

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 1:30 p.m. on April 29, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator Carolyn McGinn - 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  
Dylan Dear, Kansas Legislative Research Department  
Jill Wolters, Office of the Revisor of Statutes  
Daniel Yoza, Office of the Revisor of Statutes  
Theresa Kiernan, Office of the Revisor of Statutes  
Melinda Gaul, Chief of Staff  
Shirley Jepson, Committee Assistant

Conferees appearing before the Committee:

Representative Raj Goyle  
Wayne Michaels, Director of Employment Security, Department of Labor  
Dr. Charles Krider, Professor, University of Kansas  
Senator Jeff Colyer  
Mark Tallman, Kansas Association of School Boards (KASB)

Others attending:

See attached list.

### **Introduction of proposed legislation**

Senator Teichman moved to introduce legislation concerning the annual reconciliation bill (9rs1112). The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Taddiken moved to conceptually introduce legislation concerning a tax amnesty bill. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Senator Vratil moved to introduce legislation concerning liquor tax. The motion was seconded by Senator Taddiken. Motion carried on a voice vote.

### **Hearing on HB 2374 - Concerning employment security law, allowance of alternative base periods and benefits for individuals forced to leave employment to care for an ill or disabled family member.**

Daniel Yoza, Revisor, explained that **HB 2374** would make changes to the Kansas employment security law to allow the State of Kansas to receive additional federal funding under the American Recovery and Reinvestment Act (ARRA) for state unemployment benefits. Language in **HB 2374** concerns changes to the alternative base period (Attachment 1).

Representative Raj Goyle appeared before the Committee in support of **HB 2374**. Representative Goyle stated that in order for the state to draw down additional federal funds through the American Recovery and Reinvestment Act (ARRA) for unemployment insurance, it is necessary to implement changes to the state's law. To draw the first 1/3 of eligible funding, the state must have an Alternative Base Period regarding the time period necessary for an unemployed worker to qualify. To draw down the remaining 2/3 of eligible funding, the state must implement two of four provisions provided by the federal government (Attachment 2). One of the important parts of the legislation pertains to providing training for the unemployed worker.

Wayne Michaels, Director of Employment Security, Department of Labor, presented testimony in support of **HB 2374** (Attachment 3). Mr. Michaels indicated that one requirement from the federal government, directs that the legislation cannot contain a sunset date. Mr. Michaels stated that the Department of Labor is

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offering several amendments to **HB 2374** (Attachment 4).

Dr. Charles Krider, Professor, University of Kansas and member of the Employment Security Advisory Council, presented testimony in support of **HB 2374** (Attachment 5). Dr. Krider stated that the changes to the law as presented in **HB 2374** are good policy changes for the state even if ARRA funding was not available.

David Kerr, Secretary, Department of Commerce, responded to questions from the Committee.

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

The hearing on **HB 2374** was closed.

Senator Vratil moved to amend **HB 2374** by adding balloon amendments as presented by the Department of Labor. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Lee moved to recommend **HB 2374**, as amended, favorably for passage. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

**Hearing on SB 311 - State budget, state general fund ending balance requirements, revenue shortfalls and reductions in authorized expenditures, economic impact statements, fiscal note updates.**

Jill Wolters, Revisor, explained **SB 311** would require the Director of Legislative Research to prepare an economic impact statement on bills or other matters under consideration of the Legislature upon the request of certain legislative leaders, who are specified in the bill. The Director would also prepare a statement of significant economic impact upon the Kansas economy (Attachment 6).

Senator Jeff Colyer appeared before the Committee in support of **SB 311** (Attachment 7). Senator Colyer noted that **SB 311** would bring stronger fiscal management of the state's budget.

The Committee voiced concern regarding the fiscal note on the legislation in lieu of the revenue shortfall within the state.

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

The hearing on **SB 311** was closed.

Senator Taddiken moved to amend **SB 311** by deleting all language pertaining to economic impact and retain only the language addressing allotments. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Kultala moved to table further action on **SB 311**. The motion was seconded by Senator Kelly.

Senator Vratil made a substitute motion to further amend **SB 311** on page 5, line 15, by striking the word "or"; line 16, by striking the word "less"; line 21, by striking the words "or less"; and on page 6, line 27, by striking the words "or less". The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Senator Kultala moved to table further action on **SB 311** until information is received from the Governor's office. The motion was seconded by Senator Lee.

Senator Lee made a substitute motion to table **SB 311** until Friday, May 1, 2009. The motion was seconded by Senator Kelly. Motion failed on a vote of 4-5.

The Committee returned to action on Senator Kultala's motion.

Senator Vratil made a substitute motion to further amend **SB 311** in line 16 by excluding debt service from the reduction across-the-board. The motion was seconded by Senator Teichman. Motion carried on a voice

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vote.

Senator Vratil moved to recommend **SB 311**, as amended, favorably for passage. The motion was seconded by Senator Masterson. Motion failed on a vote of 4-5.

**Hearing on SCR 1616 - Urging Kansas school districts to use carefully the federal stimulus funds received.**

Jill Wolters, Revisor, explained that **SCR 1616** would urge school district to carefully use the federal stimulus funding. Ms. Wolters indicated that the state could receive \$875 million in education funding as a part of the federal stimulus package.

In response to a question from the Committee concerning a “sweep of school district’s contingency reserve funds”, it was the consensus of Alan Conroy, Legislative Research Department, and Theresa Kiernan, Revisor, that this would not be permitted by law.

Senator Abrams appeared before the Committee in support of **SCR 1616**. Senator Abrams felt it is important the emphasis the Legislature’s intent to school districts that the federal stimulus funding is one-time money and to be used carefully.

Mark Tallman, Kansas Association of School Boards (KASB), presented testimony as neutral on **SCR 1616** (Attachment 8).

The hearing on **SCR 1616** was closed.

Senator Masterson moved to recommend **SCR 1616** favorably for passage. The motion was seconded by Senator Wysong. Motion carried on a vote of 6-5.

**Response on SB 296**

Information regarding **SB 296**, in response to the Committee’s request, on reporting procedures of state agencies, was distributed to the Committee (Attachment 9).

**Adjournment**

The meeting was adjourned at 3:35 p.m.

The next meeting will be on “call of the Chair”.