

MINUTES
LEGISLATIVE COORDINATING COUNCIL

July 9, 2008

Members participating:

Speaker Melvin Neufeld, Chairperson
President Steve Morris, Vice-Chairperson
Senator Derek Schmidt, Majority Leader
Representative Ray Merrick, Majority Leader
Representative Don Dahl, Speaker Pro Tem
Representative Dennis McKinney, Minority Leader

The meeting was called to order by Speaker Neufeld at 1:40 p.m. in Room 123-S, State Capitol.

CONSENT AGENDA

President Morris moved that the minutes of the May 29, 2008, meeting be approved. Representative Dahl seconded the motion and the motion carried.

REPORT OF SUBCOMMITTEE ON ADMINISTRATION

President Morris reported to the Council the recommendations of the Subcommittee on Administration. The subcommittee recommended that the Council:

1. Appoint Representative Horst as chair and Senator Schodorf as vice chair of the Legislative Educational Planning Committee and Senator Umbarger as chair and Representative Schwartz as vice chair of the Legislative Budget Committee.
2. Establish a Special Committee on Energy and Environmental Policy until November 10, 2008, at which time the statutory Joint Committee on Energy and Environmental Policy would replace the Special Committee. The Special Committee would be composed of the same members as the Joint Committee, as follows:

Membership: Eleven members (six from the House, four majority party members appointed by the Speaker of the House of Representatives and two minority party members appointed by the Minority Leader of the House of Representatives; and five from

the Senate, four majority party members appointed by the President of the Senate and one minority party member appointed by the Minority Leader of the Senate).

Chair: Senate member.

Meeting Days: 6 days total for both the Special Committee and the Joint Committee.

Topic: *Energy and Environmental Policy, Including Distribution and Transportation of Fuels in Kansas, and the Impact on Gasoline and Diesel Prices in Kansas.* Study energy and environmental policy in Kansas. Review the distribution and transportation of fuels in Kansas, including the impact on gasoline and diesel prices within the state. Review electric transmission capacity in Kansas and make recommendations that will facilitate timely enhancement of transmission capacity.

3. Refer study topics to joint and other interim committees as follows:

Economic Development, Joint Committee on

- *Economic Impact of New Comprehensive Transportation Plan.* Study the economic impact of a new comprehensive transportation plan. Review specifically the economic impact "multiplier" on transportation projects. Study other states economic impact evaluation systems that weigh various proposed comprehensive transportation projects. Review the data that is independently available that projects the economic impact of comprehensive transportation programs.
- *Most Effective Structure for a State Travel and Tourism Agency.* Review various options for the most effective structure for a travel and tourism agency. Review the possibilities of how travel and tourism efforts may be enhanced when combined with the programs and activities of the Department of Wildlife and Parks. Study what other states have created a free-standing travel and tourism organizations and how they function. Review collaborative efforts between private travel sector and public organizations.
- *Worker Transportation.* Study options for assisting major employers in transporting employees to and from the work site. Review possible development of van pools, minibus options or other intra-regional transportation systems that could assist in the movement of workers. Study various funding sources for such a transportation system including tax incentives, grants and federal funding.
- *Shortage of Engineers, Including Attracting Aerospace Engineers, and the Impact on the Kansas Economy.* Study the impact on the Kansas economy of the shortage of engineers. Review the current and projected need of engineers across the

Kansas economy. The review should include potential impact on such economic sectors as transportation, aerospace, and bio-sciences. Also, study various options to attract and retain aerospace engineers within Kansas. Review recent Oklahoma legislation that provides a state tax credit of up to \$5,000 per year for up to five years for any new aerospace engineer hired by an Oklahoma aerospace company. It also allows aerospace companies a tax credit of 10 percent for compensation paid to a qualified graduate during the first five years of employment if a graduate of an in-state college and five percent if a graduate of an out-of-state college or university. Finally, the Oklahoma legislation provides Oklahoma aerospace companies an opportunity to receive a tax credit in the amount of 50 percent of the tuition reimbursed to a new engineer graduate for the first four years of employment

