

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 10:30 a.m. on March 1, 2010, in Room 548-S of the Capitol.

All members were present except:

Senator Carolyn McGinn - excused
Senator Jean Schodorf - excused

Committee staff present:

Alan Conroy, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Aaron Klaassen, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Jarod Waltner, 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
James Fisher, Intern

Conferees appearing before the Committee:

Rod Bremby, Secretary, Department of Health and Environment (KDHE)
Pat Kuester, KDHE
Barry Swanson, Director of Purchasing and Strategic Sourcing, University of Kansas

Others attending:

See attached list.

Subcommittee Report on Kansas Parole Board

Senator Teichman presented the Subcommittee report on the Governor's budget recommendation for the Kansas Parole Board for FY 2011 and moved for the adoption of the Subcommittee report on the Kansas Parole Board for FY 2011 (Attachment 1). The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Subcommittee Report on Emergency Medical Services Board and Kansas Sentencing Commission

Senator Masterson presented the Subcommittee report on the Governor's budget recommendation for the Emergency Medical Services Board (EMS) for FY 2011 and moved for the adoption of the Subcommittee report on EMS for FY 2011 (Attachment 2). The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Senator Masterson presented the Subcommittee report on the Governor's budget recommendation for the Kansas Sentencing Commission for FY 2011 and moved for the adoption of the Subcommittee report on the Kansas Sentencing Commission for FY 2011 (Attachment 2). The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Subcommittee Report on Kansas Department of Health and Environment-Health and Kansas Department of Health and Environment-Environment

Senator Schmidt presented the Subcommittee report on the Governor's budget recommendation for the Kansas Department of Health and Environment (KDHE)-Health for FY 2011 (Attachment 3).

Senator Schmidt moved to amend the Subcommittee report on the KDHE-Health for FY 2011 by adding language to add 2 new funds: (1) the agency received a 5-year, \$9 million federal grant to establish the Kansas

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on March 1, 2010, in Room 548-S of the Capitol.

Health Information Exchange and needs a fund to deposit and expend those moneys; (2) because of the requirement for all college students to have a TB test using Quantiferon, the universities want to contract with the KDHE Lab to do these tests and will need a fund to deposit these contractual service payments. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

The Committee voiced concern that the establishment of a new fund should be done in substantive legislation rather than through a budget bill. However, the Subcommittee noted that it is important to establish a fund to receive the \$9 million federal grant funds in a timely manner, so the state does not lose the funds; therefore, may not have sufficient time to get legislation written and passed.

Rod Bremby, Secretary, Department of Health and Environment, responded to questions from the Committee, noted that the agency currently does not have a fund to use for receipt of the federal grant funds. Mr. Bremby stated that the agency became aware that they would receive the federal grant last month. The Secretary indicated that the agency could begin receiving the funds within weeks and must complete a strategic operational plan by the end of July 2010.

Pat Kuester, KDHE, commented that currently the agency does not have an appropriate fund or account through which to run the federal grant funds.

Senator Vratil moved to amend the Subcommittee recommendation on KDHE-Health by adding language to request that substantive legislation be drafted and introduced to create the funds as requested. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

◆ The Committee requested information from the Revisor of Statutes and Legislative Research Department on the procedure required for the establishment of a new fund within a state agency.

Senator Schmidt moved for the adoption of the Subcommittee report on the KDHE-Health for FY 2011 as amended. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Schmidt presented the Subcommittee report on the Governor's budget recommendation for the Kansas Department of Health and Environment-Environment for FY 2011 and moved for the adoption of the Subcommittee report on the Kansas Department of Health and Environment-Environment for FY 2011 (Attachment 3). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Hearing on HB 2415 - State surplus property act; state educational institutions.

Daniel Yoza, Revisor, provided an explanation of the bill (Attachment 4).

Barry Swanson, Director of Purchasing and Strategic Sourcing, University of Kansas, presented testimony in support of **HB 2415** (Attachment 5). Mr. Swanson stated that the legislation would allow the universities to gain full control over their supply chain and be able to design the most efficient and effective program for their institution. Responding to a question from the Committee, Mr. Swanson noted that the legislation pertains only to the regent universities and does not apply to community colleges, who are not state agencies.

Responding to questions from the Committee, Mr. Swanson stated that the universities would establish well-defined procedures for the sale, trade or disposal of property under the legislation. Examples of the personal property of the universities could include musical equipment, scientific equipment, excess chemicals and specialized property. Mr. Swanson noted that the universities have had delegated authority to sell personal property since 2004; however, this legislation would place the authority in statute.

The Committee voiced concern that there is no oversight addressed in the legislation. The Committee noted that the Educational Planning Committee addressed the issue during the interim and recommended the legislation.

Written testimony in support of **HB 2415** was received from the following:

- Reginald L. Robinson, President & CEO, Board of Regents (Attachment 6).

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on March 1, 2010, in Room 548-S of the Capitol.

- Andrew J. Schlapp, Executive Director of Government Relations, Wichita State University (Attachment 7).
- Mike Barnett, Vice President, Fort Hays State University (Attachment 8).
- Victoria White, Pittsburg State University (Attachment 9).
- Bruce Shubert, Vice-President Administration and Finance, Kansas State University (Attachment 10).

There were no other proponents, opponents or neutrals to appear before the Committee.

The hearing on HB 2415 was closed.

Senator Schmidt moved to amend HB 2415 by adding language stating that oversight is to be provided by the Board of Regents. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Jill Wolters, Revisor, stated that new language “in accordance with policies of the State Board of Regents” will be added to **HB 2415** on Page 1, Line 33.

Senator Schmidt moved to recommend HB 2415 as amended favorably for passage. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Adjournment

The next meeting is scheduled for March 2, 2010.

The meeting was adjourned at 11:30 a.m.

