

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 10:30 a.m. on January 29, 2010, in Room 548-S of the Capitol.

All members were present except:

Senator Ty Masterson- excused

Committee staff present:

J. G. Scott, Kansas Legislative Research Department  
Michael Steiner, Kansas Legislative Research Department  
Dylan Dear, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Heather O'Hara, 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  
Ken Wilke, Office of the Revisor of Statutes  
Melinda Gaul, Chief of Staff  
Shirley Jepson, Committee Assistant  
James Fisher, Intern

Conferees appearing before the Committee:

Pat Kuester, Chief Fiscal Officer, Department of Health and Environment (KDHE)  
John Mitchell, Director of Division of Environment, KDHE  
Gary Blackburn, Director for Bureau of Environmental Remediation, KDHE  
Robert Waller, Executive Director, Board of Emergency Medical Services (EMS)  
Jerry Cunningham, Investigator for EMS  
Christine Hannon, Certification Specialist, EMS  
Ann Stevenson, Clerical Support Staff, EMS  
John Peterson, representing VISA, Inc.  
Candy Shively, Deputy Secretary, Department of Social and Rehabilitation Services (SRS)  
Jamie Corkhill, Attorney, SRS

Others attending:

See attached list.

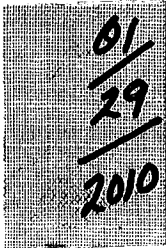
### Bill Referral

**SB 461** and **SB 481** were referred to the Judicial Branch Subcommittee.

### Overview of Treece

Pat Kuester, Chief Fiscal Officer, Department of Health and Environment (KDHE), presented testimony on Treece Superfund Buyout and Relocation (Attachment 1). Ms. Kuester stated that a trust was set up by statute to negotiate the purchase of properties in Treece and supply funds for relocation of residents. The trust is made up of five members appointed by the Governor and confirmed by the Senate. It is estimated that the buyout for the City of Treece will cost \$3.5 million, with \$350,000 of this amount coming in the form of the required 10.0 percent state match. This funding will be used to purchase approximately 77 improved properties averaging \$34,000 each and 47 unimproved properties averaging \$763 each. The trust will hold the property until it can be determined what future use of the property will serve the public good. Currently, KDHE staff is continuing to collect information that will be used by the trust to complete the buyout. In responding to a question from the Committee, Ms. Kuester indicated that the \$680,000, appropriated in 2008 by the Legislature, was lapsed because federal funds did not become available at that time.

Responding to a question from the Committee, Gary Blackburn, Director for Bureau of Environmental Remediation, KDHE, indicated that it is anticipated that the project will get underway during the summer of



## CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on January 29, 2010, in Room 548-S of the Capitol.

2010 with appointment of the trust board and confirmation by the Senate. The process will include gathering information on each parcel of identified property. Mr. Blackburn stated that it is not known if \$3.5 million will be sufficient funding to complete the project.

In response to another question from the Committee concerning the use of the contaminated chat for road use, John Mitchell, Director of Division of Environment, KDHE, stated that the use of chat in conjunction with asphalt, is used by both Oklahoma and Kansas for roadways. Mr. Mitchell noted that the material is a very fine gravel and becomes completely bound by the asphalt. It has been researched and certified by the Environmental Protection Agency (EPA). He further stated the standards in Kansas are identical to the standards in Oklahoma, notwithstanding what may have appeared in some media.

### **Hearing on SB 410 - State agencies; acceptance of payment by debit card.**

Ken Wilke, Office of Revisor of Statutes, explained **SB 410** (Attachment 2). Mr. Wilke noted that an issue with current procedure brought forth the introduction of the legislation. The issue involves the posting of a debit card transaction in a timely manner where there are insufficient funds to cover the transaction..

Robert Waller, Executive Director, Board of Emergency Medical Services (BEMS), provided testimony on **SB 410** in a neutral position (Attachment 3). Jerry Cunningham, Investigator for BEMS; Christine Hannon, Certification Specialist, BEMS; and Ann Stevenson, Clerical Support Staff, BEMS, were also present to answer questions. Mr. Waller indicated that the agency has an interest in the legislation because of an issue with a debit card when a license was purchased with a debit card through Kansas.gov. BEMS was later notified that there were insufficient funds in the individual's account to cover the expense; however, the license had already been issued. BEMS was not notified of this determination until 7 months later.

