

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 10:30 am on Thursday, March 10, 2016, 548-S of the Capitol.

All members were present

Committee staff present:

Jill Wolters, Office of Revisor of Statutes
Scott Abbott, Office of Revisor of Statutes
David Wiese, Office of Revisor of Statutes
J. G. Scott, Legislative Research Department
Bobbi Mariani, Legislative Research Department
Dezeree Hodish, Legislative Research Department
Dylan Dear, Legislative Research Department
Debbie Luper, Chief of Staff
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Point of Personal Privilege

Senator Kelly welcomed the pages from her district: Mcgwyer Leathers, Alexis Xabala, and Bronc Reser from Rossville.

Senator Tyson was represented by pages from her district: Clare Benton, Jordyn Knecht, and Rudy Benton from Paola Middle School.

Hearing on: SB311 — Transfer of administration of school finance from the state board of education to the department of administration and secretary of administration.

The hearing on **SB311** was scheduled to be heard, but the hearing was cancelled by the Chairperson. The reason for cancelling the hearing was the fact so much misinformation was circulating, including that this was a secret hearing to rush through the bill's passage. The Chairperson informed everyone present that the bill was introduced in the 2015 legislative session, and the hearing was posted in the Senate Calendar, published online, a week prior to this scheduled hearing. He said with all the misinformation circulating, he felt an objective hearing was impossible; and therefore, cancelled the hearing.

Chairperson Masterson recessed the meeting at 10:46 a.m.

CONTINUATION SHEET

MINUTES of the Committee on Ways and Means at 10:30 am on Thursday, March 10, 2016 in Room 548-S of the Capitol.

Final action on: SB457 — Nursing home quality care assessment rate and sunset.

Chairperson Masterson reconvened the meeting at 10:55 a.m.

Chairperson Masterson asked for comments or questions concerning **SB457** prior to taking final action on the bill.

Senator Kelly moved to adopt an amendment that increases the number of members to the Quality Care Improvement Panel, by adding a person appointed by the President of the Senate who is affiliated with AARP Kansas, and one person appointed by the Speaker of the House of Representatives who is a volunteer with the office of the State Long-Term Care Ombudsman Program. The motion was seconded by Senator Francisco (Attachment 1).

Senator Fitzgerald stated he thought the amendment was too restrictive and that he would not support the choice for the appointment by the President of the Senate to be limited to one single organization. Senator Kelly said she would accept a motion striking AARP Kansas.

Senator Fitzgerald made a motion to strike AARP of Kansas and the motion was seconded by Senator Francisco.

Senator Tyson asked what other organizations could be considered beside AARP of Kansas.

Senator Powell said Silver Haired Legislature or any group focusing on the interest of retired persons could be considered. He agreed with Senator Fitzgerald that the appointment should not be limited only to AARP of Kansas.

Chairperson Masterson renewed the motion to amend and the motion was adopted on a voice vote.

Senator Kelly made a motion to adopt a Balloon Amendment that expands the reporting requirements of the panel. The motion to amend was seconded by Senator Arpke (Attachment 2).

Senator O'Donnell, Interim Chairperson for Public Health and Welfare asked Senator Kelly if she had discussed this amendment with any members on the Public Health and Welfare and KanCare Oversight Committees. Senator Kelly said she did not discuss it with KanCare Oversight because they only meet approximately 4 to 6 times per year maximum.

Chairperson Masterson recalled Senator Kelly's motion and the motion to amend carried on a voice vote.

Senator Francisco moved a conceptual amendment to rebase the assessment per licensed bed to \$4102 for FY2017 and increase the amount per licensed bed to \$4908 in FY2018 and beyond, and to give the legislature the authority to institute an audit program to develop a program for measuring outcomes.

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Senator Kelly seconded the motion.

Senator Denning said studying and measuring outcomes is a large project that would take a lot of thought and work. He said he could not support the amendment and wouldn't support it on the floor either, unless a lot of work is completed by the time the bill reaches the Senate floor.

Chairperson Masterson renewed the conceptual amendment and called for a voice vote. The motion failed.

Senator Denning made a motion to pass **SB457** out of committee, Senator Arpke seconded and the motion was adopted on a voice vote.

Final action on: SB474 — Authorizing the state finance council to oversee any sale of the Kansas bioscience authority or substantially all of its assets.

The Chairperson opened **SB474** for discussion which would be followed by a final vote on the bill.

Senator Powell thanked Senator Denning for bringing up STAR bonds and offered an amendment to strike the words "a STAR bond project and." He said those were the only changes and with those words in the amendment, the American Royal project could not move forward ([Attachment 3](#)).

Senator Denning asked David Wiese, Office of Revisor of Statutes, if a new STAR bond district receives approval for a district by the Department of Commerce before July 1, 2016, then would the law would allow the new district to take sales tax from an existing district and send it to the unrelated one. Mr Wiese said that would be correct.

Josh Bell, Director, Department of Commerce said it would allow the transfer of property of one district to another if that district is established by July 1, 2016.

Senator Denning made a motion for a substitute amendment that he said does 3 things:

- makes every existing and future STAR bond district a silo, no sharing of revenues between an existing and new district;
- inserts all of the Legislative Post Audit work;
- contains the reform language that if this bill becomes law, then the proviso that is now active will become unenforceable ([Attachment 4](#)). The motion was seconded by Senator Melcher.

Senator Francisco asked what the regulation would be if a new STAR bond district is being formed and property is transferred that is not in an existing STAR bond district. Senator Denning said the project could move forward.

Senator Kelly asked for information concerning the difference in the proviso and the amendment Senator Denning was offering. Senator Denning responded that the language in the budget bill proviso says if the 2016 legislative body passes STAR bond legislation then the proviso would be unenforceable and wouldn't be needed.

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Senator Tyson asked Senator Denning if the objective of the amendment was to reverse the proviso's intentions. He said that is correct because in the budget bill proviso contains language pointing to an opportunity to pass STAR bond reform legislation in this session, at which time the proviso would be unnecessary and unenforceable.

Senator Powell asked Josh Bell if Senator Denning's amendment would kill the American Royal project. Mr. Bell said the American Royal project details are confidential; however, the amendment would make it very difficult to move forward.

Senator Kelly asked what makes it more difficult to move forward with this project than any other STAR bond project in the past. Josh Bell stated again that the American Royal project details are confidential; however, the issue is about the transfer of a piece of property, not about the transfer of money.

Chairperson Masterson said based on the statement of Mr. Bell, the complication appears to be that the building of a hotel may be planned within a current STAR bond district.

Chairperson Masterson recalled Senator Denning's substitute motion and the motion to amend was adopted.

Senator Denning moved to pass out **SB474** as amended, Senator Melcher seconded the motion.

Senator Tyson said she felt the scope of the STAR Bond project is clearly outside the scope of what the legislature originally intended.

The Chairperson renewed the motion to pass **SB474** favorably as amended and the bill was passed out of committee as amended on a voice vote majority.

The next Ways and Means Committee meeting is scheduled for Friday, March 11, 2016, at 10:00 a.m., in Room 548-S at the Capitol.

Chairperson Masterson adjourned the meeting at 11:37 a.m.