

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on January 25, 2007, in Room 514-S of the Capitol.

All members were present except:

Representative Sharon Schwartz- excused
Representative Barbara Ballard- excused
Representative Kevin Yoder- excused
Representative Jason Watkins- excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Michele Alishahi, Legislative Research Department
Amy Deckard, Legislative Research Department
Susan Kannarr, Legislative Research Department
Jim Wilson, Revisor of Statutes
Nikki Feuerborn, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Joan Wagon, Secretary, Department of Revenue
Rochelle Chronister, Chairperson, 2010 Commission
Dr. Marcia Nielsen, Executive Director, Kansas Health Policy Authority (KHPA)

Others attending:

See attached list.

- Attachment 1 Presentation by Joan Wagon
- Attachment 2 Presentation by Rochelle Chronister
- Attachment 3 Presentation by Dr. Marcia Nielsen

Vice-Chairman Tafanelli recognized Joan Wagon, Secretary, Department of Revenue, who presented a briefing on tax compliance initiatives resulting in increased revenue collections (Attachment 1). The Secretary stated that the addition of 18 field agents as authorized by the 2006 Legislature has been very beneficial in allowing the Department to increase revenues by clearing out old debt and locate non-filers. At this time, the Department has sufficient staff to continue this work. Field agents are positioned across the State to provide better service.

Secretary Wagon noted that the Department continues to work toward a goal of 65 percent usage of the electronic-filing system by income tax filers. Currently, usage is at the 56 percent level. Another focus is directed at replacement of the vehicle identification processing system (VIPS), a computer program that is out-dated and non-functional. A feasibility study is underway to determine needs for a new system. The federal initiative, Real ID, a standardized, electronically readable driver's license program, is likely to cause a dramatic increase in expenditures depending on how the federal regulations are drafted this Spring. Implementation of the federal initiative is expected to take place in May, 2008.

- The Committee requested information on the number of filers who use a taxpayer identification number (TIN) in place of a social security number.

The Vice-Chairman recognized Rochelle Chronister, Chairperson, 2010 Commission, who presented an overview on the background and statutory duties of the 2010 Commission (Attachment 2). The Commission has made a number of conclusions and recommendations which are included in their report. A minority report was attached to the written report which was written and provided by a member of the Commission; however, not supported by the full Commission.

Vice-Chairman Tafanelli recognized Dr. Marcia Nielsen, Executive Director, Kansas Health Policy

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on January 25, 2007, in Room 514-S of the Capitol.

Authority (KHPA), who presented a history and overview of KHPA (Attachment 3). Top priority budget initiatives for KHPA include:

- Adding staff to the Medicaid eligibility clearinghouse to process applications as a result of a federal mandate implemented on July 1, 2007. KHPA is requesting 4 additional full-time equivalency staff (FTE) and 17 contract staff via a supplemental request for FY 2007 of \$496,000 State General Fund (SGF) and funding in FY 2008 for \$573,000 SGF.

The Committee commented that they have had constituent complaints regarding the telephone response time when calling the clearinghouse.

- Complete staffing and infrastructure for the KHPA to operate as a single state agency responsible for the Medicaid program. KHPA is requesting 22 staff with a supplemental request of \$531,000 SGF for FY 2007 and funding for 20 additional staff with an enhancement of \$813,000 SGF in FY 2008.
- Develop a data management and policy analysis program with funding of \$385,000 SGF requested in FY 2008.

The meeting was adjourned at 10:55 a.m. The next meeting will be held at 9:00 a.m. on January 26, 2007.

Sharon Schwartz, Chair