

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 a.m. on March 6, 2009, in Room 520 of the Curtis State Office Building.

All members were present except:

Senator Jean Schodorf - excused

Committee staff present:

Alan Conroy, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Christina Butler, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Aaron Klaassen, Kansas Legislative Research Department
Heather O'Hara, 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

Conferees appearing before the Committee:

Carl Tubbesing, National Conference of State Legislatures (NCSL)
Michael Bird, NCSL
Molly Ramsdell, NCSL
Joy Johnson Wilson, NCSL
David Schreve, NCSL
Robert Strange, NCSL
Tamra Spielvogel, NCSL
Erik Wisner, Policy and Program Analyst, Kansas Department of Agriculture
Brad Williams, Kan-Ed

Others attending:

See attached list.

Video Conference with National Conference of State Legislatures

Carl Tubbesing, National Conference of State Legislatures (NCSL), introduced the representatives of the National Conference of State Legislatures (NCSL) who will provide details on the various allocations in the federal stimulus package during the video conference.

Michael Bird, NCSL, presented an overview of the American Recovery and Reinvestment Act of 2009 or the federal stimulus package. Mr. Byrd noted that the package is broken into four components:

- (1) Supplemental appropriations bill.
- (2) Infrastructure investment package for regular infrastructure and emphasis on infrastructure on the cutting edge of technology.
- (3) Tax credit and tax modification component.
- (4) Assistance to individuals and to states, which represents approximately 2/3 of the package.

Mr. Bird stated that there is to be transparency of all actions taken with the stimulus package. A global website has been developed to provide information: www.recovery.gov. Mr. Byrd noted that most of the funds in the package will need to be obligated by the state by September 30, 2010, with most of the funds becoming

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accessible between the current date and July 1, 2009. Most of the funding is dependent on current programs and rules with a small amount allocated for new programs. The legislation is intended to meet 3 objectives: (1) Ensure that the state will be able to partner with the private sector and the federal government in economic recovery activities; (2) assist those who are most disadvantaged by the economic downturn, such as unemployment insurance, food stamps, Medicaid and others; and (3) temper but not fill all budget gaps within the states. Mr. Byrd reiterated that this is one-time funding and will come to an end.

Molly Ramsdell, NCSL, provided information on the transportation elements of the stimulus package, including the following:

- \$27.5 billion is available for transportation funding of which Kansas is expected to receive approximately \$347 million. \$121.7 million of these funds will need to be obligated within 120 days.
- \$6.9 billion (formula grant) in transit capital assistance of which Kansas will receive approximately \$14 million.
- \$750 million for fixed guideways; however, Kansas will not receive any of this money because it is directed at urbanized areas with railways that have been in existence for at least 7 years.

Ms. Ramsdell noted that this is all federal funds, with no requirement in any of the funding for state matching dollars. However, there is a requirement for a general maintenance effort. The Governor is required to submit a statement by May 19th stating the amount the state is expected to spend from Feb 17, 2009 thru September 2010. If the state does not maintain that level of effort, the state will not be eligible to receive redistributed funds. In addition, if the state does not allocate at least 50 percent of the funding within the 120 days, the funding will be redistributed to other states.

Joy Johnson Wilson, NCSL, provided information on the Medicaid portion of the stimulus package. Ms. Wilson noted that the Medicaid funding is available now. Three main points of the Medicaid funding include:

- The provisions hold the state harmless which means the highest federal matching rate between FY 2008 and FY 2009 becomes the base.
- Every state will have 6.2 percent points added to their federal matching rate.
- Percentage will be added to the unemployment rate.

David Schreve and Robert Strange, NCSL, provided information on the Education portion of the stimulus package, noting that this portion is the most complicated of the stimulus package. Primarily there are two "pots" of money available through the Education portion of the package:

- Enhancement through existing channels and funding streams. There is approximately \$13 billion new money available through the elementary and secondary education Title I act over the next 2 years. The period of availability for this funding is July 1, 2009 through September 30, 2010.
- State Fiscal Stabilization Fund. There is approximately \$53.6 billion in new funding available through this fund.

Mr. Schreve stated that all of the information being presented today is in a power point presentation on the NCSL website by accessing www.recovery.gov or www.ncsl.org/statefed/2009economicstimulus.htm

Tamra Spielvogel, NCSL, provided information on energy and environment issues related to the federal stimulus package.

Regular Committee Meeting 10:30 a.m.

The Committee meeting was called to order by Vice-Chair Carolyn McGinn.

Introduce of proposed legislation

Senator Schmidt moved to introduce legislation concerning the Kansas Tort Claims Act (9rs0863). The motion was seconded by Senator Wysong. Motion carried on a voice vote.

Senator Vratil moved to introduce legislation concerning school districts contingency reserve fund (9rs0937). The motion was seconded by Senator Wysong. Motion carried on a voice vote.

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Subcommittee Report on Fee Boards

Senator Masterson, Chair of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Fee Boards, including the Board of Accountancy, Abstracters' Board of Examiners, Bank Commissioner, Board of Barbering, Behavioral Sciences Regulatory Board, Board of Healing Arts, Board of Cosmetology, Department of Credit Unions, Kansas Dental Board, Board of Mortuary Arts, Board of Examiners in Fitting and Dispensing of Hearing Instruments, Board of Nursing, Board of Examiners in Optometry, Board of Pharmacy, Real Estate Appraisal Board, Real Estate Commission, Securities Commissioner, Board of Technical professions and Board of Veterinary Medical Examiners for FY 2010 and moved for the adoption of the Subcommittee recommendations on the Fee Boards with notations and adjustments for FY 2010 (Attachment 1). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Hearing on SB 204 - Secretary of agriculture, disposition of food safety and lodging moneys, food safety and lodging fee fund.

Heather O'Hara, Kansas Legislative Research Department, explained that **SB 204** would rename the Department of Agriculture's Food Safety Fee Fund to the Food Safety and Lodging Fee Fund into which all fee collected by the Safety and Lodging Inspection Program would be deposited. Enactment of the legislation would transfer all moneys and liabilities associated with the Food Safety Fee Fund and the Food Service Inspection Reimbursement Fund to the Food Safety and Lodging Fee Fund on July 1, 2009.

Erik Wisner, Policy and Program Analyst, Kansas Department of Agriculture, appeared before the Committee in support of **SB 204** (Attachment 2). Mr. Wisner explained that currently there are two statutes and a budget proviso that reference the disposition of fees paid by food service establishments. Mr. Wisner explained that the bill will allow for more efficient disposition of fees paid to the program and also allow the agency to recoup fees and rely less on the State General Fund.

The Committee commended Mr. Wisner on his presentation and efforts to streamline the agency's work.

There were no other conferees to come before the Committee.

The hearing on SB 204 was closed.

Senator Teichman moved to recommend **SB 204** favorably for passage. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Video Technology

Brad Williams, on behalf of the Board of Regents and Kan-Ed, thanked the Committee for making use of the video technology available in the Board of Regents Auditorium.

Information on State General Fund (SGF)Receipts

Information on State General Fund Receipts, July through February, FY 2009, prepared by Alan Conroy, Kansas Legislative Research Department, was distributed to the Committee (Attachment 3).

Adjournment

The next meeting is scheduled for March 9, 2009.

The meeting was adjourned at 11:00 a.m.