

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Vice-Chairman John Vratil at 10:30 a.m. on February 9, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator Jay Emler - excused
Senator Jean Schodorf- excused
Senator David Wysong - excused

Committee staff present:

Michael Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Julian Efirid, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Melinda Gaul, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Steve Weatherford, President, Kansas Development Finance Authority (K DFA)
Don Jordan, Secretary, Department of Social and Rehabilitation Services (SRS)
Janis DeBoer, Department of Social and Rehabilitation Services
Bobbi Mariani, Department of Social and Rehabilitation Services
Paul Johnson, Kansas Catholic Conference

Others attending:

See attached list.

Introduction of Legislation

Senator Kultala moved to introduce three pieces of legislation regarding (1) workers compensation related to bilateral scheduled injuries (9rs0595); (2) workers compensation related to caps on death benefits (9rs0763); and (3) workers compensation benefits (9rs0596). The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Umbarger moved to introduce legislation concerning property taxation regarding to statewide 20-mill level for public schools (9rs0540). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Schmidt moved to introduce legislation concerning controlled substances (9rs0760). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Approval of Minutes

Senator Teichman moved to approve the minutes of January 29, February 2, February 3, February 4 and February 5. The motion was seconded by Senator Taddiken. Motion carried on a voice vote.

Referral of Bills

SB 196 was removed from the KPERS Issues Subcommittee and re-referred to the full Committee.

Overview of the 2008 Kansas Debt Study

Steve Weatherford, President, Kansas Development Finance Authority (K DFA), presented an overview of the 2008 Kansas Debt Study (Attachment 1). Mr. Weatherford noted that K DFA is the primary issuer of debt for the state, as well as the state's bond advisor. K DFA has developed the first annual debt study to provide

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 9, 2009, in Room 545-N of the Capitol.

relevant data to assist policymakers in making financing decisions for the state. Mr. Weatherford stated that the state's debt service is approximately 1.3 percent of State General Fund (SGF) expenditures. Total state debt outstanding at June 30, 2008, was \$4.07 billion, approximately \$61.5 million less than at June 30, 2007. The 3 primary contributors to the state's debt include the following:

- Kansas Public Employees Retirement system (\$500.0 million)
- State of Kansas projects - Refunding prior SGF Bonds (\$43.0 million), Capitol Restoration (\$27.2 million) and Unemployment Benefit System (\$18.0 million for a computer system).
- Kansas Department of Administration - Comprehensive Transportation Program (\$209.5 million - repayment of loan from the Highway Fund).

Mr. Weatherford stated that presently the state has a strong credit rating from Standard and Poor's (S&P) and Moody's with the outlook for the rating to remain stable. This allows the state to borrow money at the lowest cost to the state. Factors that contribute to the rating include: financial, economic, debt and administrative/management factors. Weakness in any one area could be offset by strength in another; however, significant variations in any single factor, could influence the bond rating. Mr. Weatherford indicated that if the state were to issue all of the debt that has been authorized, it would increase the state's debt by approximately \$17.9 million - approximately 0.3 percent of estimated FY 2010 SGF revenue.

Responding to a question from the Committee, Mr. Weatherford noted that the state's AA rating instead of a AAA rating is because statute only allows for bond holders to be paid if the Legislature makes an annual appropriation, as opposed to some state whose constitution guarantees repayment.

Mr. Weatherford felt that the fiscal condition of the state is of great concern and could affect refunding opportunities in the future.

Presentation on Child Support Enforcement and Food Assistance Programs

Don Jordan, Secretary, Department of Social and Rehabilitation Services (SRS), presented an overview of the Child Support Enforcement (CSE) Program ([Attachment 2](#)). Secretary Jordan stated that the purpose of CSE program is to promote long-term financial stability for households with children and eases the taxpayers' burden for public assistance provided on behalf of children not supported by both parents. There are currently approximately 130,000 cases in the state providing assistance to over a quarter million people. The Kansas CSE program is a multifaceted operation that combines state, county, judicial, and private resources.

Responding to questions from the Committee, Janis DeBoer, SRS, noted changes in federal regulations. The changes are an attempt to enforce enrollment of the child in health insurance if family health insurance is available, which would raise compliance to the federal regulation.

Secretary Jordan indicated that the agency is putting in new initiatives to become more efficient, including a new, statewide customer service center as well as benchmarks and measures to provide efficiencies. Secretary Jordan stated that there is no fee to the individual using the Vision card. SRS contracts with an outside source to handle the operation and pays the processing fees as a part of the contract.

Secretary Jordan provided an overview of the Food Assistance Program ([Attachment 3](#)). The food assistance program is administered by the United States Department of Agriculture (USDA) and provides a monthly benefit to eligible low-income households to assist them in purchasing food for home consumption. To be eligible for the program, families must be at 130 percent of the federal poverty level. The program currently serves approximately 203,000 persons, of which 47 percent are children. Benefits are issued electronically on a Vision card, similar to a debit card and allows the family to purchase eligible food items at local grocery stores, farmers' markets and other stores within the state. In FY 2008, the state issued a total of \$205.4 million in benefits. Secretary Jordan stated that there is no fee to the individual using the Vision card. SRS contracts with an outside source to handle the operation and pays the processing fees as a part of the contract.

Bobbi Mariani, SRS, was present to provide additional information for the Committee.

The Committee voiced a concern that participants in the program may be using the Vision card to purchase

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 9, 2009, in Room 545-N of the Capitol.

food items and then returning the food items at a later date in return for cash. Secretary Jordan stated that they will research the concern.

Paul Johnson, Kansas Catholic Conference, presented testimony on the child support and food assistance programs (Attachment 4). Mr. Johnson stated that the Kansas Catholic Conference supports the following initiatives:

- A detailed review by the Subcommittee on SRS of the staffing levels at the regional offices since a 15 percent vacancy rate is required to meet existing resources;
- Initial funding for the Human Services Management (HSM) Project to transform the existing 20-year old legacy mainframe into a new eligibility and benefits system for SRS and Kansas Health Policy Authority (KHPA); and
- A focused interim committee that would discuss staffing, HSM, and organizational changes to the child support system.

Responding to a question from the Committee, Mr. Johnson stated that food stamps are income-based while eligibility for school districts free lunches is obtained by self-reporting, noting that there may be some abuse of the system at the school district level. Mr. Johnson also thought that some parents who have obtained free school lunches for their children may not be aware of the state's food stamp program.

Adjournment

The next meeting is scheduled for February 10, 2009.

The meeting was adjourned at 12:00 p.m.