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

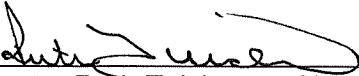
DATE: March 1, 2010

NAME	REPRESENTING
ROD BREMBY	KDHE
Pat Kuethe	KDHE
Dick Morrissey	KDHE
Jason Eberhart-Phillips	KDHE
Susan Kay	KDHE
Patrick Woods	SRS
John Mitchell	KDHE
Aaron Dunkel	KDHE
Garni Hines	KAMU
JEREMY BARCLAY	KDOC
ROGER WERHOLTZ	KDOC
DENNIS WILLIAMS	KDOC
ROGER HADEN	KDOC
Helen Pedigo	Ks. Sentencing Commission
Doug Bowman	CCECD5
Jackson Lindley	Hein Lan
ROB MENTY	KEMMEY & ASSOC.
Levi Henry	Sandstone Group LLC
Sara Haworth	Sen. Vicki Schmidt's Student Intern
Colleen Becker	D of A
Pat Higgins	D of A
AK Frickeaux	KHSU
Victoria R. White	PSU

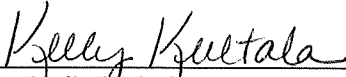
FY 2011

SENATE WAYS AND MEANS SUBCOMMITTEE

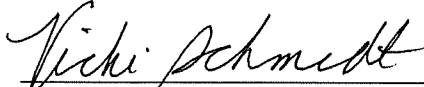
Kansas Parole Board



Senator Ruth Teichman, Chair



Senator Kelly Kultala



Senator Vicki Schmidt

Senate Ways & Means Cmte

Date 3-01-2010

Attachment 1

Senate Subcommittee Report

Agency: Kansas Parole Board

Bill No. SB 556

Bill Sec. 89

Analyst: Waltner

Analysis Pg. No. - -

Budget Page No. 413

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 510,135	\$ 510,135	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 510,135</u>	<u>\$ 510,135</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 510,135</u></u>	<u><u>\$ 510,135</u></u>	<u><u>\$ 0</u></u>
FTE positions			
FTE positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests \$510,135, all from the State General Fund in FY 2011. The request is an increase of \$6,977, or 1.4 percent, above the FY 2010 revised estimate. The request includes \$28,609 in enhancement funding for building space rent.

Governor's Recommendation

The **Governor** recommends \$510,135, all from the State General Fund in FY 2011. The recommendation is the same as the agency's FY 2011 request, including the enhancement for building space rent.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's recommendation with the following notations:

1. The Subcommittee is concerned about the rent being charged to the Parole Board by the Department of Administration for its office space in the Landon State Office building. The rent is increasing from \$16.78 per square foot in FY 2010 to \$17.09 in FY 2011. In addition, the Parole Board received a delinquent notice from the Department of Administration in FY 2010 because the Board has not been able to pay its rent while it

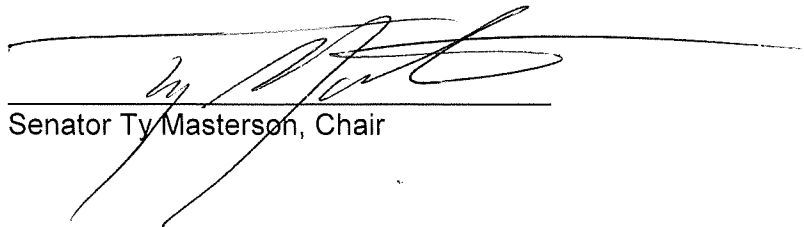
awaits the outcome of SB 556, which includes a supplemental appropriation of \$28,090 for FY 2010.

2. The Subcommittee notes that the Parole Board utilizes forensic psychologists to complete assessments on certain parole eligible inmates to aid in Parole Board decisions. The forensic psychologists are included in the mental health care contract in the Department of Corrections (DOC). According to testimony heard by the Subcommittee, the forensic psychologists could be eliminated from the mental health care contract as part of contract negotiations currently taking place between the DOC and Correct Care Solutions (the medical and mental health care provider for the DOC). The Subcommittee is concerned about the prospect of losing forensic psychologists as a resource for the Parole Board and encourages the Department of Corrections to keep forensic psychologists in the next mental health care contract.
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FY 2011

SENATE WAYS AND MEANS SUBCOMMITTEE

Emergency Medical Services Board
Kansas Sentencing Commission



Senator Ty Masterson, Chair

Senator Jay Emler



Senator Kelly Kultala

Senate Ways & Means Cmte
Date 3-01-2010
Attachment 2

House Budget Committee Report

Agency: Emergency Medical Services Board

Bill No. HB 2706

Bill Sec. 92

Analyst: Tang

Analysis Pg. No. - -

Budget Page No. 387

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,221,887	2,171,887	0
Subtotal	<u>\$ 2,221,887</u>	<u>\$ 2,171,887</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 2,221,887</u></u>	<u><u>\$ 2,171,887</u></u>	<u><u>\$ 0</u></u>
FTE positions			
FTE positions	14.0	14.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>14.0</u></u>	<u><u>14.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2011 expenditures of \$2,221,887, which is a decrease of \$36,534 or 1.6 percent below the revised FY 2010 estimate. The amount does not include any federal grants, such as the \$100,000 that was awarded in FY 2010. The request includes \$300,000 from the Emergency Medical Services Operating Fund for the Education Incentive Grant Program.

Governor's Recommendation

The **Governor** recommends FY 2011 expenditures of \$2,171,887, which is a decrease of \$50,000 or 2.3 percent below the agency's request. The decrease is attributed to a \$50,000 reduction in the transfer from the Emergency Medical Services Operating Fund to the Education Incentive Grant Program. The Governor's recommendation anticipates legislation that would alter the \$200,000 transfer to the State General Fund from the fire insurance premiums that fund most of the agency's operations. Currently, the entire transfer comes from the State Fire Marshal, whereas the anticipated legislation would split the transfer amongst the State Fire Marshal, the Emergency Medical Services Board, and the University of Kansas Fire and Rescue Training Institute.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following notations:

1. The Budget Committee notes that Senate Bill 322 and House Bill 2387 would adjust the distribution of the 1.25 percent levy on fire insurance premiums in order to distribute the State General Fund administrative services fee across the three agencies it supports rather than being solely charged to the State Fire Marshal's portion. K.S.A. 75-1514 requires that 20.0 percent of the receipts received by the State Fire Marshal be remitted to the State General Fund with a cap of \$200,000 on such transfers. If the noted legislation passes, it would assess the statutory fee to the pool of levy funds, and would distribute the \$200,000 across the three agencies by the proportion of the levy each agency receives. The amounts would be assessed as follows: \$128,000 from the State Fire Marshal, \$40,000 from the Emergency Medical Services Board, and \$32,000 from the University of Kansas Fire and Rescue Training Institute.

Currently, K.S.A. 75-1508 requires each fire insurance company doing business in Kansas to pay the Commissioner of Insurance, beginning in 1984, a levy imposed by the State Fire Marshal, not to exceed 1.25 percent of a sum equal to the gross cash receipts of such company on all fire business transacted by the company in the preceding calendar year. K.S.A. 75-1508 distributes the 1.25 percent levy to provide 0.8 percent to the Fire Marshal, 0.25 percent to EMS, and 0.2 percent to the Fire Services Training Institute at the University of Kansas.