Mr. Waller indicated that no written notice of dishonor was given to BEMS; however, Kansas.gov indicated that a report was published on their website. The Committee noted that written notification of a legal action is not satisfied by reference to a notice found on a website.

John Peterson, on behalf of VISA, Inc., presented testimony in support of **SB 410** (Attachment 4). Mr. Peterson's testimony included an amendment regarding to K.S.A. 16a-2-403 in the Consumer Protection Act, pertaining to credit cards, which could also be updated to include the use of debit cards.

Candy Shively, Deputy Secretary for Integrated Service Delivery, Department of Social and Rehabilitation Services (SRS), presented testimony on **SB 410** concerning the impact of Section 1 of the bill on SRS' Child Support Enforcement Program (CSE) and the Kansas Payment Center (KPC) (Attachment 5). Ms. Shively stated that the Kansas Payment Center records and disburses all child support payments in Kansas, as well as repayments of public assistance benefits. Ms. Shively noted that KPC is planning to begin allowing online payment using a debit card during the coming summer. Ms. Shively offered an amendment to **SB 410** to exclude the Kansas Payment Center from the legislation. Jamie Corkhill, Attorney, SRS, was also present to answer questions.

### **The hearing on SB 410 was closed.**

### **Presentation on Billion Dollar List**

Senator Chris Steineger presented an overview of the Billion Dollar List, a list of proposed savings for state government (Attachment 6).

### **Adjournment**

The next meeting is scheduled for February 1, 2010.

The meeting was adjourned at 11:50 a.m.

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE: January 29, 2010

| NAME                | REPRESENTING                      |
|---------------------|-----------------------------------|
| Gary Blackburn      | KDHE                              |
| John Mitchell       | KDHE                              |
| Pat Kuester         | KDHE                              |
| Steve Mock          | SRS                               |
| Candy Shively       | SRS                               |
| Janie Corahil       | SRS                               |
| MARK FORANUYAK      | CAPITOL STRATEGIES                |
| Lindsay Holusiek    | Kansas Bio Authority              |
| Pat Damon           | KCU                               |
| Mike Hattles        | HGR, Inc.                         |
| Bill Brady          | KTA                               |
| Christina Hanna     | KBEMS                             |
| Randall Allen       | Kansas Association of Counties    |
| John Pinegar        | Pinegar, Smith + Associates, Inc. |
| M. Latch            | A.G.                              |
| Scott R. Hochstedel | Lawrence Journal-World            |
| Earl Lewis          | KS Water Office                   |
| MARK HEIM           | KKIO                              |
| Ghan Erickson       | KDOT                              |
| Moji Fanimokun      | UKM                               |
| Wigh Keck           | Kein Law Firm                     |
| Jennifer Cross      | Sandstone Group                   |
| Dustin Moyer        | KHPA                              |



Mark Parkinson, Governor  
Roderick L. Bremby, Secretary

DEPARTMENT OF HEALTH  
AND ENVIRONMENT

www.kdheks.gov

## Testimony on Treece Superfund Buyout and Relocation

Presented to  
Senate Ways and Means Committee

By  
Pat Kuester, Chief Fiscal Officer  
Kansas Department of Health and Environment

January 29, 2010

Chairman Emler and member of the committee, I am Pat Kuester, Chief Fiscal Officer for the Kansas Department of Health and Environment. I am pleased to be before you today to discuss the City of Treece property buyout and citizen relocation as requested by KDHE and recommended in Governor Mark Parkinson's Budget Recommendation.