**SENATE WAYS & MEANS COMMITTEE
GUEST LIST**

DATE: February 9, 2009

NAME	REPRESENTING
MARK BORANYAK	Capitol Strategies
Marilyn Jackson	DOH
Steve Weatherford	KDFA
Jim MacMurray	KDFA
BRUCE BORDITT	KDOT
J. DeSimone	D. Schmidt intern
Paul Johnson	Kansas Catholic Conference
BOB MEALY	KENNEDY & Assoc
K. Moya	KHFA
Dave Holtwick	OP Chamber
Brad Stauffer	Carter Group
JOHN DOUGHERTY	ESU
mas Holman	Sen Koltalk Intern

Background

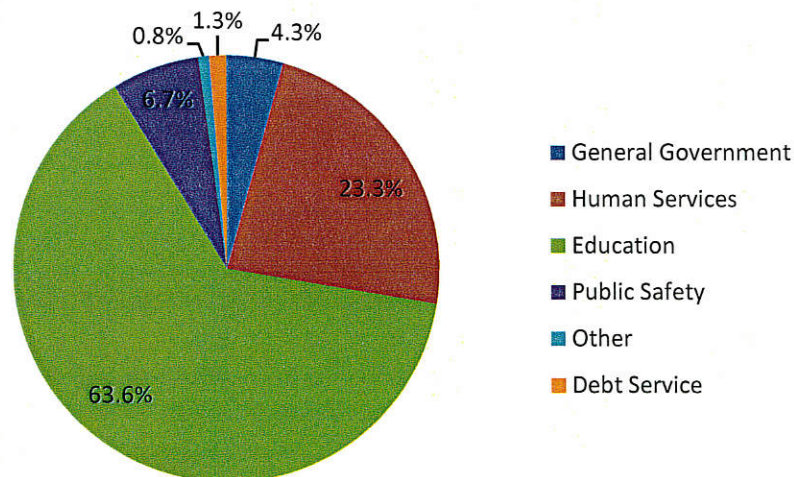
Kansas Development Finance Authority was created by the Kansas Legislature pursuant to K.S.A. 74-8901 et seq., as an independent instrumentality and public corporation to serve as a state-wide multipurpose issuer to assist state entities and other public and private enterprises throughout the state access the long term capital markets at the lowest possible cost.

In early 2008, K DFA developed its first annual debt study to provide relevant data to assist policymakers in making financing decisions for the State. The purpose of this 2008 Debt Study is to give policymakers a picture of the State's debt position on June 30, 2008. It is anticipated that this report will continue to be prepared annually such that the State's debt trends can be monitored. Further, the report makes some projections to help policymakers understand and measure the financial impact of future debt issuance.

The information generated by this analysis is provided to the K DFA Board of Directors; the Governor's office; the State Budget Director; and, members of the Legislature. The analysis can be updated as revenue estimating forecasts are revised. The information can be used by the legislature to establish priorities during the legislative appropriation process. Additionally, as the legislature considers new financing initiatives, the long-term financial impact of any proposal can be evaluated upon request. The information generated by this analysis is important for policymakers to consider because their decisions on additional borrowing affect the fiscal health of the State.

This study is not meant to be a replication of the Comprehensive Annual Financial Report's (CAFR) Long-term Obligations section. The CAFR is prepared annually by the Division of Accounts and Reports.

**State General Fund (SGF) Debt Service
as a Percent of Expenditures (FY2009)**



Terminology & Nomenclature

User-Fee Supported Debt is debt secured by revenues generated from the operation of the associated facilities that were financed by the debt issuance. *These obligations are not secured by traditional State tax revenues.* None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues. Tabulated in Appendix page A-1.

Self-Supporting Debt is State issued debt that is the primary obligation of a legal entity other than the State (in most cases these entities are city and county government units in the State). None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues. The primary example of this type of debt is subsidized loan programs run by KDHE and KDOT. Tabulated in Appendix page A-2.

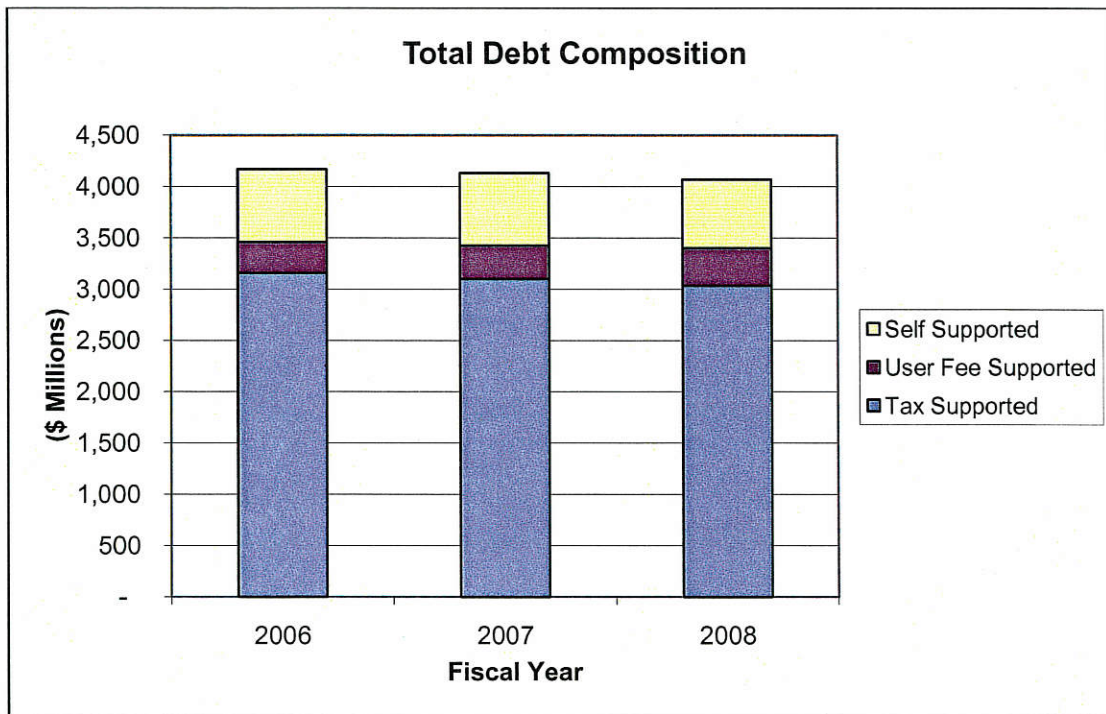
Tax-Supported Debt is debt secured by traditional State revenues typically generated through taxation. For each debt issuance a specific pledge of revenues has been made to secure the repayment of principle and interest for the bonds (e.g. Highway Fund revenues for KDOT debt). None of this debt is secured by a general obligation pledge of State revenues. A portion of this debt is secured by an annual appropriation pledge by the Legislature. Tabulated in Appendix pages A-3 through A-5.

