

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on March 22, 2007, in Room 123-S of the Capitol.

All members were present except:

Senator Carolyn McGinn- excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Becky Krahl, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

George Teagarden, Livestock Commissioner, Kansas Animal Health Department
Susan Duffy, Executive Director, Kansas Corporation Commission
Martin Kennedy, Commissioner of Licensure, Certification & Evaluation, Kansas Dept. on Aging
John Dougherty, Emporia State University (written)
Susan Peterson, Kansas State University (written)

Others attending:

See attached list.

Bill Introductions

Senator Kelly moved, with a second by Senator Wysong, to introduce a conceptual bill regarding affiliation with Kansas police and firemen's retirement system by attorney general for certain agents and investigators (7rs1353). Motion carried on a voice vote.

Senator Emler moved, with a second by Senator Schodorf, to introduce a bill regarding cancellation of certain uncollected property taxes in Johnson county(7rs1359). Motion carried on a voice vote. Senator Dennis Wilson requested introduction of the bill.

Senator Steineger moved, with a second by Senator Emler, to introduce a bill concerning taxing authority and creation of regents county education authority (7rs1361). Motion carried on a voice vote. Senator Derek Schmidt requested introduction of the bill.

Chairman Umbarger opened the public hearing on:

SB 381--Livestock commissioner accepting donated funds to protect the health of domestic animals, creating the animal health protection fund

Staff briefed the committee on the bill.

The Chairman recognized George Teagarden, Livestock Commissioner, Kansas Animal Health Department, who testified in support of **SB 381 (Attachment 1)**. Commissioner Teagarden explained that the bill creates the "animal protection fund" and authorizes the livestock commissioner to accept grants, donations or gifts to assist in the protection of the health of domestic animals. He noted that the intended use of the funds would be to test feral swine for diseases that are endemic or emerging in the Kansas swine industry.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 22, 2007, in Room 123-S of the Capitol.

There being no further conferees to appear before the Committee, the Chairman closed the public hearing on **SB 381**.

Senator Steineger moved, with a second by Senator Kelly, to recommend **SB 381** favorable for passage. Motion carried on a roll call vote.

Chairman Umbarger opened the public hearing on:

HB 2491--Increasing transfer of certain balances in the motor carrier license fees fund to the state highway fund

Staff briefed the committee on the bill.

The Chairman welcomed Susan Duffy, Executive Director, Kansas Corporation Commission, who testified in support of **HB 2491** (Attachment 2). Commissioner Duffy explained that the bill amends KSA 66-1,142, because the July 2 transfer from the KCC Motor Carrier Fund to the State Highway Fund affects the KCC cash balance as year-end close activities are not finished processing until the second week of July, and the funds used to pay these obligations are swept by Accounts and Reports before payments are made. Also the current balance of \$400,000 needs to be increased to \$700,000 in order for the KCC to retain sufficient revenue to cover program expenditures throughout the year. Attached to Ms. Duffy's written testimony is a letter from Deb Miller, Secretary, Kansas Department of Transportation, supporting the introduction of **HB 2491**.

There being no further conferees to appear before the Committee, the Chairman closed the public hearing on **HB 2491**.

Chairman Umbarger opened the public hearing on:

HB 2535--Department on aging, license fees for adult care homes, state licensure fee fund

Staff briefed the committee on the bill.

The Chairman welcomed Martin Kennedy, Commissioner of Licensure, Certification and Evaluation, Kansas Department on Aging, who testified in support of **HB 2535** (Attachment 3). Mr. Kennedy mentioned that the bill is needed to provide a source of funding for adult care home survey and certification activities in the Licensure, Certification and Evaluation (LCE) Commission at the Kansas Department on Aging. He noted that without additional funds, the program will be unable to meet its statutory and contractual obligations for FY 2007 and FY 2008.

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **HB 2535**.