2. The Budget Committee recommends the review of the addition of \$50,000 from the Emergency Medical Services Operating Fund for the Education Incentive Grant Program at Omnibus, if bills affecting the fire insurance premium are not enacted into law.
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Senate Subcommittee Report

Agency: Emergency Medical Services Board

Bill No. SB 556

Bill Sec. 92

Analyst: Tang

Analysis Pg. No. --

Budget Page No. 387

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,221,887	2,171,887	0
Subtotal	<u>\$ 2,221,887</u>	<u>\$ 2,171,887</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 2,221,887</u></u>	 <u><u>\$ 2,171,887</u></u>	 <u><u>\$ 0</u></u>
 FTE positions	 14.0	 14.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>14.0</u></u>	<u><u>14.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2011 expenditures of \$2,221,887, which is a decrease of \$36,534, or 1.6 percent, below the revised FY 2010 estimate. The amount does not include any federal grants, such as the \$100,000 that was awarded in FY 2010. The request includes \$300,000 from the Emergency Medical Services Operating Fund for the Education Incentive Grant Program.

Governor's Recommendation

The **Governor** recommends FY 2011 expenditures of \$2,171,887, which is a decrease of \$50,000, or 2.3 percent, below the agency's request. The decrease is attributed to a \$50,000 reduction in the transfer from the Emergency Medical Services Operating Fund to the Education Incentive Grant Program. The Governor's recommendation anticipates legislation that would alter the \$200,000 transfer to the State General Fund from the fire insurance premiums that fund most of the agency's operations. Currently, the entire transfer comes from the State Fire Marshal, whereas the anticipated legislation would split the transfer amongst the State Fire Marshal, the Emergency Medical Services Board, and the University of Kansas Fire and Rescue Training Institute.

2-4

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's recommendation with the following notations:

1. The Senate Subcommittee notes that Senate Bill 322 and House Bill 2387 would adjust the distribution of the 1.25 percent levy on fire insurance premiums in order to distribute the State General Fund administrative services fee across the three agencies it supports rather than being solely charged to the State Fire Marshal's portion. K.S.A. 75-1514 requires that 20.0 percent of the receipts received by the State Fire Marshal be remitted to the State General Fund with a cap of \$200,000 on such transfers. If the noted legislation passes, it would assess the statutory fee to the pool of levy funds, and would distribute the \$200,000 across the three agencies by the proportion of the levy each agency receives. The amounts would be assessed as follows: \$128,000 from the State Fire Marshal, \$40,000 from the Emergency Medical Services Board, and \$32,000 from the University of Kansas Fire and Rescue Training Institute.

Currently, K.S.A. 75-1508 requires each fire insurance company doing business in Kansas to pay the Commissioner of Insurance, beginning in 1984, a levy imposed by the State Fire Marshal, not to exceed 1.25 percent of a sum equal to the gross cash receipts of such company on all fire business transacted by the company in the preceding calendar year. K.S.A. 75-1508 distributes the 1.25 percent levy to provide 0.8 percent to the Fire Marshal, 0.25 percent to EMS, and 0.2 percent to the Fire Services Training Institute at the University of Kansas.

2. The Senate Subcommittee recommends the review of the addition of \$50,000 from the Emergency Medical Services Operating Fund for the Education Incentive Grant Program at Omnibus, if bills affecting the fire insurance premium are not enacted into law.

Senate Subcommittee Report

Agency: Kansas Sentencing Commission

Bill No. SB 556

Bill Sec. 93

Analyst: Waltner

Analysis Pg. No. - -

Budget Page No. 417

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 8,444,163	\$ 7,359,555	\$ 0
Other Funds	541,723	1,204,123	0
Subtotal	<u>\$ 8,985,886</u>	<u>\$ 8,563,678</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 8,985,886</u></u>	 <u><u>\$ 8,563,678</u></u>	 <u><u>\$ 0</u></u>
 FTE positions	 10.0	 10.0	 0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	<u><u>14.0</u></u>	<u><u>14.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests \$9.0 million, including \$8.4 million from the State General Fund in FY 2011. The FY 2011 request is an all funds decrease of \$443,494, or 4.7 percent, and a State General Fund decrease of \$869,324, or 9.3 percent, below the FY 2010 revised estimate. The FY 2011 request does not include any enhancement requests. The FY 2011 request would fund 10.0 FTE positions and 4.0 non-FTE unclassified positions, the same as the FY 2010 revised estimate.

Governor's Recommendation

The **Governor** recommends \$8.6 million, including \$7.4 million from the State General Fund in FY 2011. The recommendation is an all funds decrease of \$422,208, or 4.7 percent, and a State General Fund decrease of \$1,084,608, or 12.8 percent, below the agency's FY 2011 request. The change is due to a decrease of 5.0 percent to the State General Fund request for SB 123 drug treatment (\$422,208) and the substitution of \$662,400 in fee funds to supplant a State General Fund appropriation.

The FY 2011 recommendation is an all funds increase of \$15,445, or 0.2 percent, above the FY 2010 recommendation, but it is a State General Fund reduction of \$819,815, or 10.0 percent, below the FY 2010 recommendation. The recommendation would fund 10.0 FTE and 4.0 non-FTE unclassified positions, the same as the FY 2010 recommendation.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's recommendation with the following notation:

1. The Subcommittee commends the Sentencing Commission on identifying efficiencies in it's budget to achieve savings. The Sentencing Commission has achieved savings by consolidated staff duties, reduced rent by reducing office square footage, and utilizing additional federal funds to supplant State General Fund expenditures.
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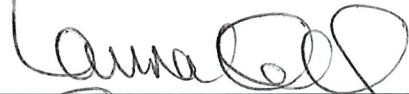
FY 2011

SENATE WAYS AND MEANS SUBCOMMITTEE

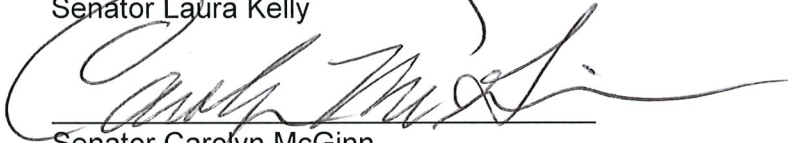
Kansas Department of Health and Environment-Health
Kansas Department of Health and Environment-Environment