Private Activity Bond Debt is debt which is issued on behalf of various non-governmental entities to facilitate the development of health care facilities, affordable housing facilities, manufacturing facilities, activities of 501(c)(3) facilities, and various other private activities. Private Activity Bond debt service is the **sole obligation** of the private activity borrower, and there is no recourse to the State of Kansas or any taxing subdivision thereof. The debt service is typically repaid through a pledge of the revenues generated by the financed facility or other general revenues of the private activity borrower. As such, private activity debt issued by KDFA is not included in this report.

Local Government Debt, Kansas Turnpike Debt, and Kansas Hospital Authority Debt are not included in this study as they are not issued and not obligations of the State.

Debt Outstanding

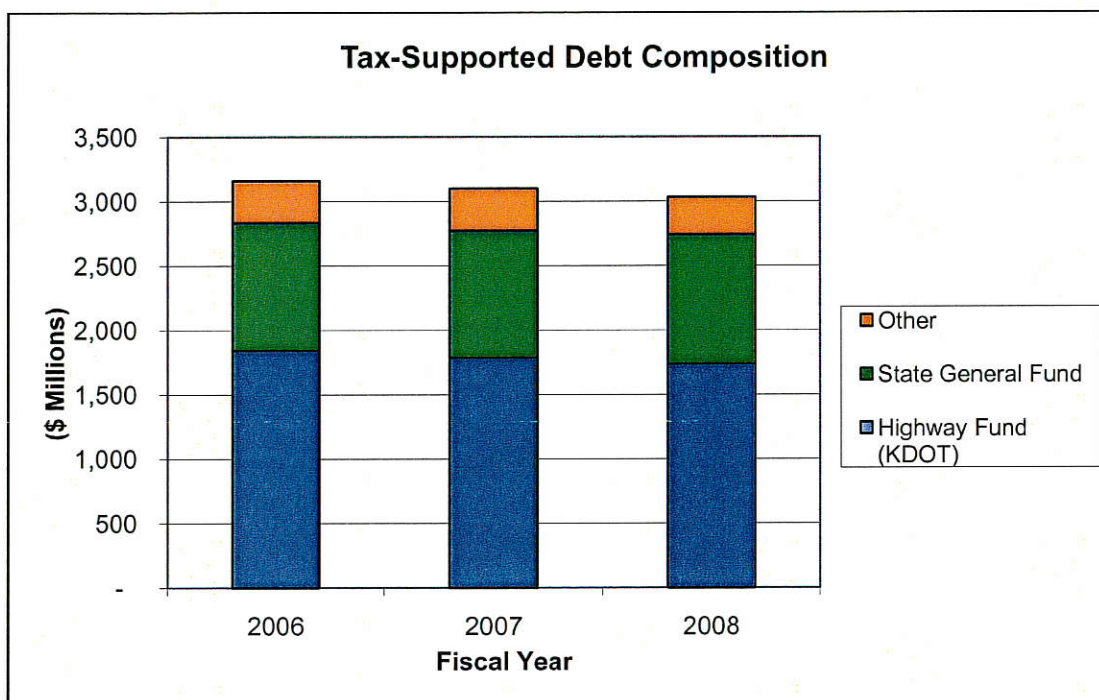
Total State debt outstanding at June 30, 2008 was \$4.070 billion approximately \$61.5 million LESS than at June 30, 2007. User-fee supported debt totaled \$366.7 million (Appendix page A-1) which represents a \$40.5 million INCREASE from the prior year. Additionally, self-supporting debt outstanding at June 30, 2008 was \$670 million which was \$35.7 million LESS than at June 30, 2007 (Appendix page A-2). Tax-supported debt totaled \$3.033 billion for financings supported by State tax revenues or tax-like revenues which was an annual DECREASE of approximately \$66.3 million (Appendix pages A-3 to A-5). Approximately one quarter of all debt is supported by the State General Fund (SGF).



TOTAL DEBT (\$ Millions)	<i>Fiscal Year End</i>					
	2006		2007		2008	
Self Supported	711	17.0%	706	17.1%	670	16.5%
User Fee Supported	301	7.2%	326	7.9%	367	9.0%
Tax Supported	3,160	75.8%	3,100	75.0%	3,033	74.5%
Total	4,171		4,132		4,070	

Tax-Supported Debt

Tax-supported debt composes the majority of the State's debt. Further, the majority of tax-supported debt comes from the State's investment in transportation infrastructure as detailed below. Highway Fund (KDOT) debt was issued in conjunction with the State's Comprehensive Transportation Programs and is financed by motor fuel taxes, vehicle registration fees, sales taxes and federal aid reimbursements (Appendix A-5). State General Fund debt is backed by an annual appropriation pledge from the Legislature (Appendix A-4). Other Tax-Supported debt includes bonds secured by the Educational Building Fund and other Special Revenue Funds (Appendix A-3).



TAX-SUPPORTED DEBT	<i>Fiscal Year End</i>					
	2006		2007		2008	
(\$ Millions)						
Other	326	10.3%	328	10.6%	292	9.6%
State General Fund	992	31.4%	982	31.7%	1,003	33.1%
State Highway Fund	1,842	58.3%	1,789	57.7%	1,739	57.3%
Total	3,160		3,100		3,033	

State General Fund Debt Ratio

While there has been measurable growth in the percentage of SGF Revenues going towards debt service over the past several years, the overall percentage of SGF Revenues going towards debt service is small. The largest contributors for the growth in SGF Debt Service in recent years are from the following issuances of debt:

- 2004C Kansas Public Employees Retirement System (\$500.0M)
- 2005H State of Kansas Projects (\$88.2M)
 - Refunding prior SGF bonds - \$43.0M
 - Capitol Restoration - \$27.2M
 - Unemployment Benefit System - \$18.0M
- 2006A Kansas Department of Administration – Comprehensive Transportation Program (\$209.5M)

SGF DEBT RATIO	<i>Fiscal Year</i>					
	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009*</i>	<i>2010*</i>
(\$ Millions)						
SGF Revenue	4,841.3	5,394.4	5,809.0	5,694.9	5,781.2	5,782.4
SGF Debt Service	39.7	48.2	63.3	86.0	83.6	87.3
Debt Service as % of Revenue	0.82%	0.89%	1.09%	1.51%	1.45%	1.51%

** November 2008 Revenue Estimate*

Proposed Debt Issuance

As of June 30, 2008, approximately \$543 million of debt is expected to be issued over the next several years based on current authorizations from the State Legislature. This is approximately \$48 million more than a year ago. The most notable additions are the State's obligation to provide financing to the Department of Homeland Security's NBAF Project (\$105M) and several newly planned renovations and improvements to University facilities that will be financed through user fees (Housing, Athletics, Student Centers). The user financed facilities are not an obligation of the State General Fund.