- *Comprehensive Study of the Workers' Compensation Law.* Conduct a comprehensive study of the current workers' compensation law, including the Kansas Supreme Court's 2007 decision in *Casvo v. Armour Swift-Eckrich*, in order to determine the effectiveness of the Workers' Compensation Act to provide adequate indemnity, medical and vocational rehabilitation compensation to injured workers and to return injured workers to active employment. Also, review whether current workers' compensation policies have resulted in cost shifts away from private insurance companies to government-funded public assistance programs and any corresponding fiscal impact to the State.

Health Policy Oversight, Joint Committee on

- *Premium Assistance.* Study the premium assistance legislation that was proposed by the Kansas Health Policy Authority to the 2008 Legislature. Review the impact of such a proposed premium assistance program and the short-term and long-term fiscal impact of such a program.

Home and Community Based Services, Joint Committee on

- *Long-Term Care System in Kansas.* Review the current system of long-term care in Kansas, including the potential for global funding of long-term care by which no one is denied service in the manner they choose. Study other states that have implemented this method of services, specifically Washington, Vermont, and New Jersey. Also review the implementation of a global home and community based services waiver that provides services regardless of determining factor for the individual to be eligible for service.

Legislative Budget Committee

- *New Targeted Case Management Rules.* Review the effects of the implementation of the new federal targeted case management rules which limits reimbursement for certain, expenditures including travel time to see individuals in their homes. Study when case management services for individuals in hospitals are subject to reimbursement.
- *Distribution of Fire Insurance Premiums.* Review the recent Legislative Post Audit study on the distribution of fire insurance premiums. Study how funding issues have impacted the Fire Marshal's ability to comply the office's statutorily required duties. Also, review the fiscal impact on the Office of State Fire Marshal of Senate Sub. for HB 2634 (which concerns inspections of non-fuel flammable or combustible liquid above ground storage tanks) and SB 178 ("flame retardant" cigarette standards), both of which were approved by the 2008 Legislature.
- *Animal Health Department Facilities Fees.* Review the Animal Health Department's Facilities Inspection Program's statutory fees that are assessed for licenses of various animal facilities. Compare Kansas Animal Health Department facilities inspection fees, the number of inspections per facility type, program staffing levels, and program funding levels with other states that have similar programs.
- *State Building Insurance.* Review the current property insurance on state buildings. Determine if the current coverage, including the deductible amount is adequate. Also, review the loss experience and insurance cost since the current insurance program has been in place.
- *Staffing of the Larned Sexual Predator Program.* Review the current staffing of the Larned Sexual Predator Program. Also, study the future staffing needs of the facility, especially in light of increasing patient census. Review the staffing levels are adequate to provide safety and security for the patients and the community.
- *Non-Judicial Employee Pay Plan.* Study the existing non-judicial employee pay plan of the Judicial Branch. Study the equity of the non-judicial employee pay plan in light of the new Executive Branch pay plans. Review the adequacy of the financing of the non-judicial pay plan, including the recent enactment of 2008 HB 2968 which increased docket fees by \$9.00 solely for the purpose non-judicial salary adjustments.
- *Funding of the Proposed Change in State Tourism Services.* Study recent proposed changes in funding of state tourism services. Review 2008 SB 501 which would of created a public and private partnership for tourism services in Kansas. Study the appropriate level of state support of tourism services.

Legislative Educational Planning Committee (LEPC)

- *Supplemental State Aid for High Assessed Property Valuation Counties with Low Numbers of School-Age Children.* Review the amount of supplemental state aid provided to Chase County and other similarly situated counties that have a high assessed property valuation relative to other counties in similar situations with low numbers of school-age children. Study if the amount of supplemental state aid provided to these local school districts related to the local option budget is low.
- *Federal Impact Aid to School Districts.* Review the current federal impact aid to Kansas school districts. Study and compare the process that Kansas utilizes to qualify for federal impact aid to school districts with how other states apply for and qualify for federal impact aid to school districts.