Chairman Umbarger opened the public hearing on:

HB 2539--State Board of Regents, conveyance of certain real estate of Emporia state university and Kansas state university, disposition of proceeds

Staff briefed the committee on the bill.

Written testimony was submitted by:

John Dougherty on behalf of Emporia State University (Attachment 4)
Sue Peterson on behalf of Kansas State University (Attachment 5)

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 22, 2007, in Room 123-S of the Capitol.

There were committee questions and Mr. Dougherty and Ms. Peterson were available for the questions.

There being no further conferees to appear before the Committee, the Chairman closed the public hearing on **HB 2539**.

The Revisor noted a technical correction that was needed on page 6, line 43 of the **HB 2539**. Senator Teichman moved, with a second by Senator Kelly, to amend **HB 2539** regarding the technical correction. Motion carried on a voice vote.

Senator Morris moved, with a second by Senator Teichman, to recommend **HB 2539** favorable for passage as amended. Motion carried on a voice vote.

The meeting adjourned at 11:25 a.m. The next meeting is scheduled for March 23, 2007.

STATE OF KANSAS
Kansas Animal Health Department

George Teagarden, Livestock Commissioner

708 SW Jackson, Topeka, Kansas 66603-3714

Phone 785-296-2326 Fax 785-296-1765

Email - gteagarden@kahd.ks.gov

web site - www.kansas.gov/kahd

Senate Ways and Means Committee
March 22, 2007

Mr. Chairman and Members of the Committee,

Thank you for the opportunity to address SB 381, as a proponent. My name is George Teagarden, Livestock Commissioner, Kansas Animal Health Department (KAHD).

Senate Bill 381 creates the "animal protection fund" and authorizes the livestock commissioner to accept grants, donations or gifts to assist in the protection of the health of domestic animals.

As you are aware, last legislative session you assisted in the formation of a feral swine control and eradication program. The swine industry of Kansas is supportive of this effort and has indicated that they would like to donate certain funds to assist. This bill will allow the KAHD to receive their donations and use them in the name of animal health protection.

The intended use of the donated funds will be to test feral swine for diseases that are endemic or emerging in the Kansas swine industry. Positive results of any of these diseases may explain the source of unexplained occurrences of certain diseases in our domestic population.

Thank you for your positive consideration of this bill.

I will stand for any questions that you might have.

Senate Ways and Means
3-22-07
Attachment 1



KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

Senate Ways and Means Committee
Senator Dwayne Umbarger, Chair
March 22, 2007 at 10:30 am, Rm. 123-S
Kansas Corporation Commission
Presented by Susan K. Duffy, Executive Director

The Kansas Corporation Commission (KCC) requested introduction of HB 2491, amending K.S.A. 66-1,142, which controls the biannual transfers from the KCC Motor Carrier Fund to the State Highway Fund. The bill amends this section for two reasons.

1. The July 2 transfer affects the KCC cash balance as year-end close activities are not finished processing until the second week of July, and the funds used to pay these obligations are swept by Accounts and Reports before payments are made. This imbalance of cash is further exacerbated by several one time payments made at the beginning of every fiscal year from the fund.
2. The current \$400,000 balance needs to be increased to \$700,000 in order for the KCC to retain sufficient revenue to cover program expenditures throughout the year.

This statute was last amended during the 1988 legislative session, when the balance was raised from \$200,000 to \$400,000. The KCC Transportation program expenditures in FY 1989 were \$1,235,328 compared to the estimated FY 2008 expenditures of \$1,962,836.

Attached is a letter from Secretary Deb Miller supporting the introduction of the bill amending K.S.A. 66-1,142.