The area is severely depressed and suffers with contamination resulting from past lead and zinc mining which left hazardous mine waste and the risk of subsidence. In addition to these problems, this small community is losing much of its infrastructure that historically came from Picher, Oklahoma. The process for expending funds related to the buyout and relocation includes a trust that is set out in KSA 49-511, et seq. The trust is made up of five members appointed by the Governor and confirmed by the Senate. The trust is responsible for negotiating the purchase of properties and supplying funds for relocation. Picher is currently in the process of being bought out in a fashion similar to the process being utilized in Treece. The trust will offer property owners within the city of Treece the opportunity to sell their property, to the trust, for a sum of money that will allow them to purchase a similar house elsewhere in the county. Individuals who rent homes or business properties will be allowed one year of rent for a similar property within the county. Moving expenses of between \$1,000 and \$2,000 are also allowed.

It is estimated that the buyout for the City of Treece will cost \$3.5 million, with \$350,000 of this amount coming in the form of the required 10.0 percent state match. This funding will be used to purchase approximately 77 improved properties averaging \$34,000 each, and 47 unimproved properties averaging \$763 each. The total estimate also includes additional funding for moving expenses, rent compensation, demolition costs, contractor costs, and a 5.0 percent contingency.

If the buyout is successful, the trust will hold the property until it can be determined what future use of the property will serve the public good. The nature of the cleanup will limit the future use of the property; however, any future use must not pose a risk to the public or damage the integrity of the Superfund cleanup.

Currently KDHE staff is continuing to collect information that will be used in the buyout. As the trust is formed and we transition responsibilities in the area, we will be available to avail themselves as a technical resource for the trust.

Senate Ways & Means Cmte  
Date 1-29-2010  
Attachment 1

## Chronology:

- 1988: The EPA initiated investigation activities at the Treece subsite.
- Early 1990: The parties potentially responsible for contamination of this area took over the study. The investigation explored the nature and extent of soil and water pollution at the subsite and recommended the best strategies for final cleanup.
- Summer 1994: The investigation was completed.
- August 1997: A remedy was selected.
- 1999 – 2000: Companies responsible for the mining at Treece performed residential yard removal actions to eliminate the direct exposure pathway to residents, under EPA guidance.
- January 2004: State of Oklahoma began relocation of families of the cities of Picher and Cardin with young children. The state funded initiative allowed eligible residents the option of moving away from chat piles. Oklahoma soon received federal funds to use in their cleanup efforts.
- May 2004: Oklahoma approved \$5 million toward additional resident relocations. The Oklahoma relocation efforts expanded when the EPA finalized their remedy for the Tar Creek site identifying the Voluntary Relocation of all residents as part of their February 2007 remedy.
- March 13, 2006: The residents of Treece adopted a resolution expressing their desire to be included in the Picher relocation.
- June 5, 2006: KDHE and EPA staff met with the Treece residents to discuss the options for a buyout.
- June - July, 2006: EPA and KDHE provided for the testing of residential yards if people expressed concerns to determine if their yards had been re-contaminated by dust from the chat piles. KDHE used information from the Oklahoma buyout to estimate the cost of a Treece buyout and originally estimated the buyout costs at \$6.8 million.
- 2007: During the 2007 Legislative Session, HB 2168 was signed into law. The bill provided a structure for the trust that would be necessary to administer any funds eventually obtained from the EPA to affect the buyout of Treece and also set out rules regarding the buyout. Also during the 2007 Session, the Legislature appropriated \$680,000 for FY 2008 in case funding could be obtained from the EPA. Since approval of the statutes and the initial interest solidified by the appropriation, several unsuccessful attempts have been made to obtain federal funds for the buyout.
- October, 2009: After consistent communications with local area legislators, the Governor's office and the Kansas Legislative Delegation regarding the issue, KDHE received approval from the EPA for federal funding to begin the Treece buyout based on our reduced cost estimate.

Thank you again for the opportunity to provide this information to the committee. I will now stand for questions.

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Suite 322, Statehouse  
Topeka, Kansas 66612-1592  
Telephone 785-296-2321 FAX 785-296-6668

**MEMORANDUM**

**To:** Senate Committee on Ways & Means  
**From:** Kenneth M. Wilke, Senior Assistant Revisor of Statutes  
**Date:** January 29, 2010  
**Subject:** Senate Bill 410

It was brought to my attention that during the latter portion of 2009, that the state statutes do not specifically provide for state agencies to accept payment by debit cards. One of the issues involved is what happens if the debit card transaction is not posted in a timely manner so that the debit card payment is rejected. There is no mechanism established for an agency to be notified that the payment did not go through.