Pensions, Investments and Benefits, Joint Committee on

- *KPERS Permanent Cost-of-Living Adjustment.* Study a permanent cost-of-living adjustment for current Kansas Public Employees Retirement System (KPERS) retirees and for current active employees who will retire. Prior legislation will provide an automatic cost-of-living for retirees who start employment after July 1, 2009. Review the funding options and the impact on the KPERS unfunded obligation.
- *Increase Earnings Limitation for Disabled Kansas Police and Fire Retirement System Members.* Review the earnings limitation on disabled members of the Kansas Police and Fire Retirement system. Study HB 2076 which would have increased the current earnings limitation on disabled Kansas Police and Fire Retirement System members from \$10,000 annually to \$20,000.

State Building Construction, Joint Committee on

- *Proposed Remodel of the Kansas Juvenile Correctional Complex for the Juvenile Justice Authority Administrative Offices.* Review the proposed remodel of the Kansas Juvenile Correctional Complex administration building for the relocation of the Juvenile Justice Authority central office. Study the cost associated with the proposed remodel, including the cost of rent for the central office of the Juvenile Justice Authority.
- *Docking State Office Building and Dillon House.* Study the current condition of the Docking State Office Building and Dillon House. Review recent capital improvement options dealing with both structures. Recommend a plan to address the long-term capital improvement needs of Docking State Office Building. Recommend a plan to address the appropriate use and

long-term capital improvement needs of Dillon House.

4. Request the Kansas Health Insurance Association and the Kansas Health Policy Authority conduct studies on the following and report the conclusions and recommendations to the Joint Committee on Health Policy Oversight on or before November 1, 2008:

Kansas Health Insurance Association:

- Study expanding participation in the Plan (expanded eligibility) and providing for subsidization of premiums, including accessing federal grants and programs.
- Study allowing the Administering carrier to offer the option of coverage through section 125 cafeteria plans (which may include a High Deductible Health Plan (HDHP) and establishment of a Health Savings Account (HSA)).

Kansas Health Policy Authority:

- *State Employee Health Care Benefits Program.* Study a requirement which would allow the employer contribution (by the State) to any HSA plan offered to state employees be equal to the employer contribution to any other state health benefit plan offered to state employees. Report on the mechanism(s) for depositing the cost savings in the employee's Health Savings Account (for both new and current employees).
- *Medicaid reform* including, but not limited to: Allowing the Inspector General to keep a portion of the moneys recovered from persons committing Medicaid fraud; modernizing Medicaid benefits and payment policies to encourage wellness, efficiency, and aligning Medicaid payment policies with Medicare payment policies; allowing Medical Assistance (MA) recipients whose assistance has ceased to purchase coverage for up to three years; the experience of other states; long-term care; waste, fraud, and abuse; Health Opportunity Accounts; and other reforms allowed by federal laws.
- *Expanding affordable commercial insurance* including, but not limited to: Individual and small business tax credits; encouraging HSAs, HDHPs, and section 125 plans; allowing insurers to provide incentives in return for participation in programs promoting wellness, health and disease prevention; allowing insurers to offer young adult policies with limited benefits and reduced premiums; changes to the KHIA plans and eligibility and the use of reinsurance mechanisms; small business health policies

including the creation of a Small Business Health Policy Committee, allowing very small employers to obtain group health insurance, and making health insurance more affordable for small businesses and employees.

- *Other issues of health reform* including health manpower, physical fitness in schools, transparency, and a statutory committee on health futures.