KANSAS
DEPARTMENT OF TRANSPORTATION

Kathleen Sebelius, Governor
Deb Miller, Secretary

<http://www.ksdot.org>

February 2, 2007

The Honorable Larry Powell
Representative, 52nd District
Capitol Building, Room 128-S
300 SW 10th Avenue
Topeka, Kansas 66612-1504

Dear Representative Powell:

The Kansas Department of Transportation (KDOT) supports the Kansas Corporation Commission's (KCC) request to amend K.S.A. 66-1,142 as follows:

- Increase the minimum ending balance in the KCC's Motor Carrier License Fee Fund (MCLFF) from \$400,000 to \$700,000.
- Change the dates for the transfer of excess monies from the MCLFF to the State Highway Fund (SHF) from July 2nd to July 30th and January 2nd to January 30th.

This would result in a one-time reduction of monies transferred to the SHF of \$300,000. This request is a prudent solution that will aid in the efficient operation of KCC's business function.

Sincerely,



Deb Miller
Secretary of Transportation

OFFICE OF THE SECRETARY OF TRANSPORTATION
Dwight D. Eisenhower State Office Building

700 S.W. Harrison Street, Topeka, KS 66603-3745 • (785) 296-3461 • Fax: (785) 296-1095

TTY (Hearing Impaired): (785) 296-3585 • e-mail: publicinfo@ksdot.org • Public Access at North Entrance of Building



KANSAS

DEPARTMENT ON AGING
KATHY GREENLEE, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

**Testimony on House Bill 2535
to
The Senate Committee on Ways and Means**

**by Martin Kennedy
Commissioner of Licensure, Certification and Evaluation**

Kansas Department on Aging

March 22, 2007

Mr. Chairman and members of the committee, thank you for the opportunity to appear before you in support of House Bill 2535. This bill is needed to provide a source of funding for adult care home survey and certification activities in the Licensure, Certification and Evaluation (LCE) Commission at KDOA. Without additional funds, the program will be unable to meet its statutory and contractual obligations for FY 2007 and FY 2008.

The LCE commission is composed of adult care home surveyors who conduct licensure inspections for approximately 300 federally certified nursing facilities and 350 other State-licensed adult care homes in Kansas. The program serves several different licensure classifications including nursing homes, assisted living facilities, residential health care facilities, homes plus and intermediate care facilities. Together the facilities regulated by KDOA comprise more than 34,000 licensed beds.

Approximately 80 surveyors perform annual surveys of facilities across the state. Those nursing facilities certified to receive federal Medicare and Medicaid reimbursements are surveyed under contract with the federal Centers for Medicare and Medicaid Services (CMS), while state law requires regular oversight of the various state licensed facilities. In addition to health survey activities, the LCE program receives and investigates complaints regarding adult care homes including allegations of abuse, neglect and exploitation of adult care home residents. More than 6,000 complaints will be investigated this year. The department also imposes corrective actions and civil monetary penalties against adult care homes when they fail to meet performance standards.

The State Fire Marshal performs life safety code compliance surveys of nursing facilities. CMS subcontracts the federal life safety code survey process through a contract administered by KDOA.

NEW ENGLAND BUILDING, 503 S. KANSAS AVENUE, TOPEKA, KS 66603-3404

Voice 785-296-4986

Fax 785-296-0256

<http://www.agingkansas.org>

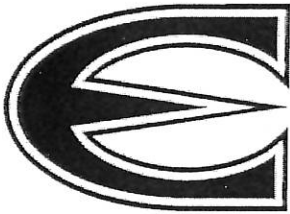
*Senate Ways and Means
3-22-07
Attachment 3*

The LCE program is funded by a combination of federal Medicare and Medicaid sources, in addition to State general funds. Federal funding from Medicare, which consumes about one-third of the resources directed to federal certification of nursing facilities, has not grown significantly over the past several years. Because of the lack of growth in federal funding support, the State funded portion of the LCE budget has grown from \$2.2 million (40%) in FY 2004 to a projected \$3.4 million (almost 50%) in FY 2008. Based on the Governor's recommendation, the program faces an FY 2007 shortfall of \$432,795 (\$278,980 State funds) and in FY 2008 \$1,272,686 (\$820,373 State funds) due to declining federal funds availability.