Senator Vicki Schmidt, Chair



Senator Laura Kelly



Senator Carolyn McGinn



Senator John Vratil

Senate Ways & Means Cmte
Date 3-01-2010
Attachment 3

House Budget Committee Report

Agency: Kansas Department of Health and Environment - Health

Bill No. HB 2706

Bill Sec. 63

Analyst: Robinson

Analysis Pg. No. - -

Budget Page No. 227

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 35,637,395	\$ 23,296,403	\$ 0
Other Funds	144,097,427	143,401,648	0
Subtotal	<u>\$ 179,734,822</u>	<u>\$ 166,698,051</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 179,734,822</u></u>	<u><u>\$ 166,698,051</u></u>	<u><u>\$ 0</u></u>
FTE positions	384.4	364.4	0.0
Non FTE Uncl. Perm. Pos.	181.4	181.4	0.0
TOTAL	<u><u>565.8</u></u>	<u><u>545.8</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests expenditures of \$179.7 million for the Health Function, which is an increase of \$12.2 million, or 7.3 percent, above the revised FY 2010 estimate. The request includes enhancements for the Health Function totaling \$12.8 million, including \$12.0 million from the State General Fund. Absent enhancements, the request totals \$167.1 million, which is a decrease of \$460,086 below the revised FY 2010 estimate. State General Fund expenditures of \$35.6 million are requested, which is an increase of \$12.1 million, or 51.4 percent, above the FY 2010 revised request. Absent enhancements the request totals \$23.7 million, which is an increase of \$124,549, or 0.5 percent above the revised FY 2010 estimate. The request also includes \$7.4 million from the Children's Initiatives Fund, \$118.7 million from federal funds, and \$18.0 million from all other funding sources.

Governor's Recommendation

The **Governor** recommends expenditures of \$166.7 million for the Health Function, which is a decrease of \$1.0 million, or 0.6 percent, below the revised FY 2010 recommendation. The recommendation is a reduction of \$13.0 million, or 7.3 percent, below the agency's request. The recommendation includes State General Fund expenditures of \$23.3 million, which is an increase of \$83,582, or 0.4 percent, above the FY 2010 revised recommendation. The State General Fund recommendation is a reduction of \$12.3 million, or 34.6 percent, below the agency's request, mainly because the Governor does not recommend any of the agency's

requested enhancements. The recommendation also includes \$7.4 million from the Children's Initiatives Fund, \$118.1 million from federal funds, and \$17.9 million from all other funding sources.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. Delete \$102,478, all from the State General Fund, in FY 2011 from the Youth Mentoring program. The Budget Committee recommends that this funding be used to address the issues discussed in items 2 and 3 of this report. This recommendation is not a reflection on the merits of the Youth Mentoring program, but simply a reflection of the priorities of a majority of the Budget Committee.
2. Add \$15,000, all from the State General Fund in FY 2011, for the Women's Right to Know program. The program, among other things, requires KDHE to provide informational materials to pregnant women, including information about the gestational development of a fetus from two weeks to full term, a list of providers of adoption services, and information on abortion procedures. The Governor's recommendation reduced funding for the program by \$15,000. This reduction would eliminate funding used to produce and distribute printed materials or DVDs for the program. While web-based materials would still be available, this would require pregnant women to access these resources through the website as physical copies would not be available at doctors' offices. The Budget Committee believes it is important to continue to provide this information for distribution at the first point of contact and recommends restoration of this funding.
3. Add \$87,478, all from the State General Fund, for the Infant and Toddler program. The Governor's budget recommendation eliminates all State General Fund financing for the program in FY 2011. The Department testified that failure to meet the FY 2009 maintenance of effort (MOE) level of \$5,878,083 will make the state ineligible to apply for continued federal funding of over \$3.8 million. The Governor's recommendation includes \$5.7 million from the Children's Initiatives Fund in FY 2011, leaving the maintenance of effort amount short by \$178,083. The federal requirements authorize in-kind match activities to count toward the MOE, and the Department has been working diligently with its local partners, attempting to establish in-kind and other activities, which would qualify, but to date has identified only about \$50,000 in potential MOE amounts. That amount, combined with the funding recommended here, would provide \$137,478 toward the MOE. The Budget Committee intends to reconsider this issue during Omnibus, and directs the Department to continue in its efforts to find additional ways, working with local partners, to fully fund this effort, and report back to the Budget Committee during Omnibus. The Budget Committee will also consider additional funding adjustments to fully fund the required MOE at that time.
4. Add a proviso which prohibits the Secretary of Health and Environment from adopting rules and regulations for the residential childhood lead poisoning prevention act that are more stringent than those of the federal Environmental Protection Agency (EPA). This language is also contained in 2010 HB 2596, which has been referred to the House Commerce and Labor Committee. The bill

was scheduled for a hearing on February 15, 2010. The proviso would read as follows:

During the fiscal year ending June 30, 2011, the secretary of the Kansas department of health and environment shall adopt rules and regulations necessary for the administration of the residential childhood lead poisoning prevention act that are not more stringent, restrictive or expansive than the rules and regulations adopted by the United States environmental protection agency pursuant to the federal residential lead-based paint hazard reduction act, and amendments thereto, (42 U.S.C. 5851 et seq.), including, but not limited to, licensure of business entities and public agencies, certification of individuals, accreditation of training programs, on-site inspections and requirements, notification and record keeping, procedures and work practice standards relating to lead-based paint activities as are necessary to protect the public health and safety. The secretary shall have no authority to adopt any rules and regulations, standards or guidelines that require any person who tests for lead-based paint or performs lead-based paint mitigation in this state to make a report of such testing or mitigation to the secretary.