Authorized Proposed Debt Issuance

Type	DESCRIPTION	AUTHORIZED BY (OR REAUTHORIZED)	BALANCE AT 06/30/07	ISSUED FY 2008	AUTHORIZED IN FY 2008 (OR REAUTHORIZED)	BALANCE AT 06/30/08	ISSUED YTD FY 2009
Tax - Other	KSU Greenhouse Lab	SB 534 Sec 149(d)	1,700,000		1,700,000	1,700,000	
	KSU Horticulture Research Center	SB 534 Sec 149(e)	1,500,000		1,500,000	1,500,000	
TOTAL			3,200,000		3,200,000	3,200,000	
Tax - SGF	BOR Community College loans (FEI Loan Program)	HB2237 Sec. 12 Page 4	100,000,000	20,000,000		80,000,000	
	Adjutant General - renovate armories	HB2482, Sec 47, pg 22	6,000,000	3,000,000		3,000,000	
	Adjutant General - training center	SB 357 Sec 54g	9,000,000	9,000,000			
	DOA - Capital Renovations	SB 480, Ch 174 & Ch 206	9,020,011	9,020,011			
	DOA - Capitol Renovations	HB 2368 Sec 171 Page 185	55,000,000	17,979,989		37,020,011	37,020,011
	DOA - Capitol Renovations	SB 534 Sec 137(i)			38,800,000	38,800,000	
	Dept of Corrections - cap improvement	HB 2368 Sec 185 Page 202	19,250,000	19,250,000			
	Dept of Corrections - expand prison capacity	HB 2368 Sec 185 Page 201	39,525,000	1,700,000		Lapsed	
	Dept of Corrections - expand prison capacity	HB 2946 Sec 11(d)			17,825,000	17,825,000	
	KU Construct & Remodel School of Pharmacy	HB 2946 Sec 36(a)			20,000,000	20,000,000	20,000,000
NBAF	HB 2001			105,000,000	105,000,000		
TOTAL			237,795,011	79,950,000	181,625,000	301,645,011	57,020,011

CONTINUED NEXT PAGE

Type	DESCRIPTION	AUTHORIZED BY (OR REAUTHORIZED)	BALANCE AT 06/30/07	ISSUED FY 2008	AUTHORIZED IN FY 2008 (OR REAUTHORIZED)	BALANCE AT 06/30/08	ISSUED YTD FY 2009
User-Fee	KSU Salina Campus Student Life Center	SB 534 Sec 148(g)	2,000,000	1,600,000			
	University Research & Dev. KSU, Wichita State & Pittsburgh State	SB 534 Sec 155 [c]	5,000,000				
	KSU Child Care Facility	HB 2368 Sec. 173 Page 188	6,000,000			6,000,000	
	KSU Renovation of Bramlage Coliseum & Bill Snyder Family Stadium	SB 534 Sec 148(h)			45,000,000	45,000,000	
	KSU Renovation of Peters Student Recreation Center	SB 534 Sec 1548(i)			24,000,000	24,000,000	
	KSU parking garage	HB 2368 Sec. 173 Page 187	17,500,000	15,850,000			
	KSU Housing (JARDINE)	SB 534 Sec 148(f)	38,000,000			38,000,000	
	PSU - Parking Improvements	SB 534 Sec151(g)			4,000,000	4,000,000	
	PSU - Student Housing	SB 534 Sec151(h)			22,000,000	22,000,000	
	PSU - Student Health Center	SB 534 Sec151(i)			3,750,000	3,750,000	
	KU Law Enforcement Training Facility	HB 2368 Sec. 178 Page 193	16,421,600	16,421,600			
	KUMC parking facilities 4	SB 534 Sec 153(d)	8,150,000		8,550,000	8,550,000	
	KUMC ambulatory care facility	SB 534 Sec 153(f)	55,645,000		66,000,000	66,000,000	
	KU Renovation of Jayhawk Towers - Phase I	SB 534 Sec 152(g)			8,100,000	8,100,000	5,000,000
	KU Renovation of Pearson Hall	SB 534 Sec 152(m)			13,075,000	13,075,000	
TOTAL			148,716,600	33,871,600	194,475,000	238,475,000	5,000,000

This table does not take into account future plans for any other planned capital expenditure that has not already been authorized by the Legislature to be financed through debt issuance.

The projects identified in the table above are authorized to be financed through debt issuance. Certain projects may have already been financed, and the authorization represents unissued debt which may be issued, if necessary, to complete the project, or may contain remainder authorization that ultimately will not be needed or issued. In some instances, the agencies elect to pursue a different course, and debt may never be issued for an authorized project.

As indicated by the Tax-SGF total on the bottom right of the previous page, \$57.0 million of the outstanding authorizations at the end of Fiscal Year 2008 had been issued in the first half of Fiscal Year 2009.

The estimated additional burden on the SGF in Fiscal Year 2010 from debt service if all of the SGF backed authorized debt was issued in Fiscal Year 2009 would be \$17.9 million which is about 0.3% of estimated Fiscal Year 2010 SGF revenue. This value was estimated using 20 year level debt service and an interest rate of 5% for the SGF authorizations indicated above except for the Post-Secondary Educational Institution (PEI) Loan Program. For the PEI Loan Program, only \$20 million of the remaining \$80 million can be issued in Fiscal Year 2009; the program amortizes its debt over eight years; and, the SGF is only responsible for the repayment of interest.