Currently, receipts from State license fees of adult care homes are deposited to the State General Fund. The bill would deposit these fees to a newly created License Fee Fund in the Kansas Department on Aging where they would be available for operating the licensure and certification activities of the department. Should the bill pass, KDOA will request appropriation line items in FY 2007 and FY 2008 to allow expenditures from the fee fund.

Licensure fees are expected to total approximately \$600,000 per year. This funding is needed by KDOA to continue survey activities and meet program standards under state and federal law. The bill will provide a more direct relationship between the fees paid by adult care home licensees and the services provided for facilities. This is consistent with other licensure programs conducted by various agencies in state government where licensure fees are appropriated to operate regulatory activities.

Thank you for the opportunity to appear before you today and I ask you to support HB 2535.



EMPORIA STATE UNIVERSITY

1200 Commercial
Emporia, Kansas
66801-5087

620-341-5333
620-341-5553 fax
www.emporia.edu

TESTIMONY REGARDING H.B. 2539

Presented to Senate Ways & Means Committee

Submitted by John Dougherty on behalf of Emporia State University
March 22, 2007

Chairman Umbarger and members of the Senate Ways & Means Committee

ESU appears in support of H.B. 2539

Summary of Bill Provisions. H.B. 2539 authorizes the Board of Regents, on behalf of Emporia State University, to sell a building and the land on which it is situated. The building, known as Anderson Library, is located on the grounds of the previous College of Emporia campus, approximately one mile from the main ESU campus. The ESU request includes authority to sell the building and to deposit proceeds from the sale to a Restricted Use Fund.

Background:

Anderson Library Building was constructed by the College of Emporia in 1902. It was also subsequently used as a library by the Way College. When the Way College closed and its facilities were sold, Anderson Library was acquired by friends of ESU, who subsequently donated the building to the University in 1994. ESU has used the building to house its archives, thereby reducing demands upon its main library building. The University periodically receives inquiries from individuals interested in acquisition of this unique 10,181 square foot building, which is on the U.S. Register of Historic Sites. Although the building is unique and has incredible aesthetic appeal, its operation is costly and considerable rehabilitation work is necessary to restore the building to its original condition. The cost of its restoration would be reasonable if it were located on the main campus. However, its location, the relative rarity of funds for renovation, and the efficiency of centralizing University operations on a single campus, cause its sale to be considered. Additionally, the University's multi-year building plan calls for the William Allen White Library, located on the main campus of ESU to be renovated. At the time of William Allen White renovation, archives could be relocated to the main campus. Accordingly, the University requests authority to sell the Anderson Library building. It would be the University's intent to apply proceeds from its sale to the William Allen White renovation project. ESU would obtain independent appraisals of the property, prior to its sale.

Senate Ways and Means
3-22-07
Attachment 4



Office of the President
110 Anderson Hall
Manhattan, KS 66506-0112
785-532-6221
Fax: 785-532-7639

Testimony on House Bill 2539
Presented to Senate Ways and Means Committee
Submitted by Susan Peterson on behalf of Kansas State University
March 22, 2007

Mr. Chairman and members of the Senate Ways and Means Committee,

Thank you for the opportunity to present this statement on behalf of Kansas State University in support of House Bill 2539.

HB 2539 allows Kansas State University to sell a parcel of land or exchange for a parcel of land of equal value to the Kansas State University Foundation. The property is located on the northwest corner of the K-State campus and is currently used as the sheep grazing property for the College of Agriculture. The College of Agriculture has an alternative site they own where they can relocate the livestock. The University Foundation would like to construct a new Office Building for the Foundation Staff and Volunteers. The facility that currently houses the Foundation is no longer able to house the Foundation staff in one location. In addition to the Foundation Office Building additional buildings and facilities may be constructed on this parcel for University related projects. The University will use the procedures prescribed by state law requiring three independent appraisals to determine the value of the property.

Thank you Mr. Chairman for your favorable consideration of this legislation.

Senate Ways and Means
3-22-07
Attachment 5