In 2002, the Legislature enacted K.S.A. 2009 Supp. 75-30,100 which authorizes state agencies to accept payment by credit card or any other method of payment authorized by the agency. That statute makes no mention of debit cards or electronic checks. Because of the issue stated above, I was asked to provide a "bad check charge" in the form of a civil penalty to be assessed if a state agency found itself in this type of situation. The bill also amends K.S.A. 2009 Supp. 75-30,100 to permit the acceptance of debit cards.

Senate Ways & Means Cmte  
Date 1-29-2010  
Attachment 2



# KANSAS

DENNIS ALLIN, M.D., CHAIR  
ROBERT WALLER, EXECUTIVE DIRECTOR

MARK PARKINSON, GOVERNOR

## BOARD OF EMERGENCY MEDICAL SERVICES

### Testimony

**Date:** January 29, 2010  
**To:** Senate Committee on Ways and Means  
**From:** Robert Waller, Executive Director  
**RE:** 2010 Senate Bill 410

|                        |                                    |                              |         |
|------------------------|------------------------------------|------------------------------|---------|
| <b><u>Resides:</u></b> | Senate Committee on Ways and Means | <b><u>Agency Status:</u></b> | Neutral |
|------------------------|------------------------------------|------------------------------|---------|

Chairman Emler and members of the Senate Committee on Ways and Means, thank you for the opportunity to provide testimony on the Senate Bill 410, my name is Robert Waller and I am the Executive Director for the Kansas Board of Emergency Medical Services (KBEMS).

The Investigation Committee for the Board of Emergency Medical Services (KBEMS) reviewed a case (Case # 2009-054) during its regular December Board meeting. At issue was the timeliness of notification to the Board (by Kansas.gov) relating to debit cards and the ability of the individual to remit.

Case # 2009-054

The initial transaction took place December 30, 2008. Approximately two (2) business days later Kansas.gov issued monies to KBEMS for the transition. To explain, once an attendant (or individual) pays online, Kansas.gov "covers" that transition with an underlying understanding that there will be sufficient funds from the attendant (individual) to complete the transition and recoup the upfront monies. On January 6, 2009, the respondent's payment bank returned the request to debit the account as insufficient funds. On March 6, 2009, Kansas.gov sent the first collection letter to the respondent explaining the fees had been paid to the KBEMS on the behalf of Kansas.gov and payment was due in full to Kansas.gov. On June 4, 2009 second collection letter was generated again, again with no response. On July 16, 2009 an invoice was generated to KBEMS as non collected.

Upon further research between the December KBEMS Board meeting and testimony before Ways and Means, we were notified that Kansas.gov does not automatically inform agencies that an individual's bank has returned the request to debit the bank account until 45 to 90 days later. Statement from Kansas.gov:

"...We strive to send collections letters within 30-45 days of the returned payment date on ACH

/Electronic Check payments. The same follows for sending the 2<sup>nd</sup> notice. Then same for invoicing partner. At one time in 2009 our office experienced several technical problems with our billing processor that may have been the cause for the delayed time between letters sent...”

KBEMS was also informed that the history of any attendant (individual) can be viewed in their “KanPay” system by searching the order number and viewing history. However, the agency has the following issues:

1. The number of individuals this may affect and how to track them
2. The amount of agency time to track the individual (over time) to ensure payment has been made
3. If the attendant (individual) is out for collection, does the agency have an obligation to suspend the just issued card until all fees have be remitted and the account settled

### **Conclusion**

KBEMS remains neutral on the bill. However, is rightly concerned about real time and accurate information being provided to the agency. Although the attendant (6 months in arrears) did complete the transition, six (6) months in unacceptable nor is “logging on” and tracking one (1) or hundreds of individuals an appropriate method of operating. Thank you for allowing me to testify on Senate Bill 410.