5. The Budget Committee is concerned about state match requirements for federal bioterrorism funding. Kansas has received federal funding with no match requirement from the Centers for Disease Control and Prevention (CDC) since 1999 and through the Department of Health and Human Services since 2002. To date, the state has received \$114.3 million in funding from these two sources, which includes a total of \$39.7 million for the state's local health departments and \$23.5 million for the state's hospitals. In December 2006, the federal government enacted the Pandemic and All-Hazards Preparedness Act (PAHPA), which requires a state match for the federal public health and hospital preparedness funds starting in August 2009. The match requirement is 5.0 percent during FY 2010 and 10.0 percent during FY 2011. According to the agency, local health departments and community hospitals have identified in-kind matching funds to meet the 5.0 percent match requirement of \$577,310 for FY 2010. However, in FY 2011, an additional \$577,310 will be required. The Department requested this amount from the State General Fund as an enhancement, and it was not recommended by the Governor. KDHE indicates that failure to meet this match could result in the loss of \$12.2 million in federal funds. The Director of the Division of Health testified that without these funds, the Department's response to the H1N1 influenza would not have been as successful as it has been. The Department has not received clarification from the federal government about whether it could apply for lesser amounts with the in-kind match which is available, or whether this is an "all or nothing" grant situation. The Budget Committee wishes to review this issue during Omnibus when the Department hopes to have more information about the availability of these funds.
6. The Budget Committee also intends to review the issue of funding for the Senator Stan Clark Pregnancy Maintenance Initiative during Omnibus. The Governor's July 2009 State General Fund allotment eliminated funding for the program in FY 2010 and no funding is recommended in FY 2011. The Budget Committee notes that the Governor recommends no funding for this statutory program, although it has been repeatedly demonstrated to be a priority of the Legislature, and while not recommending the addition of funding at this time, will reconsider this recommendation during Omnibus.

7. The Budget Committee also expresses concerns with the recommendation to reduce funding for immunizations by \$55,346, all from the State General Fund, in FY 2011. Although not directly related to vaccine purchases, KDHE indicates that this will affect the action plans of local health departments, and could ultimately result in lower immunization rates and more children susceptible to contracting disease at a time when the programs would otherwise be gearing up for pandemic influenza. The Budget Committee also intends to consider this issue again during Omnibus.
8. The Budget Committee commends the Department on its prompt and efficient actions regarding the state's H1N1 influenza response. In a very short time, the Department developed and implemented a comprehensive surveillance system, managed vaccine allocation, ordering and distributing over 800,000 doses of vaccine within the first two and a half months of availability, established a hotline, and developed educational materials and web pages to provide information to a number of target audiences. While it is impossible to predict with any certainty, the Director of Health indicated that all evidence so far is that is less likely there will be a resurgence of H1N1 influenza. He indicated that this should be a busy time in flu season and it has not been to this point.
9. The Budget Committee notes that, of the \$166.7 million in recommended expenditures for the entire Health Function, \$105.3 million, or 63.2 percent, is recommended as expenditures for state aid to local units of government or assistance to individuals. A large portion of this budget goes to the 99 health departments around the state to assist them with their operations. Any reductions to this budget have significant impacts on service providers across the state.
10. The Budget Committee heard testimony from representatives of primary health care (safety net) clinics. According to this testimony, utilization of these services has increased substantially in recent years (a 34.0 percent increase from 2006 to 2008, and a reported 25 percent increase from 2008 to 2009, based on partial reports from the 41 clinics across the state). Funding for the program has been relatively flat for the last two years, and the Budget Committee commends KDHE and its local partners for successfully doing more with less resources, given the substantial increases in utilization of the services. The Budget Committee believes that the funding dedicated for this program has been money well spent.
11. The Department presented information on the operations of the Women, Infants, and Children (WIC) program, which provides nutrition, education and supplemental foods to income eligible Kansas women who are pregnant, postpartum, or breastfeeding, and for their children up to five years old. In 2009, the program, on average, provided services to more than 79,150 women, infants, and children per month. That amount is more than 6,550 participants higher per month than the previous year. The program is entirely federally funded. The Budget Committee commends the Department and its local partners for their accomplishments in successfully managing the program despite the substantial increase in utilization of the program's services.
12. KDHE indicated that in 2009, the Division of Health facilitated the donation of over \$1.1 million in medications to uninsured, low-income Kansans through the newly created Unused Medications Clearinghouse. The Clearinghouse was created as the result of the Utilization of Unused Medications Act, enacted by the

2008 Legislature. The legislation created a voluntary program by which adult care homes, mail service pharmacies, and medical care facilities may donate unused medications to be distributed by health care clinics, federally qualified health centers, or community mental health centers to Kansas residents who are medically indigent. The Budget Committee is pleased with the early success of the program and commends the agency for the role it has played in that success.

House Committee Recommendation

The **House Committee** concurs with the recommendations of the Budget Committee, with the following adjustments and observations:

1. Add language directing the agency to provide \$199,113, all from the State General Fund, from existing resources for the Senator Stan Clark Pregnancy Maintenance Initiatives. This recommendation adds no funding to the agency's budget.
 2. Add language directing the Budget Committee to review the issue of possible restoration of funding for the Youth Mentoring Program (\$102,478, all from the State General Fund) during Omnibus.
 3. Add language directing the Budget Committee to review the issue of funding for the Women's Right to Know Program (\$15,000, all from the State General Fund) during Omnibus.
 4. Add language directing the agency to review the issue of the proviso for lead based regulation during Omnibus. Should HB 2596 be enacted by the 2010 Legislature, the proviso would not be necessary in the appropriations bill.
-

Senate Subcommittee Report

Agency: Kansas Department of Health and Environment - Health

Bill No. SB 556

Bill Sec. 63

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 227

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 35,637,395	\$ 23,296,403	\$ (654,054)
Other Funds	144,097,427	143,401,648	0
Subtotal	<u>\$ 179,734,822</u>	<u>\$ 166,698,051</u>	<u>\$ (654,054)</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 179,734,822</u></u>	<u><u>\$ 166,698,051</u></u>	<u><u>\$ (654,054)</u></u>
FTE positions	384.4	364.4	0.0
Non FTE Uncl. Perm. Pos.	181.4	181.4	0.0
TOTAL	<u><u>565.8</u></u>	<u><u>545.8</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests expenditures of \$179.7 million for the Health Function, which is an increase of \$12.2 million, or 7.3 percent, above the revised FY 2010 estimate. The request includes enhancements totaling \$12.8 million, including \$12.0 million from the State General Fund. Absent enhancements, the request totals \$167.1 million, which is a decrease of \$460,086 below the revised FY 2010 estimate. State General Fund expenditures of \$35.6 million are requested, which is an increase of \$12.1 million, or 51.4 percent, above the FY 2010 revised request. Absent enhancements the request totals \$23.7 million, which is an increase of \$124,549, or 0.5 percent above the revised FY 2010 estimate. The request also includes \$7.4 million from the Children's Initiatives Fund, \$118.7 million from federal funds, and \$18.0 million from all other funding sources.

