. When diagnosed in March of 2005, I was told by a radiation oncologist who practiced at St. Luke's hospital in Kansas City for 20 years, "the Standard of Care for treating breast cancer is different in Kansas City than in places like the Dana Farber Cancer Institute in Boston, MA. Especially for persons such as yourself, considered to be 'high risk'." He recommended seeking a second opinion out of state.

Literally fearing for my life, and knowing my "first shot was my best shot" at beating this horrible disease, my family made the decision to seek a second opinion and treatment in Boston, rather than in Kansas City. It delayed the start of treatment which was very scary, was expensive in terms of travel, and was inconvenient, as the chemotherapy drugs had to be infused in Boston every three weeks. I began to dread every trip, knowing I would be nauseous on the return flight, and wishing I could have participated in the same clinical trial in Kansas City.

Today, I know the decision to seek treatment in Boston was the correct one, because it may have saved my life. I came to learn my type of breast cancer does not typically respond as well to chemotherapy as do other types of breast cancer, because it is not hormone sensitive. At the Dana Farber Cancer Institute, I was able to enroll in a clinical trial that would not have been available to me in Kansas City. The drug I received is not today considered "Standard Therapy" for breast cancer treatment.

After surgery, following 4 rounds of chemotherapy, the pathologist determined I had a "Complete Pathological Response", a response that occurs in only 10-20% of all patients who have neoadjuvant therapy. Did the trial drug make the difference? We'll never know for sure. But I can live with my diagnosis knowing we did everything we could have possibly done to get a cure. Every woman in the Heartland deserves that same opportunity.

In a larger sense, I was able to contribute to the greater good by participating in a cutting edge clinical trial, the results of which may lead to improved survival rates for all women diagnosed with this same type of breast cancer.

Women in Kansas should not have to travel to Texas, or Minnesota, or Boston to obtain the highest standard of care for treatment of breast cancer. We deserve to receive the best cancer care available right here in the Midwest, at home with our family and friends to support us. We have the opportunity to receive that care in the future with the development of the University of Kansas Cancer Center.

Please support the passage of SB 482, which will allow individual Kansans the opportunity to contribute to a Fund that will allow the state of Kansas to take research relating to the prevention, treatment and cure of breast cancer to the next level.

A handwritten signature in black ink that reads "Barbara P. Allen". The signature is written in a cursive style with a long, sweeping tail on the letter "n".

Barbara P. Allen
Senator, District 8

Summary of Check-off Programs

	Political	Wildlife	Child Abuse	Breast Cancer	Other
ALABAMA	X	X	X	X	1, 2, 3, 4, 5, 6, 7, 8
ARIZONA	X	X	X		8, 9, 10, 11, 12, 13
ARKANSAS					14, 15, 16, 17
CALIFORNIA		X	X	X	1, 18, 19, 20, 21, 22, 23, 24
COLORADO		X	X		3, 9, 14, 25, 26, 27, 28, 29
CONNECTICUT		X		X	30, 31, 32
DELAWARE		X	X	X	3, 14, 31, 33, 34
GEORGIA		X	X	X	
HAWAII	X				35
IDAHO	X	X	X		
ILLINOIS		X	X	X	18, 36, 37, 38
INDIANA		X			
IOWA	X	X			39, 40
KANSAS		X			41
KENTUCKY	X	X	X		3, 42
LOUISIANA		X	X	X	43
MAINE	X	X	X		44
MARYLAND	X				45
MASSACHUSETTS	X	X			14, 31, 46
MICHIGAN	X				
MINNESOTA	X	X			
MISSISSIPPI		X			10, 47, 48
MISSOURI			X		1, 3, 49
MONTANA		X	X		50
NEBRASKA	X	X			
NEW JERSEY	X	X	X	X	3, 31, 51, 52, 53
NEW MEXICO	X	X			3, 52, 54
NEW YORK		X	X	X	14, 18
NORTH CAROLINA	X	X			12
NORTH DAKOTA		X			54
OHIO	X	X			55
OKLAHOMA		X		X	3, 16, 31, 56, 57
OREGON		X	X		3, 18, 27, 34, 46, 58, 59, 60, 61, 62, 63,
PENNSYLVANIA		X		X	14, 31, 53