Surrounding State Comparison

In April of each year, Moody's Investor Services has published a report titled "State Debt Medians". With this report Moody's calculates a handful of debt ratios for all fifty states and tabulates the results listing all the states in order for the various ratios. In the 2008 report the following data can be found for Kansas and surrounding states for comparison:

State	Net Tax-Supported Debt ⁽¹⁾ Per Capita	Rank	Net Tax-Supported Debt as a % of 2006 Personal Income	Rank	Moody's Rating
Kansas	\$1,202	18 (down 2)	3.5%	18	Aa1 ⁽²⁾
Oklahoma	\$450	38	1.5%	38	Aa3
Colorado	\$315	45	0.8%	46	NGO ⁽³⁾
Nebraska	\$22	50	0.1%	50	NGO ⁽³⁾
Iowa	\$98	48	0.3%	48	Aa1 ⁽²⁾
Missouri	\$675	33	1.9%	34	Aaa
Surrounding Average	\$460		1.4%		
US Average	\$1,158		3.2%		

Notes: (1) Moody's defines Net Tax-Supported Debt to include some User-Fee Supported Debt. In the case for Kansas, this figure includes SGF backed debt, all other Tax-Supported debt including KDOT debt, and the majority of User-Fee Supported Debt. A similar S&P's study yields consistent results

(2) Issuer Credit Rating

(3) No General Obligation Rating

While Kansas's ratios are measurably higher than the surrounding state group's, *it is important to note that Moody's rating, which is an "all in" measure of a state's ability and willingness to pay its obligations on time, is consistent with the surrounding state group.* Further, different states make different financing choices which leads to variations in the level of services provided by the state and the condition of the state's infrastructure.

Kansas's ability and cost to using debt as a financing tool is determined by our credit rating not by the ranking in this study. In fact, while Oklahoma's per capita rankings are much lower than Kansas', their credit rating is two notches lower. Further, Iowa's per capita rankings are near the bottom of the rankings but has the same credit rating as Kansas.

Review of Credit Ratings

Credit ratings are the rating agencies' assessments of a governmental entity's ability and willingness to repay debt on a timely basis. Credit ratings are an important indicator in the credit markets and influence interest rates a borrower must pay. Each of the rating agencies believe that debt management generally, and this debt report in particular, are positive factors in assigning credit ratings.

Kansas is a strong credit as reflected in our AA+ and Aa1 ratings from S&P and Moody's respectively. There are several factors which rating agencies analyze in assigning credit ratings: financial factors, economic factors, debt factors, and administrative / management factors. Weakness in one area may well be offset by strength in another. However, significant variations in any single factor can influence a bond rating.

The outlook for the State's credit rating is stable. The rating agencies note that the State's debt burden has increased in recent years. However, the debt burden is still considered low to moderate at the current level. Positive factors listed in the rating reports include: substantial rebuilding of available balances in the last three fiscal years; positive economic trends; likely positive budgetary impact from recent gaming legislation; and, a relatively diverse economic base. However, challenges to the State's rating are presented by: budgetary pressure from education funding increases ordered by the Kansas Supreme Court; and, budgetary pressure from statutorily required pension fund increases and debt service on pension obligation bonds.

Both Moody's and S&P most recent rating reports are as of September 2008. Since then the State's revenue and budget forecasts have changed significantly. All the major rating agencies have taken some rating actions against states or municipalities that have been more profoundly affected by our current economic cycle. Since Kansas is not immune to these economic cycles it is certainly possible that S&P or Moody's could take rating actions against the State of Kansas.

User-Fee Supported Debt

Source of Repayment: revenues generated from the operation of the associated facilities that were financed by the debt issuance. These obligations are not secured by traditional State tax revenues. None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues.

Series	Title	Balance 6/30/08
E, 1989	Kansas Board of Regents - Emporia State University Memorial Union Renovation Project	230,000
K, 1995	Kansas Board of Regents - Kansas State University Farrell Library Expansion Project	2,210,000
1997C	Kansas Board of Regents - University of Kansas Regents Center Refunding Project	840,000
1998B	Kansas Board of Regents - Kansas State University Student Union Renovation and Expansion Project	6,100,000
1998D	Kansas Board of Regents - University of Kansas Housing System Renovation Project - Lewis Hall Project	3,230,000
1998E	Kansas Board of Regents - Pittsburg State University Housing System Renovation Project - Willard Hall Project	3,850,000
1998H	Kansas Board of Regents - University of Kansas Continuing Education Building Purchase Project	1,085,000
1998P	Kansas Board of Regents - Pittsburg State University Horace Mann Administration Building Renovation Project	2,560,000
1999B	Kansas Board of Regents - University of Kansas Medical Center - Center for Health in Aging Project	2,050,000
1999C	Kansas Board of Regents - University of Kansas Child Care Facility Construction Project	2,180,000
1999D	Kansas Board of Regents - University of Kansas Parking Garage #2 Construction Project	5,060,000
2000B	Kansas Board of Regents - Wichita State University Parking System Project	3,445,000
2000D	Kansas Board of Regents - Kansas State University Ackert Hall Addition Project	1,040,000
2001B	Kansas Board of Regents - Emporia State University Student Recreation Facility Project	2,105,000
2001G-1	Kansas Board of Regents - Kansas State University - Salina, College of Technology Housing System Project	480,000
2001G-2	Kansas Board of Regents - Kansas State University Recreation Complex Expansion Project	3,430,000
2001G-3	Kansas Board of Regents - Emporia State University - Residence Hall Project	-
2001G-4	Kansas Board of Regents - University of Kansas Lawrence Campus Parking Facilities Project	-
2001T-1	Kansas Board of Regents - University of Kansas Bioscience Research Center Project	4,610,000
2001T-2	Kansas Board of Regents - University of Kansas Student Union Renovation Project	2,155,000
2002A-1	Kansas Board of Regents - University of Kansas Housing System Renovation Project- Ellsworth Hall	10,010,000
2002A-2	Kansas Board of Regents - University of Kansas Student Recreation and Fitness Center Project	10,245,000
2002K	Kansas Board of Regents - University of Kansas Edwards Campus Project	5,120,000
2002P	Kansas Board of Regents - Wichita State University Housing System Renovation Project	9,755,000
2003A	Kansas Board of Regents - Pittsburg State University Overman Student Center Renovation Project	2,155,000
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - \$72,670,000	
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - KSU Food Safety	19,183,102
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - KUMC Biomedical Research	28,801,181
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - KU Biosciences Research	1,645,000
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - WSU Engineering Complex	1,578,199
2003D-1	Kansas Board of Regents - Fort Hays State University Housing System Refunding & Renovation Project (refunds 1994E)	4,595,000
2003D-2	Kansas Board of Regents - Fort Hays State University Housing System Lewis Field Stadium Renovation Project (refunds 1993C)	855,000
2003J	State of Kansas Projects - \$40,235,000	
2003J-1	Kansas Board of Regents - Energy Conservation Projects - KUMC	11,480,000
2003J-1	Kansas Board of Regents - Energy Conservation Projects - KSU	18,075,000
2004D	Kansas Board of Regents Pittsburg State University Housing System Renovation Project - Bonita Terrace Apartments	1,140,000
2005A	Kansas State University Housing System, Manhattan Campus - Jardine	42,830,000
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - Phase II - \$66,530,000	
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - KSU	14,755,248
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - KUMC	16,399,121
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - Aviation Research Facility	-
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - WSU	4,861,265
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - PSU	2,402,443
2005E-1	Kansas Board of Regents - University of Kansas Housing System Refunding	15,360,000
2005E-2	Kansas Board of Regents - University of Kansas Medical Center - Parking Garage #3	3,085,000
2005F	Kansas Board of Regents - Emporia State University Towers Residential Complex Imprvmt. Proj.	8,930,000
2005G-1	Kansas Board of Regents - Fort Hays State University Memorial Union Renov.-(Tax-Exempt)	7,205,000
2005G-2	Kansas Board of Regents - Fort Hays State University Memorial Union Renov.-(Taxable)	300,000
2006B	Kansas Board of Regents - KU Parking Facilities Proj.	9,790,000
2007A	Kansas Board of Regents - Kansas State University Housing System, Manhattan Campus Project, Jardine Apartments	27,365,000
2007E	Kansas Board of Regents - University of Kansas Student Recreation Center	6,075,000
2007H	Kansas Board of Regents - Kansas State University Parking System	17,855,000
2007M	Kansas Law Enforcement Training Center	18,220,000
	total	366,730,559