Governor's Recommendation

The **Governor** recommends expenditures of \$166.7 million for the Health Function, which is a decrease of \$1.0 million, or 0.6 percent, below the revised FY 2010 recommendation. The recommendation is a reduction of \$13.0 million, or 7.3 percent, below the agency's request. The recommendation includes State General Fund expenditures of \$23.3 million, which is an increase of \$83,582, or 0.4 percent, above the FY 2010 revised recommendation. The State

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General Fund recommendation is a reduction of \$12.3 million, or 34.6 percent, below the agency's request, mainly because the Governor does not recommend any of the agency's requested enhancements. The recommendation also includes \$7.4 million from the Children's Initiatives Fund, \$118.1 million from federal funds, and \$17.9 million from all other funding sources.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the recommendations of the Governor with the following adjustments and observations:

1. Delete a total of \$654,054, all from the State General Fund, to achieve a reduction of approximately 2.5 percent in FY 2011.
2. At the request of the Subcommittee, the agency provided information which indicated that a number of programs have been eliminated since FY 2009. Some of these program eliminations are the result of programs actually being completed, but others are purely the result of funding reductions. The Subcommittee recommends that the agency avoid completely eliminating programs and instead leave a nominal amount of funding (\$100) in the programs. The Subcommittee is concerned that if funding is completely eliminated for these programs, worthy programs may be "lost" during difficult budget times, and not be considered for restored funding when the state's financial situation improves.
3. The Subcommittee commends the Department on its prompt and efficient actions regarding the state's H1N1 influenza response. In a very short time, the Department developed and implemented a comprehensive surveillance system, managed vaccine allocation, ordering and distributing over 800,000 doses of vaccine within the first two and a half months of availability, established a hotline, and developed educational materials and web pages to provide information to a number of target audiences.
4. The Subcommittee is concerned about state match requirements for federal bioterrorism funding. Kansas has received federal funding with no match requirement from the Centers for Disease Control and Prevention (CDC) since 1999 and through the Department of Health and Human Services since 2002. To date, the state has received \$114.3 million in funding from these two sources. In December 2006, the federal government enacted legislation which requires a state match for the federal public health and hospital preparedness funds starting in August 2009. The match requirement is 5.0 percent during state FY 2010 and 10.0 percent during FY 2011. According to the agency, local health departments and community hospitals have identified in-kind matching funds to meet the 5.0 percent match requirement of \$577,310 for FY 2010. However, in FY 2011, an additional \$577,310 will be required. The Department requested this amount from the State General Fund as an enhancement, and it was not recommended by the Governor. KDHE indicates that failure to meet this match could result in the loss of \$12.2 million in federal funds. The Subcommittee recommends that this issue be revisited during Omnibus.
5. The Subcommittee recommends the issue of additional funding for the Infant and Toddler program be considered during Omnibus. The Governor's budget recommendation eliminates all State General Fund financing for the program in FY 2011. The Department testified that failure to meet the FY 2009 maintenance of effort (MOE) level of \$5,878,083 will make the state ineligible to apply for continued federal funding of over \$3.8 million. The Governor's recommendation includes \$5.7 million from the

Children's Initiatives Fund in FY 2011, leaving the maintenance of effort amount short by \$178,083. The federal requirements authorize in-kind match activities to count toward the MOE, and the Department has been working with its local partners, attempting to establish in-kind activities, which would qualify, and to-date has identified about \$76,000 in potential MOE amounts. The Subcommittee recommends that the Department continue these efforts and report the results during Omnibus. The Subcommittee also recommends that consideration be given, as part of this Omnibus review, to exploring options for relocating the program to another lead agency.

6. The agency requested an enhancement of \$1.2 million, all from the State General Fund, in FY 2011 for Telehealth services, designed to provide for the delivery of health-related services and information through telecommunications technologies. The agency indicated that it would contract with long-term care providers for the services, designed to facilitate continued in-home care for those in need of long-term care services. The Subcommittee recommends that this issue be reconsidered during Omnibus.
7. The Subcommittee notes that funding from the State General Fund represents slightly over 13.0 percent of the agency's total budget. This funding, in turn, leverages a large amount of federal funding. Federal funding for the agency constitutes over 57.0 percent of the agency's total budget. The Subcommittee believes that it is important to note that any adjustments to the agency's funding from the State General Fund has the potential to have an even larger impact on the agency's overall budget.

House Budget Committee Report

Agency: Kansas Department of Health and Environment - Environment

Bill No. HB 2706

Bill Sec. 64

Analyst: Robinson

Analysis Pg. No. - -

Budget Page No. 227

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 8,792,138	\$ 7,779,768	\$ 0
Other Funds	64,210,149	62,923,614	0
Subtotal	<u>\$ 73,002,287</u>	<u>\$ 70,703,382</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 73,002,287</u></u>	<u><u>\$ 70,703,382</u></u>	<u><u>\$ 0</u></u>
FTE positions	438.0	431.0	(18.0)
Non FTE Uncl. Perm. Pos.	65.0	65.0	0.0
TOTAL	<u><u>503.0</u></u>	<u><u>496.0</u></u>	<u><u>(18.0)</u></u>

Agency Request

The **agency** requests expenditures of \$73.0 million for the Environment Function, which is a decrease of \$2.9 million, or 3.8 percent, below the revised FY 2010 estimate. Enhancements of \$1.5 million, including \$0.9 million from the State General Fund, are requested. Absent enhancements, the request totals \$71.5 million, which is a decrease of \$4.4 million, or 5.8 percent, below the revised FY 2010 estimate. State General Fund expenditures of \$8.8 million are requested, which is an increase of \$0.8 million, or 9.6 percent, above the revised FY 2010 estimate. Absent enhancements the State General Fund request totals \$7.9 million, which is a decrease of \$130,779, or 1.6 percent, below the revised FY 2010 estimate. The request also includes \$1.9 million from the Children's Initiatives Fund, \$3.8 million from the State Water Plan Fund, \$18.7 million in federal funds, and \$39.8 million from all other funding sources.