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RHODE ISLAND	X	X		14, 31, 52, 68, 69
SOUTH CAROLINA		X	X	1, 3, 52, 60, 70, 71
UTAH	X	X		10, 31, 36, 72
VERMONT	X	X	X	
VIRGINIA	X	X	X	1, 2, 14, 33, 45, 54, 55, 73, 74, 75, 76, 7
WEST VIRGINIA			X	
WISCONSIN	X	X		81
DIST. OF COLUMBIA				52

1. Senior Services, 2. Arts Fund, 3. Veterans, 4. Penny Trust Fund, 5. Indian Children, 6. Foster Care, 7. Mental Health, 8. Neighbors Helping Neighbors, 9. Special Olympics, 10. Education, 11. Domestic Violence, 12. Political Parties, 13. Clean Elections, 14. Olympic Fund, 15. Disaster Relief Fund, 16. School for Blind, 17. School for Deaf, 18. Alzheimers, 19. Fund of Senior Citizens, 20. Firefighters Memorial, 21. Peace Officer Memorial, 22. Emergency Food, 23. Lupus Foundation, 24. Asthma/Lung Disease, 25. Homeless, 26. Child Care, 27. Pet Overpopulation, 28. Special Advocates, 29. Watershed Protection, 30. Aids, 31. Organ Transplant, 32. Safety Net, 33. Housing Fund, 34. Diabetes Eduction, 35. School Repair, 36. Homeless, 37. Prostate Cancer, 38. Multiple Sclerosis, 39. State Fairgrounds, 40. Keep Iowa Beautiful, 41. Meals on Wheels, 42. Bluegrass State Games Fund, 43. Prostate Cancer, 44. Leukoycte Antigen, 45. Chesapeake Bay, 46. AIDS Fund, 47. Volunteer Service, 48. Fire Fighters Burn Center, 49. National Guard, 50. Agriculture in Schools, 51. USS New Jersey, 52. Drug Abuse, 53. Korean or Vietnam Veterans' Memorial, 54. Forest re-leaf, 55. Natural Areas, 56. Indigent Care, 57. Bombing Memorial, 58. Domestic Violence, 59. Habitat for Humanity, 60. Head Start, 61. Coast Aquarium, 62. Early Literacy, 63. Clean Rivers, 64. St. Vincent de Paul Society, 65. Nature Conservancy, 66. Childrens' Hospital, 67. Salvation Army, 68. Arts & Tourism, 69. Childhood Disease, 70. Gift of Life, 71. Civil War Heritage, 72. College Libraries, 73. Community Policing, 74. Historic Resources, 75. Uninsured Medical Fund, 76. Humanities & Public Policy, 77. Center for Government Studies, 78. Law & Economics Center, 79. Jamestown-Yorktown, 80. American Hope, 81. Packers Football Stadium.

State Check-Off Programs: Average Contribution and Percent Yield

	Political Contributions		NonGame Wildlife		Child Abuse Prevention	
	Average Contribution	Percentage Returns	Average Contribution	Percentage Returns	Average Contribution	Percentage Returns
Alabama	0.66	0.7	20.33	0.1	11.44	0.2
Arizona	23.33	0.1	17.00	0.5	17.00	0.6
California			12.07	0.4	10.86	0.4
Colorado			10.85	1.8	10.05	1.5
Connecticut			8.21	0.6		
Delaware			14.53	0.4	13.61	0.4
Georgia			8.81	0.9	8.18	0.8
Hawaii	2.68	15.0				
Idaho	1.52	3.7	12.81	0.8	14.34	0.9
Illinois			11.36	0.4	10.96	0.4
Indiana			11.38	1.1		
Iowa	1.50	6.8	10.63	1.0		
Kansas			10.62	0.9		
Kentucky	2.82	4.6	6.65	0.6	6.28	0.7
Louisiana			11.57	0.0	12.75	0.0
Maine	9.67	0.4	13.43	0.6	15.07	0.5
Maryland	10.49	0.5				