**TESTIMONY**

By

John Peterson, VISA

Support of Senate Bill 410

Senate Committee on Ways and Means

January 29, 2010

Mr. Chairman, Senators. My name is John Peterson and I am appearing on behalf of VISA, Inc. Visa is a payment network linking consumers and thousands of financial institutions worldwide, including 313 in Kansas. Visa doesn't issue credit or debit cards; financial institutions do that, what we provide is the secure network these cards ride on.

We support Senate Bill 410, updating current Kansas statutes to include debit cards as well as credit cards as acceptable methods of payment to the State and State agencies. When the statute was written debit cards did not exist and now have become an important part of our system of commerce. I would note that Kansas utilizes debit cards to deliver unemployment benefits, public assistance and child support to citizens.

There is an additional statute which should be similarly updated, K.S.A. 16a-2-403 in the Consumer Protection Act, a statute which actually is referred to in Senate Bill 410. That statute has provided for many years that consumers, when they make retail purchases, cannot be subject to surcharges for use of credit cards. To update and make consistent with existing methodologies it likewise should include debit cards. I've attached a copy of an amendment that would facilitate the updating of that statute.

Thank you for this opportunity to present testimony.

Senate Ways & Means Cmte

Date 1-29-2010

Attachment 4

Proposed Amendment to SB 410

John Peterson, Visa

*New Section 3.* K.S.A. 16a-2-403 is hereby amended to read as follows: 16a-2-403. No seller or lessor in any sales or lease transaction or any credit card issuer may impose a surcharge on a card holder who elects to use a credit *or debit* card in lieu of payment by cash, check or similar means. A surcharge is any additional amount imposed at the time of the sales or lease transaction by the merchant, seller or lessor that increases the charge to the buyer or lessee for the privilege of using a credit *or debit* card.



DEPARTMENT OF SOCIAL  
AND REHABILITATION SERVICES

Don Jordan, Secretary

**Senate Ways and Means Committee**  
**January 29, 2010**

**SB 410 – Electronic payments to agencies**

**Integrated Service Delivery**  
**Candace Shively, Deputy Secretary**

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

Senate Ways & Means Cmte  
Date 1-29-2010  
Attachment 5

## **SB 410 – Electronic payments to agencies**

### Senate Ways and Means Committee January 29, 2010

Good morning Mr. Chairman and members of the committee. I am Candace Shively, Deputy Secretary for Integrated Service Delivery at SRS. I appreciate the opportunity to testify today concerning the impact of Section 1 of Senate Bill 410 on SRS' Child Support Enforcement Program (CSE) and the Kansas Payment Center (KPC). As discussed below, we ask that the definition of "state agency" in subsection (e) be amended to exclude the Kansas Payment Center. Our proposed amendment is attached.

Section 1 of the bill insures that a state agency receiving payments will not suffer a loss if an online payment made with a debit card is later reversed. This is an important provision, but it may have unintended consequences for the Kansas Payment Center. The KPC is functionally different from most state agency operations and over time Section 1, as introduced, would tend to increase costs for the KPC contract without providing material benefit.

The Kansas Payment Center records and disburses all child support payments in Kansas. Debtors may owe to SRS for repayment of public assistance benefits or to individual families. This combination of agency and individual obligations is an important difference from most creditor agencies, where all payments belong to the agency.

This summer, our KPC vendor will begin allowing online payments using a debit card. The KPC's new application will automatically verify the card account and available balance at the time of the transaction. This should preclude refusal for insufficient funds, but there is a small possibility of a subsequent reversal. Unfortunately, because CSE handles both agency debts and debts to families, the KPC vendor would have to perform manual research on every such reversal to identify whether the debtor owes to a family or to SRS and, by extension, whether they have a duty to provide written notice under Section 1. This would add a significant amount of work for the vendor.

Existing automated reports and onsite supervision promptly inform CSE of reversals that affect the balance owed to the agency. We anticipate that few, if any, penalties would be owed by the KPC vendor for failing to provide notices required under this bill, so no revenue is expected from that source. To the extent that this bill creates additional administrative duties and penalty risks for the KPC vendor, it will increase costs paid by SRS for KPC services.