Note: Series 2003C and 2005D are hybrid credits in that debt service for the bonds is secured partially by appropriations from the SGF and partially by university research revenue. The pro rata portion of the debt that is the responsibility of the universities' research revenues is presented on this table. The pro rata portion of the debt that is the responsibility of the SGF is presented on the Tax-Supported Debt - State General Fund Table.

1 - 11

Self-Supporting Debt

Source of Repayment: Loan agreements with city and county governments in the State. None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues.

Series	Title	Balance 6/30/08
1997 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	820,000
1997 Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	12,005,000
1998 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	1,050,000
1998 Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	12,055,000
1998 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	32,640,000
2000 Series I	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund State Match Bonds	1,595,000
2000 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	10,165,000
2000 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	855,000
2000 Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	18,460,000
2001 Series I	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund State Match Bonds	9,005,000
2001 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	112,065,000
2002 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	3,530,000
2002 Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	21,150,000
2002 Series II	Kansas Department of Health and Environment - Water Pollution Control Revenue Bonds	58,220,000
2004 Series I	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund State Match Bonds	1,000,000
2004 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	42,950,000
2004 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Refunding	2,190,000
2004 Series 2	KDHE Drinking Water - Leveraged	90,065,000
2004 Series 2	KDHE Drinking Water - Leveraged Refunding	70,940,000
2004 Series 1	KDHE Drinking Water - State Match Refunding	6,305,000
2005 CW-I	KDHE Clean Water - State Match I (New & Refunding)	4,290,000
2005 CW-II	KDHE Clean Water - Leveraged II (New & Refunding)	104,705,000
2005 TR	Kansas Dept. of Transportation Revolving Loan Fund	30,490,000
2006 TR	Kansas Dept. of Transportation Revolving Loan Fund	23,305,000
	total	669,855,000

Tax-Supported Debt		
Other		
Source of Repayment: Specific revenue fund OTHER THAN the State General Fund (SGF).		
Series	Title	Balance 6/30/08
1998L	Memorial Hall	3,740,000
1999N	DOA 7th & Harrison (partially refunded by 2002J)	685,000
1997G-1	Kansas Board of Regents - Comprehensive Rehabilitation and Repair Project	1,011,100
1997G-2	Kansas Board of Regents - Comprehensive Rehabilitation and Repair Project	-
1998V	Kansas Department of Commerce and Housing - IMPACT Program Project	-
1999E	Kansas Department of Commerce and Housing - IMPACT Program Project	4,065,000
2001D	JJA Larned and Topeka Juvenile Correctional Facilities	37,050,000
2001F	Kansas Board of Regents - Comprehensive Rehabilitation and Repair Project	12,575,000
2001J	JJA Juvenile Correctional Facilities (Refunds 1992H)	2,265,000
2001M	Kansas Department of Commerce and Housing - IMPACT Program Project	11,830,000
2001S	Series 2001S - State of Kansas Projects:	
2001R	Highway Patrol Training Facility (Refunding of 1992T)	-
2001W	Series 2001W State of Kansas Projects: (49,865,000.00)	
2001W-1	HR Acquisition & Renovation	1,375,000
2001W-2	KDHE Vital Statistics	960,000
2002H	DHR Acquisition & Renovation Project - 1430 Building (legally changed to DOL)	2,875,000
2002J	DOA 7th & Harrison State Office Project (Partially refunds 1999N)	30,440,000
2002N-1	SRS Larned State Hospital	40,665,000
2002N-2	KHP Fleet Operations Project	2,895,000
2004A	State of Kansas Projects - \$50,730,000	
2004A-1	Dept of Social and Rehabilitation Services - Renovation & Repairs	28,765,000
2004A-3	Kansas Highway Patrol - Facility Acquisition Project	310,000
2004F	Kansas Board of Regents-Comprehensive Rehab & Renov - \$44,860,000	
2004F	Comp Rehab & Renov - Crumbling Classrooms	645,000
2004F	Comp Rehab & Renov - 1997G-1 Refunding	13,030,000
2004F	Comp Rehab & Renov - 1997G-2 Refunding	27,125,000
2005H	State of Kansas Projects - \$88,175,000	
2005H-2	Dept. of Human Resources (DOL) - Unemployment Benefit System	17,400,000
2005N	Kansas Dept. of Commerce-IMPACT Program Proj.	20,340,000
2007F	Kansas Department of Commerce - IMPACT Program Project	31,915,000
	total	291,961,100