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Massachusetts*	1.37	10.2	9.36	0.8		
Michigan	3.00	12.0				
Minnesota	7.07	8.8	13.23	3.6		
Mississippi			4.87	0.1		
Missouri						0.0 (#)
Montana			13.05	0.4	14.19	0.5
Nebraska	3.68	0.4	5.91	1.6		
New Jersey	1.00	18.1	12.72	0.5	10.76	0.5
New Mexico	8.83	0.2	20.35	0.2		
New York			11.28	0.5	8.45	0.3
North Carolina	1.00	11.1	11.62	0.9		
North Dakota			8.28	0.7		
Ohio	1.32	7.1	7.35	1.0		
Oklahoma			5.89	0.5		
Oregon			6.51	1.2	6.76	1.6
Pennsylvania			7.59	0.3		
Rhode Island	3.79	27.7	4.17	0.3		
South Carolina			10.39	0.4	8.75	0.3
Utah	2.00	7.50	10.25	0.5		
Vermont	8.40	0.7	13.54	2.3	13.24	1.7
Virginia	18.85	0.1	24.19	0.2	22.25	0.1
Wisconsin	1.41	9.1	14.87	1.7		
West Virginia					7.43	1.0
U.S. Averages	2.13	7.7	11.07	0.7	10.62	0.5

*Processing year 2000 data.

#Less than 0.05%.

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**Testimony Before the Senate Committee on Assessment and Taxation
In Support of Senate Bill 482 Creating the Kansas Breast Cancer Research Fund**

February 7, 2006

Madam Chair and Members of the Committee:

My name is Roy Jensen and it is my privilege to serve as the Director of the Kansas Masonic Cancer Research Institute at the University of Kansas Medical Center. I appear today in support of Senator Allen's proposal designed to allow Kansans a convenient way to support breast cancer research here in the State of Kansas. First, let me say I applaud Senator Allen's courage in sharing her personal story of diagnosis and treatment with you. I am hopeful that the awareness she raises by sharing her story will help save lives.

Senator Allen is right. Kansans should not be required to travel hundreds of miles to access the best treatments for cancer.

That is why at the University of Kansas we are engaged in an initiative to bring world-class cancer care to the Heartland. This effort is outlined in our legislative briefing book which I have distributed to you with this testimony. Our Chancellor, Robert Hemenway, has declared this effort to be our university's top priority. And, with that in mind we have been working hard to design and build the cancer center Kansans deserve.

If our quest to achieve National Cancer Institute designation for our cancer center is to be successful we will need significant additional resources. The Governor's budget for the next fiscal year includes a \$5 million appropriation which, if approved, will provide some of the resources we will need to recruit top talent to crucial leadership posts within the center and to attract the best cancer doctors, scientists and researchers to our center. This annual appropriation is the single most important step this legislature can take in support of the fight against cancer in Kansas. I hope I can count on your support for this appropriation.

In addition to state appropriations we will aggressively be seeking support from federal government sources and investments from private donors. The Greater Kansas City Community Foundation's recent Blue Ribbon Task Force recommendations included a strong vote of confidence for our cancer center and encouraged the Kansas City region get behind our efforts. Obtaining National Cancer Institute designation is no easy task and the resources required to achieve this goal are significant. The tax return check off proposed in Senate Bill 482 is a convenient way for Kansans to be a part of supporting an important element of their cancer center.

Assessment & Taxation
Date 02-07-06
Attachment # 2

Funds raised from such a check off would be used to enhance the opportunities for Kansans to participate in clinical trials and enhance our understanding of breast cancer—and how to treat and prevent it. Our agenda would include research in biology, etiology, genetics, prevention, detection and diagnosis, treatment, control, and outcomes.

Senator Allen has already shared with you the statistics that define breast cancer as a disease and she has reminded us that behind every one of those statistics is a patient and their family. But we should also remember that progress is being made in the prevention and treatment of breast cancer. That is certainly true at the KU Cancer Center where Dr. Carol Fabian's work has gained world wide recognition in breast cancer prevention and treatment. Her service as a leader in our center positions us to continue to make great strides in this field.