5. Direct that:

- The FY 2009 available budget for the Legislature be reduced by 2.0% (\$372,239) and that the head of each legislative staff agency adopt as a target the reduction of the agency's FY 2009 available budget by 2.0% and report back to the LCC a proposal for meeting applicable target amount, as follows:
 - Legislative Coordinating Council - \$15,477
 - Revisor of Statutes - \$69,203
 - Legislative Division of Post Audit - \$52,814
 - Legislative Research Department - \$71,518
- Budget reductions be reflected in each agency's revised FY 2009 budget submission in October when the FY 2010 budget request is submitted to the Legislative Coordinating Council for review and approval.
- The following be considered in determining how to achieve the 2.0% reduction of the Legislature's budget:
 - Limiting the number of interim meeting days and joint committee meeting days during the 2008 Interim period with a goal of reducing the number of meetings days by 10.0 percent - \$53,000
 - Not allowing postage for legislative leaders to do bulk printing and mailing to other than their own legislative districts - \$45,000
 - Limiting where possible out-of-state travel by legislators, with the goal of capping out-of-state travel at \$395,419, the same level as in FY 2007 - \$140,000
 - Delaying hiring a new data technician position that was approved by the 2008 Legislature until FY 2010 - \$48,000
 - Delaying the development of the Production Control Room and various audio-visual projects within the State Capitol until FY 2010 - \$75,000
 - Limiting the number of printed copies of legislative publications provided to legislators and encouraging use of electronic format. (Currently for some legislative publications legislators receive one copy in the mail but may request up to four additional free copies.)
 - Changing the number of copies reserved to legislators to one free copy and encouraging the Legislative Post Audit Committee to offer the distribution of audit reports in

- only an electronic format - \$40,000
- Requesting chairpersons of interim committees and special committees to schedule two-day meetings rather than single day meetings to save travel members' costs

6. Approve the following interim committee meeting days during the 2008 interim period:

<u>Recommended Meeting Days</u>	<u>Joint Committee/Commission</u>
6	Administrative Rules and Regulations
4	Arts and Cultural Resources
8	Budget, Legislative
2	Children's Issues
8	Claims Against the State
8	Corrections and Juvenile Justice Oversight
4	Economic Development
—	Eminent Domain in Condemnation of Water Rights
6	Energy and Environmental Policy (Joint & Special
1	Health Care Stabilization
3	Health Policy Oversight
4	Home and Community Based Services Oversight
8	Information Technology (JCIT)
6	Kansas Security
8	Legislative Educational Planning Committee (LEPC)
8	Pensions, Investments and Benefits
3	State Employee Pay Plan Oversight
—	State-Tribal Relations
7	State Building Construction
8	2010 Commission

7. Approve a new email naming convention for legislators and legislative agency staff, in accordance with section 3(d) of 2007 H Sub SB 327, to take effect after the November 2008 election and before the 2009 regular legislative session.

In addition the Subcommittee received a 2008 YTD Postage Use Report from the Director of Legislative Administrative Services and a request for a change of legislative mailing policy from Representative Ray Merrick. The Subcommittee requested further information and estimates for printing of legislator newsletters and deferred a decision on the change of legislative mailing policy. The Subcommittee also:

- Received information from Jeff Russell, Director of Legislative Administrative Services, regarding a proposed service level agreement with the Division of Information Systems and Communications (DISC) and requested further review and revision

of the agreement.

- Received a report from Dave Larson, Director of Computer Services, regarding renewal of the Legislator laptop lease and requested that Dave explore options for providing Legislator laptops.
- Received a report from Jeff Russell, Director of Legislative Administrative Services, regarding a change order to the contract with Propylon for the Kansas Legislative Information Services Systems dated May 15, 2007.
- Received a report from Janet Jones, Chief Clerk of the House, and Pat Saville, Secretary of the Senate, that they have begun planning efforts for the new member orientation to be held prior to the 2009 legislative session.

President Morris moved that the subcommittee report be adopted. Representative Dahl seconded the motion and the motion carried.

OTHER MATTERS

The next meeting of the Legislative Coordinating Council was scheduled for August 12, 2008.

On motion, the meeting was adjourned.

Prepared by
Mary Ann Torrence,
Revisor of Statutes,
as Secretary

Approved by

Speaker Melvin Neufeld, Chairperson