In the context of child support, the provision requiring debtor restitution is redundant. By nature all child support debts are enforceable judgments when due and unpaid. Debtors who make insufficient funds payments already run the risk of

The logo for the Kansas Department of Social and Rehabilitation Services features the word "KANSAS" in a bold, sans-serif font. Above the letters "A", "N", and "S" is a stylized graphic consisting of a curved line that starts under the "A", arches over the "N", and ends with a five-pointed star under the "S".

# KANSAS

DEPARTMENT OF SOCIAL  
AND REHABILITATION SERVICES

being cited for contempt by a judge. If anything, the provision allowing the debtor up to 30 days to replace a reversed payment introduces uncertainty about whether CSE could immediately enforce the debt or would have to wait 30 days before acting. We assume, though, that no restriction of an agency's enforcement rights is intended.

In the unlikely event that a debit card reversal occurs and the debtor fails to replace the payment within 30 days, additional administrative expenses would be incurred by CSE to monitor and collect the civil penalty from the debtor. Please note that 66% of any revenue realized from either civil penalty would be payable to the federal government as CSE program income.

Because of the planned safeguards against insufficient payment, the existing reporting requirements surrounding transactions and the potential increase in contract costs, we ask that SB 410 be revised to exempt the Kansas Payment Center by including the language in the attached amendment.

Thank you for considering the special circumstances of the Kansas Payment Center. I will be glad to stand for any questions you may have.

## S.B. 410

**New Section 1.** (a) Each corporation or other business entity that owns or hosts a website through which a state agency receives payments of any kind from any person who uses a debit card shall notify both the person using the debit card and the state agency in writing when such corporation or other business entity receives notice that such payment has been refused for insufficient funds or any other reason.

(b) The notice required by subsection (a) shall be made within 14 days of the date when the corporation or other business receives notification that the payment was refused. The notice shall provide the state agency the:

(1) Name and address of the person making the payment.

(2) Purpose and amount of the payment.

(3) Date the payment was refused and reason given for such refusal.

(c) Failure of a corporation or other business entity that owns or hosts a website through which a state agency receives payments of any kind to comply with the provisions of this section shall entitle the state agency to a payment of a civil penalty in the amount of \$100 from such corporation or other business entity.

(d) Within 14 days after receiving notice from the state agency that the debit card payment was refused, the person who made such debit card payment shall make restitution to the state agency for the refused payment. Failure to make restitution to and have such restitution received by the state agency within 30 days of the date of the agency's notice shall entitle the state agency to a payment of a civil penalty in the amount of \$100 from such person.

(e) For the purposes of this section, the term "state agency" shall have the meaning ascribed to it in K.S.A. 75-3044 and amendments thereto, *but shall not include the Kansas payment center operating pursuant to K.S.A. 23-4,118 and amendments thereto.*

CHRIS STEINEGER  
 SENATOR, SIXTH DISTRICT  
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TOPEKA

SENATE CHAMBER

STATE CAPITOL BLDG., ROOM 134-E  
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 chris.steiner@senate.ks.gov

## The Billion Dollar List

We have a once in a lifetime **OPPORTUNITY** to reinvent government.  
 Reinventing government is more important than just slashing it.  
 This suggestion list goes from mild to wild.  
 I'm sure there will be someone who opposes every item on the list !!!

1) **Downsize the Legislature**—Demonstrate solidarity of the Legislature to reduce itself.

\* Place on the 2010 statewide ballot a proposition to downsize the Legislature by 30%. If approved by the people (you know they will!), the 2012 election will be like musical chairs w/ some seats eliminated and competition deciding who gets to sit and who's out.

\* Reduce Legislature to 30 Senators and 90 Representatives. This will save **\$1.8 million**.

2) **Consolidate Kansas** into 25 counties and 25 judicial districts. Eliminate townships. A study by Wichita State University shows this could save **\$700 million** per year. <http://www.ksrevenue.org/pdf/ConsReport.pdf>

3) **Eliminate** state aid to cities and counties but create incentives for city and county unification.

\* Eliminate the **\$9 million** transfer from state alcohol tax to city parks and recreation fund.

4) **Consolidate** into the Department of Agriculture: Livestock Commission, Conservation Commission, Water Office, and Geological Survey. A 2007 Post Audit concludes this will save **\$700,000** year.