I encourage any effort you as legislators can take to support the KU Cancer Center and our work to end suffering and death from cancer in Kansas.

Thank you for this opportunity to be with you today and I would be pleased to stand for any questions.

Respectfully submitted,

Roy Jensen, M.D.
Director, Kansas Masonic Cancer Research Institute
and The University of Kansas Cancer Center

Cancer Center of Kansas, P.A.

Shaker R. Dakhil, M.D., F.A.C.P.
Michael W. Cannon, M.D., F.A.C.P.
David B. Johnson, M.D., F.A.C.P.
Dennis F. Moore, Jr., M.D., F.A.C.P.
Bassam I. Matta, M.D., F.A.C.P.

William F. Jennings, M.D., F.A.C.P.
Thomas F. Schulz, M.D.
Dennis F. Moore, Sr., M.D., F.A.C.P.
Nassim H. Nabbout, M.D.
Pavan S. Duddy, M.D.
Phu V. Truong, M.D.

818 North Emporia, #403 • Wichita, KS 67214 • (316) 262-4467 • FAX: (316) 262-3762
3243 E. Murdock, # 300 • Wichita, KS 67208 • (316) 262-4467 • FAX: (316) 681-2567
www.cancercenterofkansas.com

February 2, 2006

Roy Jensen M.D.
Director, University of Kansas Cancer Center and
Kansas Masonic Cancer Research Institute
3901 Rainbow Blvd.
Kansas City, KS 66160

Dear Dr. Jensen:

I am writing to express my support for the University of Kansas Cancer Center in their efforts to pursue National Cancer Institute designation. I endorse your vision of creating a Cancer Center that would serve the entire State of Kansas. I understand your efforts to include the establishment of a cancer alliance that provides outreach and education programs throughout the state and a clinical trials network. The Cancer Center of Kansas has already an established network throughout the state, which could be used as part of the alliance.

An investment from the State of Kansas will be necessary to make this Cancer Center a reality. I support all of the current efforts to provide direct state support to the University of Kansas Cancer Center.

Sincerely,



Shaker Dakhil, M.D. F.A.C.P.
President
Cancer Center of Kansas
818 N. Emporia, Ste 403
Wichita, KS 67214

505 S. Plummer
Chanute, KS 66720
(620) 431-7580
FAX: (620) 431-6418

3020 Central Avenue
Dodge City, KS 67801
(620) 227-1361
FAX: (620) 227-2488

700 W. Central
El Dorado, KS 67042
(316) 889-0099
FAX: (316) 889-0096

750 Ave. D - West
Kingman, KS 67068
(620) 532-3147
FAX: (620) 532-2281

315 W. 15th Street
Liberal, KS 67905
(620) 629-6727
FAX: (620) 629-6729

720 Medical Center Drive
Newton, KS 67114
(316) 282-0888
FAX: (316) 282-0886

1902 South U.S. Hwy 59
Second Floor - South
Parsons, KS 67357
(620) 421-2855
FAX: (620) 421-2868

124 Commodore, Suite A
Pratt, KS 67124
(620) 450-1192
FAX: (620) 450-1371

600 S. Santa Fe, Suite E
Salina, KS 67401
(785) 823-1521
FAX: (785) 823-0575

1323 N. A Street
Wellington, KS 67152
(620) 326-7453 - Ext. 224
FAX: (620) 326-2254

1305 East 5th
Winfield, KS 67156
(620) 221-6125
FAX: (620) 221-0440



Via Christi
Wichita Health Network

929 North St. Francis
Wichita, KS 67214-3882

Tel 316-268-5108
Fax 316-291-7363

Larry P. Schumacher
President and
Chief Executive Officer

February 1, 2006

Roy Jensen, M.D.
Director, University of Kansas Cancer Center and
Kansas Masonic Cancer Research Institute
3901 Rainbow Blvd.
Kansas City, KS 66160

Dear Dr. Jensen:

I am writing to express my support of the University of Kansas Cancer Center in their efforts to pursue National Cancer Institute designation. As a part of this effort, Dr. Roy Jensen, Director of the Cancer Center, has a vision of creating a cancer center that would serve the entire State of Kansas. His efforts would include the establishment of a cancer alliance that would offer outreach and education programs throughout the state and a clinical trials network that would include qualified hospitals and physicians in Kansas.