Tax-Supported Debt		
State General Fund		
Source of Repayment: State General Fund (SGF)		
Series	Title	Balance 6/30/08
1993L	Energy	445,000
1996A	Energy	-
1996J	Energy	245,000
1999A-1	DOC El Dorado and Larned	9,080,000
1999A-2	DOC Ellsworth and Labette	300,000
1999H	DOC El Dorado Reception	3,090,000
2000V	DOA State Capitol Restoration Project, Phase I-A	3,075,000
2001L	DOA (PBC Digital Conversion) Redeems 2001C	4,470,000
2001O	DOA State Building Renovation Projects	7,210,000
2001P	Refund Energy - Series G, 1992	130,000
2001W	Series 2001W State of Kansas Projects: (49,865,000.00)	
2001W-3	Kansas Fairgrounds Renovation	14,230,000
2001W-4	DOA Judicial Center Improvements	730,000
2001W-5	DOA State Capitol Restoration	21,720,000
2002C	DOA State Capitol Parking	12,765,000
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - \$72,670,000	
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - KSU Food Safety	3,301,898
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - KUMC Biomedical Research	7,298,819
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - KU Biosciences Research	-
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - Aviation Research Facility	6,130,000
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - WSU Engineering Complex	726,801
2003H	Kansas Public Employees Retirement System - KPERS 13th Check Group	16,655,000
2003H	Kansas Public Employees Retirement System - TIAA Group - Board of Regents and KU Hospital Authority	9,375,000
2004A	State of Kansas Projects - \$50,730,000	
2004A-2	Kansas State Fairgrounds - Renovation Project	9,450,000
2004C	Kansas Public Employees Retirement System	500,000,000
2004G-1	DOA Capitol Restoration Project - Phase II	16,635,000
2004G-2	Dept of Admin Refunding Revenue Bond Project (KBI)	580,000
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - Phase II - \$66,530,000	
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - KSU	2,539,752
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - KUMC	4,155,879
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - Aviation Research Facility	6,130,000
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - WSU	2,238,735
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - PSU	597,557
2005H	State of Kansas Projects - \$88,175,000	
2005H-1	Dept. of Admin. - Capitol Restoration Phase III	27,250,000
2005H-1	Dept. of Admin. - Refunding Capitol Restoration (2000V)	7,195,000
2005H-3	Adjutant General - Refunding Armories Reonv.-BAN	5,650,000
2005H-3	Adjutant General - Refunding Armories Reonv. Phase II (2000T)	1,270,000
2005H-3	Adjutant General - Refunding Armories Reonv. Phase II (2001W-6)	1,345,000
2005H-3	Adjutant General - Refunding Armories Reonv. Phase III (2003J-2)	4,975,000
2005H-3	Adjutant General - Refunding Armories Reonv. Phase IV (2004A-4)	4,990,000
2005H-4	Dept. of Admin. - Public Broadcasting Council	1,600,000
2005H-5	Dept. of Corrections - Refunding El-Dorado Facility (1999H)	10,195,000
2006A	Kansas Dept. of Administration - Comprehensive Transportation Program (Reimbursement)	202,755,000
2006L	State of Kansas Projects - \$13,210,000	
2006L-1	Dept. of Admin - Capitol Restoration Phase IV	7,065,000
2006L-2	Kansas Board of Regents - Pittsburg State University Joint Armory Proj	4,065,000
2006L-3	Adjutant General - Pittsburg State Armory Project	1,465,000
2007K	State of Kansas Projects	
2007K-1	Dept. of Admin. - Capitol Restoration Phase V	27,505,000
2007K-2A	Adjutant General - Training Center	9,170,000
2007K-2B	Adjutant General - Refunding Armories Reonv.-BAN	3,170,000
2007K-3	Dept. of Corrections - Renovations	19,610,000
	total	1,002,579,441

Tax-Supported Debt		
Highway Fund (KDOT)		
Source of Repayment: motor fuel taxes, vehicle registration fees, sales taxes and federal aid reimbursements.		
Series	Title	Balance 6/30/08
1993 A	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds	-
1998	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds	58,265,000
2000 B & C	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	200,000,000
2002 A	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	77,040,000
2002 B & C	State of Kansas - Department of Transportation - Highway Revenue Bonds	320,005,000
2002 D	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	88,110,000
2003 A & B	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds	248,190,000
2003 C	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds (Auction Rate Securities)	150,275,000
2004 A	State of Kansas - Department of Transportation - Highway Revenue Bonds	250,000,000
2004 B	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	200,000,000
2004 C	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	147,000,000
	total	1,738,885,000



DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

Don Jordan, Secretary

Senate Ways and Means

Monday, February 9, 2009

**Child Support Enforcement
Program Overview**

**Child Support Enforcement
Don Jordan, Secretary**

For Additional Information Contact:
Patrick Woods, Director of Governmental Affairs
Docking State Office Building, 6th Floor North
(785) 296-3271

Senate Ways & Means Cmte
Date 2-09-2009
Attachment 2

Child Support Enforcement Program Overview

Senate Ways and Means
Monday, February 9, 2009

Chairman Emler and members of the committee, I am Don Jordan, Secretary of SRS. Thank you for the opportunity to provide an overview of the Child Support Enforcement program.

Purpose - The Kansas Child Support Enforcement Program, operating under Title IV-D of the federal social security act, has two purposes:

1. To promote long-term financial stability for households with children, and
2. To ease the taxpayers' burden for public assistance provided on behalf of children not supported by both parents.

Program - The Kansas CSE Program is a multifaceted operation that combines state, county, judicial, and private resources to meet detailed federal requirements concerning all phases of operation. CSE services include:

- Locating noncustodial parents and their assets;
- Establishing parentage, as needed;
- Establishing support orders, including health coverage;
- Ensuring regular payment of support through income withholding orders;
- Enforcing support through administrative actions, such as passport denial or interception of tax refunds, lottery winnings, and unemployment benefits;
- Enforcing past due support through court actions, such as garnishment of bank accounts;
- Modifying ongoing support orders as needed, to reflect the child's current needs and the parents' ability to provide support; and
- Receiving and disbursing support payments through a statewide unit, the Kansas Payment Center.

Caseload - The CSE caseload consists of nearly 130,000 cases serving over a quarter million people. CSE cases fall into two broad categories:

- *Temporary Assistance to Families (TAF)*. When a child's custodian applies for Temporary Assistance to Families, that child's support rights are assigned to the State. If CSE collects support in a TAF case, it is used to reimburse the state and federal governments for public



KANSAS
DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

assistance provided to the child's family. Any collections beyond the claim for reimbursement are passed on to the family.

- *Non-TAF.* Federal law requires the CSE Program to serve any family, regardless of income, that applies for support enforcement services. CSE is also required to provide Non-TAF services when a family stops receiving cash TAF benefits, at the custodial parent's discretion.

Although SRS normally deducts a 4% cost recovery fee from Non-TAF collections, families receiving Child Care Assistance, Medicaid, or Food Stamps are all exempt from the fee. Also, all of SRS' CSE cases are automatically exempt from any district court trustee fee that might otherwise apply.

	State FY 2006	State FY 2007	State FY 2008
CSE cases	131,729	130,367	129,002
Total collections	\$161.0 million	\$172.9 million	\$187.2 million
Collections paid out to KS families	\$120.6 million	\$129.1 million	\$139.9 million
Collections paid out to federal gov't and other states	\$24.4 million	\$25.9 million	\$30.5 million
State's share	\$16.0 million	\$17.9 million	\$16.8 million

Current Initiatives - The CSE contractor for the new, statewide CSE customer service center (CSCC), located in Halstead, completed its phased rollout in March 2008 for all 131,000 CSE cases. The customer service center operates weekdays between 7 AM and 7 PM.