Governor's Recommendation

The **Governor** recommends expenditures of \$73.0 million for the Environment Function, which is a decrease of \$2.9 million, or 3.8 percent, below the revised FY 2010 estimate. The recommendation is a reduction of \$2.3 million, or 3.1 percent, below the agency's request. The recommendation includes State General Fund expenditures of \$7.8 million, which is a decrease of \$0.1 million, or 1.8 percent, below the revised FY 2010 recommendation, and a reduction of \$1.0 million, or 11.5 percent, below the agency's recommendation, largely as the result of

3-10

requested enhancements that are not recommended. The recommendation also includes \$1.9 million from the Children's Initiatives Fund, \$3.0 million from the State Water Plan Fund, \$18.6 million in federal funds, and \$39.4 million from all other funding sources. The Governor's recommendation includes \$350,000, all from the State Water Plan Fund, to match federal funding to provide \$3.5 million in funding for the Treece buyout program.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the recommendations of the Governor, with the following adjustments and observations:

1. Delete a total of 18.0 FTE positions. The Department indicated that as of February 1, 2010, there were a total of 39.0 vacant positions within the Division of Environment. The Department indicated that 12.0 of these positions were being held vacant specifically to meet shrinkage rates included in the current year approved budget. The remaining 27.0 positions are the result of regular turnover from retirements and resignations. This recommendation reduces slightly less than half of the currently vacant positions. The Budget Committee notes that the agency can return to the Legislature during the 2011 Legislative Session should any of those positions need to be restored.
2. Add a proviso requiring that fines collected by the Department for environmental violations which normally are deposited in the agency's fee funds be deposited instead to the interstate water litigation account of the State General Fund. This proviso would not apply to the Air Quality Fee Fund or the Mined Land Reclamation Fee Fund. The fines represent a small amount of money (\$7,200 for violations in the Underground Petroleum Storage Tank program were collected and deposited into the Underground Petroleum Storage Tank Fund in FY 2009), but the Budget Committee believes some steps must be taken to begin to restore the funding for water litigation activities that was accidentally deleted at the end of FY 2007.

House Committee Recommendation

The **House Committee** concurs with the recommendations of the Budget Committee.

Senate Subcommittee Report

Agency: Kansas Department of Health and Environment - Environment

Bill No. SB 556

Bill Sec. 64

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 227

<u>Expenditure Summary</u>	<u>Agency Request FY 2011</u>	<u>Governor Recommendation FY 2011</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 8,792,138	\$ 7,779,768	\$ (191,193)
Other Funds	64,210,149	62,923,614	0
Subtotal	\$ 73,002,287	\$ 70,703,382	\$ (191,193)
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	<u>\$ 73,002,287</u>	<u>\$ 70,703,382</u>	<u>\$ (191,193)</u>
FTE positions			
	438.0	431.0	0.0
Non FTE Uncl. Perm. Pos.	65.0	65.0	0.0
TOTAL	<u>503.0</u>	<u>496.0</u>	<u>0.0</u>

Agency Request

The **agency** requests expenditures of \$73.0 million for the Environment Function, which is a decrease of \$2.9 million, or 3.8 percent, below the revised FY 2010 estimate. Enhancements of \$1.5 million, including \$0.9 million from the State General Fund, are requested. Absent enhancements, the request totals \$71.5 million, which is a decrease of \$4.4 million, or 5.8 percent, below the revised FY 2010 estimate. State General Fund expenditures of \$8.8 million are requested, which is an increase of \$0.8 million, or 9.6 percent, above the revised FY 2010 estimate. Absent enhancements the State General Fund request totals \$7.9 million, which is a decrease of \$130,779, or 1.6 percent, below the revised FY 2010 estimate. The request also includes \$1.9 million from the Children's Initiatives Fund, \$3.8 million from the State Water Plan Fund, \$18.7 million in federal funds, and \$39.8 million from all other funding sources.

Governor's Recommendation

The **Governor** recommends expenditures of \$73.0 million for the Environment Function, which is a decrease of \$2.9 million, or 3.8 percent, below the revised FY 2010 estimate. The recommendation is a reduction of \$2.3 million, or 3.1 percent, below the agency's request. The

3-12

recommendation includes State General Fund expenditures of \$7.8 million, which is a decrease of \$0.1 million, or 1.8 percent, below the revised FY 2010 recommendation, and a reduction of \$1.0 million, or 11.5 percent, below the agency's recommendation, largely as the result of requested enhancements that are not recommended. The recommendation also includes \$1.9 million from the Children's Initiatives Fund, \$3.0 million from the State Water Plan Fund, \$18.6 million in federal funds, and \$39.4 million from all other funding sources. The Governor's recommendation includes \$350,000, all from the State Water Plan Fund, to match federal funding to provide \$3.5 million in funding for the Treece buyout program.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the recommendations of the Governor with the following adjustments and observations:

1. Delete a total of \$191,193, all from the State General Fund, to achieve a reduction of approximately 2.5 percent in FY 2011.
2. The Subcommittee notes that the Governor's recommendation includes \$350,000, all from the State Water Plan Fund, to match \$3.5 million in federal funding for the Treece buyout. The federal funding has actually been appropriated for the buyout, and the Subcommittee is supportive of the match funding that has been included in the Governor's recommended budget.
3. At the request of the Subcommittee, the agency presented information regarding the staffing for Livestock Waste Management program. Concerns were raised regarding the agency's ability to perform inspections of confined animal feeding operations (CAFOs) at a level sufficient to prevent the federal Environmental Protection Agency from intervening in this process. The Subcommittee encourages the agency to make staffing for this program a priority, and to do everything possible to avoid any federal intervention in the process.

Office of Revisor of Statutes
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MEMORANDUM

To: Senate Ways and Means
From: Daniel Yoza, Assistant Revisor
Date: March 1, 2010
Subject: HB 2415

House Bill 2415 amends K.S.A.-75-6606 and exempts state educational institutions from the personal property provisions of the surplus property act. The institutions that would be exempt from the surplus property act under this bill are defined in K.S.A. 76-711 and are the University of Kansas, Kansas State University, Wichita State University, Emporia State University, Pittsburg State University and Fort Hays State University.

Subsection (c) in the bill makes the change that exempts the educational institutions from the personal property provisions of the surplus property act. The surplus property act can be found at K.S.A. 75-6601 through 75-6608.

This bill, if passed, would take effect on July 1, 2010.



Senate Ways and Means Committee
Hearing on H.B. 2415
March 1, 2010
Testimony of Barry Swanson
Director of Purchasing and Strategic Sourcing
University of Kansas

Chairman Emler, I am Barry Swanson, Director of Purchasing and Strategic Sourcing for the University of Kansas, Lawrence campus and I am here to testify in support of H.B. 2415.

The University of Kansas appreciates the Committee's attention to this legislation. Over the years the Legislature has stressed to all state agencies the importance of being good stewards of taxpayer dollars. The University of Kansas takes this very seriously and continually looks for opportunities to become more efficient in its operations.