To make this cancer center a reality, it will take an investment from the State of Kansas, and I support all of the current efforts to provide direct state support to the University of Kansas Cancer Center.

Sincerely,

Larry P. Schumacher
President and CEO
Via Christi Wichita Health Network

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The University of Kansas School of Medicine-Wichita

Office of the Dean

February 3, 2006

Marcia Nielsen, PhD, MPH
Assistant Vice Chancellor for Health Policy
Office of External Affairs
University of Kansas Medical Center
Murphy 1003B
3901 Rainbow Blvd., MS 3013
Kansas City, KS 66160

Dear Dr. Nielsen,

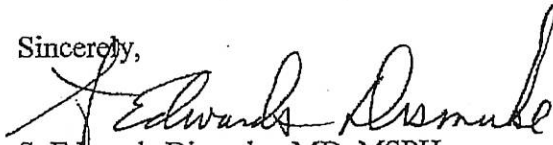
Wichita and Sedgwick County are in strong support of the University of Kansas Cancer Center (KUCC). We are extremely pleased that the center will truly be statewide.

Let us add our strong support for the budget recommendation of \$5 million from the Legislature during the 2006 session. The medical school campus in Wichita is very much a part of this evolving center. Currently, our Community Clinical Oncology Center (CCOP) in Wichita is the single largest group enrolling patients in National Cancer Institute (NCI) clinical cancer drug trials in Kansas. Dr. Shaker Dakhil and his 11 oncology KU faculty enroll 700-800 new patients in NCI clinical trials each year.

We are also very interested in Wichita being a part of the cancer prevention and control effort. Our faculty are proposing multiple ways in which we can play an active role in our statewide cancer center. We also hope to link with physicians all over the state who initially refer cancer patients to KUMC and to our CCOP and then care for these patients as they live in their various communities.

We are very enthusiastic about our evolving cancer center, and we will make every effort to assure that we eventually become a National Cancer Institute designated cancer center.

Sincerely,



S. Edwards Dismuke, MD, MSPH
Dean and Professor



KANSAS

ADJUTANT GENERAL'S DEPARTMENT
Major General Tod M Bunting

KATHLEEN SEBELIUS, GOVERNOR

Testimony on Senate Bill 384

Major General Tod Bunting

The Adjutant General of Kansas

Before the Senate committee on Assessment and Taxation

Tuesday, February 7, 2006

Madam Chairman and members of the committee:

Thank you for allowing me to testify and support Senate Bill 384. This bill would allow for a tax "check off" for the purpose of funding the Kansas Military Emergency Relief Fund that supports Kansas military members and their families when they are mobilized.

✓ The need for this fund was first discovered when many Guard and Reserve members begin to be mobilized to support the war on terrorism in both Afghanistan and Iraq. There were many financial problems. While there are a number of support agencies and assistance for active duty troops, there were some issues that fell in the gaps. Issues such as overdue utility bills, automotive repair, medical and funeral expense, rent, child care, food and emergency travel are such problems. These financial emergencies directly impacted our military and their families when preparing to go on extended active duty. The stress is great enough when leaving spouse, children, families and jobs without our soldiers worrying that their

family is suffering financially. To help military members and families cope with the pressures of deployment the Kansas Legislature in 2004 passed and funded the Kansas Military Emergency Relief Fund. Then again in the 2005 session the legislature passed the authorization in the Armed Services Bill of Rights.

ve
This fund is a fund of last resort. This means that the military member must exhaust all other sources of help before coming to this fund. They then apply to a committee of military member both active and retired who make a recommendation on granting the assistance requested. The normal grant or loan is \$1,000 but can be increased with a waiver for special situations. A negative decision for an applicant may be appealed to me as The Adjutant General. In the last two years the fund has assisted 58 members and families for a total amount of \$ 58,521.99.