[http://www.kslegislature.org/postaudit/audits\\_perform/08pa23.pdf](http://www.kslegislature.org/postaudit/audits_perform/08pa23.pdf)

5) **Consolidate** into one agency: Bank Commission, Credit Union Office, and Securities Commissioner. A 2008 Post Audit concludes this will save **\$500,000** year.

[http://www.kslegislature.org/postaudit/audits\\_perform/08pa22.pdf](http://www.kslegislature.org/postaudit/audits_perform/08pa22.pdf)

\* Go another step further and consolidate all of the above with Insurance Dept. and create one, streamlined financial regulatory agency.

6) **Sell and lease-back** of State office buildings: Docking, Landon, Eisenhower could all be sold to private developers, who can perform renovations cheaper and faster than the State. We all received an email 1/14/10 at 9:52am from Mark Creason at Amerifund Commercial offering to buy State office buildings at market prices and lease them back to State agencies. There are two advantages: 1) immediate cash payment for buildings; and 2) any remodeling can be done by private owner **FASTER** and **CHEAPER** than the State.

7) **Capital renovation:**

\*Renegotiate contracts for architectural services and general contractor.

\*Cap architectural fees at 5%.

\*Limit build out of basement level visitors center to doors and lights only—a functional shell.

\*Eliminate any additional new furniture.

8) **Privatize KU hospital for \$500 million;** use the sale proceeds to recapitalize KPERS. Ask Steve Weatherford for copy of memo.

9) Ask the four big hospital foundations (Kansas Health Foundation, Sunflower Foundation, Wyandotte Health Foundation, REACH) to **donate their annual revenue, \$20 million, for two years to Medicaid** instead of funding more duplicative studies, newsletters, conferences, and luncheons. These foundations were formed from sale of church founded hospitals, Catholic and Methodist, whose original founders intended direct care to the poor. Returning the foundations revenue back to the original founders intent would complete the circle.

10) Increase premiums and co-pays for state employee health insurance ANI who choose healthy living habits such as tobacco avoidance, healthy weight,

Senate Ways & Means Cmte

Date 1-29-2010

Attachment 6

- 11) **Consolidate and Refinance all State debt** into one mega bond at today's low rates. This is called the "double-barreled" approach. When you combine specified revenue streams and general obligation revenue.
- 12) Allow Kansas Department of Corrections to pay hospitals at Medicaid rates.
- 13) Regents Universities
  - \*Require Regents universities to disclose their endowments funds & restrictions. This may not save money initially, but will help us understand what resources are available to fund University operations.
  - \*Cap fees for architectural and contractor services for Regents capital improvements.
- 14) Eliminate state owned buffalo herds. Donate buffalo to Bob Grant for BBQ!
- 15) Eliminate **\$5 million** state-subsidized air fares for Wichita.
- 16) Eliminate State purchases of water rights in government owned reservoirs.
- 17) Eliminate funding for National Guard Training Center in Salina.
- 18) Obtain dividend payment from Jayhawks and Wildcats sports franchises. These are lucrative businesses developed on public property with public dollars, but the profit is reaped by a few well-connected folks.
- 19) Obtain dividend payment from Kansas BioScience Authority.
- 20) Obtain dividend payment from land sales at Sunflower Army Ammo plant.
- 21) Eliminate state support for excessive salaries of top executives of foster care contractors.
- 22) Eliminate KDHE meth house clean up program.
- 23) Transfer turnpike surplus funds to highway program. Turnpike mows grass excessively on the right-of-way.
- 24) Renegotiate State building and property insurance.
- 25) School finance
  - \* Create incentives for school districts to unify.
  - \* Eliminate State matching funds for any new school bonds or equipment.
- 26) No new vehicle purchases for three years; no purchases of full size pickups or sedans.
- 27) Eliminate "weather modification" program for **\$198,000**.
- 28) Eliminate construction of any more "weather monitoring" stations.
- 29) Consolidate all functions of probation and parole in Kansas. A computer tracking system currently in the design stage will greatly facility such an efficiency merger.