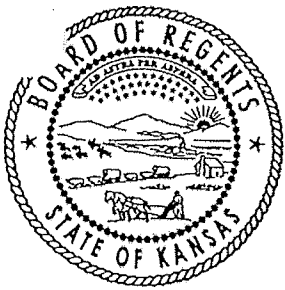
Passage of this legislation would allow state universities to gain full control over their supply chain and thus be able to design the most efficient and effective program for their institution.

For example, some of the equipment utilized at a major research institution like KU is very specialized and very technical in its use and operation and is therefore of value to a limited number of persons, companies or institutions. While the piece of equipment may have remaining value, it often has a very limited market due to its unique function and operation. The people in the University labs that use the equipment know their colleagues across the nation and are the ones best suited to determine the best market for its sale.

The additional authority gained through the state surplus property exemption when combined with the purchasing authority granted by the expansion of KSA 76-769 would allow institutions cradle to grave control over their property acquisition, use, and disposal processes.

The ability to design and operate an institution specific surplus program would increase opportunities for reuse (green and sustainability related programs) of property at the institution as well as facilitate revenue generation opportunities.

I would be happy to answer any questions.



KANSAS BOARD OF REGENTS

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March 1, 2010

Senator Jay Emler, Chairman
Senate Ways & Means Committee
Statehouse, Room 545-S
Topeka, KS 66612

Senator Laura Kelly, Ranking Member
Senate Ways & Means Committee
Statehouse, Room 125-E
Topeka, KS 66612

Dear Chairman Emler and Ranking Member Kelly:

On behalf of the Kansas Board of Regents, I write to you in support of House Bill 2415, legislation that would exempt the state's six universities from the State Surplus Property Act. If enacted, this legislation would result in significant cost and administrative savings for the state universities. As you may know, this legislation was placed on the House's Consent Calendar and was ultimately approved on February 17th by a 120-2 vote.

Although the state universities, like all state agencies located outside of Shawnee County, currently conduct their own sales of surplus property under delegated authority from the Kansas Department of Administration, current statutes prohibit the sale of surplus to the general public at a fixed price which can be an impediment. For example, highly specialized scientific equipment has a very limited number of potential buyers. Having the expanded latitude to set price and terms in these transactions would ease the process of obtaining value for such specialized pieces of equipment. More importantly, the additional authority gained through the state surplus property act exemption when combined with the purchasing authority granted by the expansion of K.S.A. 76-769 would allow the state universities "cradle to grave" control over their property acquisition, use, and disposal processes, thereby streamlining these business processes and saving money.

The Board believes this legislation represents an important opportunity to achieve additional efficiencies and savings – a goal that is always of the utmost importance, but particularly so in this increasingly challenging budget environment. Thank you for your consideration of House Bill 2415.

Sincerely,

Reginald L. Robinson
President & CEO

Senate Ways & Means Cmte
Date 3-01-2010
Attachment 6

Senate Ways and Means Committee

Hearing on H.B. 2415

March 1, 2010

Chairman Emler and members of the Senate Ways and Means Committee, Wichita State University stands with the Board of Regents and the six Regents' institutions in Support of H.B. 2415. This bill, if passed, will increase flexibility, improve efficiency, and make us a more effective university during these difficult times.

Having the ability to look for better and less expensive alternatives to purchasing and disposal of surplus property would allow us to better meet the needs of our mission, students and community. Most importantly, this bill gives us another tool to deal with this difficult budget cycle. The cuts we have faced to date have been drastic and have forced us to reexamine how we provide a higher education. Having more options and better alternatives will help us reach our goal.

Wichita State University hopes that you can support H.B. 2415. Thank you for allowing us to submit testimony to that effect.

Andrew J. Schlapp

Executive Director of Government Relations

and Board of Trustees

316-650-6620

Senate Ways & Means Cmte

Date 3-01-2010

Attachment 7



FORT HAYS STATE UNIVERSITY

Forward thinking. World ready.

ALUMNI ASSOCIATION

Testimony on HB 2415

Senate Ways & Means Committee

Mike Barnett, Vice President, Administration and Finance

Debra Prideaux, Director, Alumni Association and Governmental Relations

March 1, 2010

Chairman Emler, Ranking Member Kelly, and other distinguished members of the Senate Ways & Means Committee – we are pleased to present this written testimony in support of HB2415.

At Fort Hays State University, like other state agencies, the University operates under the delegated authority of the Kansas Department of Administration in terms of selling surplus property. However, current statutes prohibit the sale of such property to the general public at a fixed price. By allowing Fort Hays State University to be exempt from the state surplus property act it will make the disposal of the university's surplus property a more efficient process.

Thank you for your favorable consideration of HB2415.

Senate Ways and Means Committee

Hearing on H.B. 2415

March 1, 2010

Testimony of Victoria White

Pittsburg State University

Chairman Aurand and Members of the House Education Committee. On behalf of Pittsburg State University, I am pleased to present this testimony in support of HB2415. We fully support this legislation and the progress it represents. HB 2415 would assist the University in gaining prompt, cost effective disposition of property, as well as lessening the need to use valuable building space for storage of surplus property.

The current surplus property statute does not allow for the quick and efficient disposal of property. Equipment is to be auctioned or sold after sealed bids are taken, which can be very inefficient, time consuming and costly. It would greatly assist the University to simply choose the most efficient means of disposing of old, obsolete property. Departmental expertise, trade journals, and completed on-line auction results assist us in determining the value of property. At times, the most efficient way to sell an item is simple offering it for sale at a fixed price. Other times, a formal auction or on-line auction works best. We simply need the ability to choose the best method for disposal.

Much has changed since the original surplus property legislation was implemented in 1986. Already established on-line services such as Ebay and Craigslist make the current statute very much out of step with the times. The State of Oregon, for example, sells most of its surplus through Ebay.

Pittsburg State University strongly encourages you to support HB 2415.

Senate Ways & Means Cmte

Date 3-01-2010

Attachment 9



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

Testimony on HB 2415
Senate Ways and Means Committee
Bruce Shubert, Vice -President Administration and Finance
Susan Peterson Director of Governmental Relations, Office of the President
Kansas State University
March 1, 2010

Chairman Emler and Members of the Senate Ways and Means Committee:

We are pleased to present this testimony in support of HB2415.

The ability to be exempt Kansas State University from the state surplus property act will make the disposal of the university's surplus property a more efficient process.

Thank you for your favorable consideration of HB2415.

Senate Ways & Means Cmte
Date 3-01-2010
Attachment 10