D Senate Bill 384 will give a new source for funding and will allow the citizens of Kansas to show their support to their sons and daughters who are members of the Kansas Army or Air National Guard and Kansas residents who are members of the Reserve Forces of the United States. I therefore strongly endorse this bill.

If you have any questions, I would be glad to answer them.
Thank you for your support.

What can the Kansas Department of Revenue do with the electronic W2 information?

- Generate tax revenue with discovery of non-filers or under-reporters through validation with the current W2 information.
- Accelerate employer detection for garnishment processes of tax delinquencies.

Compliance checks are performed using the following data sources. *Processes* used to verify compliance are, Tax Clearance, Automated Data Matching, and manual research.

Federal Data we receive to match to Kansas tax files:

- [IMF – Detailed Individual Master Files with Kansas Addresses](#)
 - Filed Individual Income Tax Returns with Kansas addresses
- [CP2000 – Individual Filers](#)
 - Data Match of W2s and 1099s not reported by the Individual Income Filer
- [RAR - Federal Revenue Agent Report/Audit](#)
 - Federal audits of Corporate and Individual Income we load into our computer system and data match with Kansas Master Tax Files checking for needed amended Kansas returns because of the Federal Audit, Non-filers, or those who have underreported income. Each of these generally indicates unpaid tax liability.
- [BMF – Business Master File](#)
 - Filed Corporate Tax Returns with Kansas Addresses

State Datasets utilized for matching:

- [Kansas State Regulatory Boards issuing Professional Licenses](#)
 - Kansas professional licensees
- [Kansas State Contracts - Vendor Data](#)
 - State service contracts/vendor and contractor information
- [All Kansas State Employees](#)
 - All new hires every two weeks (payroll periods)
 - All State employees annually
- [KPERs matching - for all KPERs retirement funds](#)
 - These funds are not taxable Federally, but is taxable in Kansas. Must be added back to the tax Kansas tax return which some people miss.
- [Governor's Office](#)
 - Political Appointments
- [New and Used Vehicle dealers licensed in Kansas](#)
 - *Vehicle Salesperson licenses – in the works with Division of Vehicles*
- [Kansas Drivers License Files](#)
- Current Kansas residency verification reference
- [Master Tax Files Cross Matching](#)
 - Comparing business filings to individual filings. (i.e. Sole Proprietors)

Other/External Data:

- [Public business phone listings](#)
 - Yellow pages – white pages – directories, etc.

Potential Sources for Data Matching. The following sources have potential for high revenue generation and return on investment.

- Federal Data Not Yet Utilized:
 - [IRMF – Individual Return Master File](#)
 - Data of All W2s and 1099s reported to the IRS – *Contains Federal Income Data Only*)

State Data Not Yet Utilized:

- [Department of Labor](#)
 - Currently working on a Memorandum of Understanding with DOL Chief Counsel to cross match Businesses and Employees registered for Unemployment Insurance

Additional Benefits of Electronic Filed W-2's

- Less paper within the Department – resource reduction to manage
- Attached to the taxpayers account with an exact image for asset/employer location and possible garnishment attachments.
- Easier to track and query electronically
- Locate Non-registered businesses for Kansas Withholding Tax but are issuing W2's
- Businesses who have not filed for the previous year
- Business whose Withholding KW-3 reconciliation forms do not match the Kansas Withholding reported on the electronic media – i.e. auto audit balances
- Individuals who are non-filed but have been issued a W-2 showing Kansas income/withholding
- Individuals who have reported withholding on their individual return but do not match the withholding reported by their employer
- Federal W-2 programs only report federal data on the electronic tapes (*No state wages/withholding information is captured by the IRS*)
 - Matching against federal W-2 information only verifies *Income Earned* and the Employer who collected it.

We need the State withholding (W2) data electronically loaded ... *paper records in no longer efficient for the State, it is exceedingly human resource dependent.*

The State of Kansas loses a great deal of unreported revenue due to not having all the State W2 data electronic.

- We cannot match “paper” against other datasets.
- To match paper by hand would require hundreds of additional FTE, and an massive amount of time to hand match each return or research each W2 submitted on paper, which is not realistic or efficient.