The Kansas Payment Center (KPC) disburses all child support payments in Kansas, under the oversight of SRS' CSE Program. In 2008 the KPC introduced a Visa™-branded debit card for parents receiving support. This additional option was implemented smoothly, and a highly successful direct mail campaign resulted in over 3,700 enrollments by custodial parents for the new debit card.

Implementation of CSE's new administrative sanction against driving privileges (K.S.A. 39-7,155) is nearing completion. In October 2008 a general mailing went out to child support debtors, alerting them to the new sanction for debtors owing more than \$500 of past due support and encouraging them to voluntarily begin payments and avoid the sanction altogether. If sanctioned, a support debtor with a Kansas drivers license will be restricted to driving to and from work or school until the child support matter is satisfactorily resolved.



DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

Federal Changes - Several important federal changes will affect CSE in coming months. First, on October 1, 2009, CSE will implement a new distribution formula that allocates more support money to families. While highly beneficial to families, over time the new federal formula will make it more difficult for CSE to remain self-funding. Second, new medical support regulations will alter how CSE addresses health insurance coverage, or payment of cash medical support in lieu of coverage. The Kansas Health Policy Authority, which administers Healthwave benefits for many CSE cases, also will feel the impact of these new rules. Third, new rules for safeguarding CSE information will affect SRS and CSE procedures and automated systems, particularly the way that disclosures are prevented, approved, and documented. Finally, the federal offset process, which intercepts federal payments to satisfy past due child support, soon will be extended to payments issued (including farm subsidy payments) by the U.S. Department of Agriculture (USDA). The USDA joins a wide array of federal agencies already participating in the offset process.



DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

Don Jordan, Secretary

Senate Ways and Means Committee
February 9, 2009

Food Assistance Program Overview

For Additional Information Contact:
Patrick Woods; Director of government Affairs
Docking State Office Building, 6th Floor North
(785) 296-3271

Senate Ways & Means Cmte
Date 2-09-2009
Attachment 3

Food Assistance Program Overview

Senate Ways and Means Committee

February 9, 2009

Chairman Emler and members of the committee, my name is Don Jordan, Secretary for the Department of Social and Rehabilitation Services. Thank you for the opportunity to brief you on the Food Assistance Program.

Food assistance administered by the United States Department of Agriculture (USDA) includes the Supplemental Nutrition Assistance Program (SNAP), which provides a monthly benefit to eligible low-income households to assist them in purchasing food for home consumption. In Kansas, we call this program the Food Assistance Program.

Eligibility for the Food Assistance Program is based on financial and non-financial criteria. Generally, households with income below 130% of federal poverty and with no more than \$2000 in countable assets can qualify for the program. Households with at least one member who is 60 or older can have up to \$3000 in assets. A household is defined as an individual or group of individuals who live and eat together. Many able-bodied, childless, unemployed adults have time limits on their receipt of Food Assistance benefits.

In Kansas, the program currently serves 203,000 persons, of which 47% are children. The average monthly benefit per person is \$108.57, and the average benefit per household is \$239.72. Benefits are issued electronically on the Vision card. In FY 2008, Kansas issued a total of \$205,419,709 in benefits, compared to \$190,314,458 issued in FY 2007. These benefits are spent at local grocery stores, farmers' markets and other stores in Kansas. Only food and plants/seeds to grow food can be purchased with food assistance benefits.

There are many benefits to increasing participation in the Food Assistance Program, including helping more low income families with their food and nutrition needs as well as transition to self-sufficiency. In addition, the increased food buying power generated by the program generates economic activity, supports the local and state economy, and supports farming in Kansas. Every \$5 in food assistance generates \$9.20 in economic activity.

Overall, the Food Assistance Program in Kansas is an effective and critical support program for low income citizens. I will be happy to stand for questions.

**KANSAS SENATE WAYS & MEANS COMMITTEE
INFORMATIONAL HEARING ON FOOD STAMPS AND CHILD SUPPORT
PAUL JOHNSON – KANSAS CATHOLIC CONFERENCE
FEBRUARY 9, 2009**

Thank you for this opportunity to comment on these vital, supportive services. In troubled times, food stamps and child support along with the earned income tax credit program are essential family support programs. Since food stamps and child support are not counted in the \$13.6 Billion Kansas' budget, they do not receive adequate attention. SRS is doing a tremendous job with these programs under very troubled circumstances of out-dated computers and understaffing. As the SRS budget is reviewed, these issues need more focused attention.

In 2008, the unduplicated count for food stamp clients was 295,000 – one in every tenth Kansan. This program is the largest child nutrition program in Kansas at \$100 million in 2007 compared to \$67 million for school lunch, \$17 million for school breakfast and \$39 million for WIC. The Conference requested a meeting with SRS and the Kansas Department of Education to discuss free school lunch counts and food stamp participation since 130% of the federal poverty guideline is the income test. In September 2008, 140,791 students qualified for free school lunch while 92,838 children received food stamps. In Wichita and the Lawrence farmers market in 2008, SRS funded a wireless system to accept food stamps – the Vision Card. This summer this wireless system will expand to farmer markets in Topeka, KCK, Emporia, Merriam, Paola and Leavenworth. (Kansans consume \$525 million annually in vegetables and fruits. Kansas produced \$24.7 million in vegetables and \$7.2 million in fruit in 2007.)

The Kansas Payment Center processed \$30.5 million in child support in September 2008 via 130,531 payments. Approximately 50% of this support is part of the SRS child support system known as 4D. The private system is known as non-4D. The Kansas 4D child support system ranks 37th of the 50 states with a current monthly support payment rate of 57% (current support due is \$16.6 million but only \$9.5 million paid). The 4D system involves 176,363 children. The non-4D system does not have these detailed reports. While Kansas has 696,946 children under 18, the total child support system may touch 1/3 of these kids.

The Kansas Catholic Conference supports: **1) a detailed review by the SRS subcommittee of the staffing levels at the regional offices since a 15% vacancy rate is required to meet existing resources: 2) initial funding for the Human Services Management Project to transform the existing 20 year old legacy mainframe into a new eligibility and benefits system for SRS and KHPA: 3) a focused interim committee that would discuss staffing, HSM and organizational changes to the child support system.**

Senate Ways & Means Cmte
Date 2-09-2009
Attachment 4