

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE  
April 22 & 23, 2009  
Omnibus Bill

The meeting was called to order by Chairman Jay Emler at 9:00 a.m. on April 22, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator Mark Taddiken - excused (April 22<sup>nd</sup> & 23<sup>rd</sup>)  
Senator Dwayne Umbarger - excused (April 22<sup>nd</sup> only)

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  
Gordon Self, 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:

Others attending:

See attached list.

**April 22, 2009**  
**9:00 a.m., Morning Session**

Chairman Emler expressed the Committee's condolences to Senator Taddiken on the death of his mother and to Senator Umbarger on the death of a close friend's mother.

**Confirmation Hearings**

Michael Braude ([Attachment 1](#)) and Rachel Reiber ([Attachment 2](#)), appeared before the Committee with regard to their appointments to the Kansas Public Employees Retirement System Board of Trustees.

Senator Teichman moved to recommend favorably the appointments of Michael Braude and Rachel Reiber to the Kansas Public Employees Retirement System Board, for terms of four (4) years each. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

**Subcommittee Report on SB 296 - Federal stimulus act, review and evaluation.**

Senator Kultala, Chair of the Subcommittee, requested that Jill Wolters, Revisor of Statutes, explain amendments proposed by the Subcommittee on **SB 296** ([Attachment 3](#)).

The Committee noted that two technical corrections should be made to the amendment:

(1) Page 2, line 5, and (2) Page 2, line 40, noting that the new language should be inserted after the

## CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

word “the” rather than before the word “the”.

Senator Vratil moved to strike all language in the amendment on page 1, line 18, and on page 2, line 7, after the words “if applicable.”. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Vratil moved to delete language on page 1, line 14 “Within 10 days after the effective date of this act” and insert “Within 10 days after a state agency first anticipates the receipt of federal funds under the federal American recovery and reinvestment act, so that the obligation to report occurs within 10 days after the agency first anticipates the receipt of federal funds” and delete language on Page 2, Line 6, stating “Within 10 days after the effective date of this act and insert “Within 10 days after a state agency first determines it is eligible and desires to receive funding under any provision of the federal act” and allow for technical adjustments to the amendment. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Lee moved to table **SB 296** until Wednesday, April 29, 2009, to allow staff time to discuss current reporting by agencies to avoid duplication in reporting requirements. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

### Department of Revenue Memo

A memo from the Kansas Department of Revenue regarding issues for Omnibus review was distributed to the Committee (Attachment 4).

### Review of Items for Omnibus Consideration

The Fiscal Analyst Staff of the Legislative Research Department presented and reviewed the following documents:

- Items for Omnibus Consideration (Attachment 5).
- Governor’s Budget Amendment No. 2 (Attachment 6).
- Consensus Caseload Estimates for FY 2009 and FY 2010 (Attachment 7).
- State General Fund Receipts Revisions for FY 2009 and FY 2010 (Attachment 8).
- Children’s Initiatives Fund, FY 2008 - FY 2010 (Attachment 9).
- State Water Plan Fund (Attachment 10).
- Economic Development Initiatives Fund, FY 2008 - FY 2010 (Attachment 11).
- Comparison of FY 2009 and FY 2010 Approved Budgets, **Senate Sub for HB 2354**, State General Fund and Federal Stimulus Funding (Attachment 12).
- **House Sub for Sub for SB 23** - Conference Appropriations Bill (Reflects Conference Committee adjustments for FY 2009, FY 2010 and FY 2011 (Attachment 13).
- April Consensus Revenue Estimates; FY 2011 and FY 2012 Limited Revenue Growth; Expenditures as approved by the 2009 Legislature at First Adjournment - Status of the State General Fund, FY 2009 - FY 2012 (Attachment 14).
- Possible Budget Adjustments to FY 2009 and FY 2010 Budgets (Attachment 15).
- Additional agency budget information on Department of Administration, Kansas Lottery, School for the Blind and School for the Deaf (Attachment 16).
- Additional agency budget information on Kansas Board of Veterinary Medical Examiners, Juvenile Justice Authority (JJA), Kansas Real Estate Appraisal Board and Kansas Board of Technical Professions (Attachment 17).
- Additional agency budget information on Kansas Highway Patrol, State Fire Marshal, Bureau of Investigation, Kansas Department of Transportation (KDOT), and Kansas Commission on Peace Officers’ Standards and Training (KS-CPOST) (Attachment 18).
- Additional agency budget information on Kansas State Library (Attachment 19).
- Additional agency budget information on Behavioral Sciences Regulatory Board, State Board of Healing Arts, Board of Pharmacy, State Treasurer and the Pooled Money Investment Board, Kansas Arts Commission, Kansas Historical Society, Board of Emergency Medical Services, State Board of Nursing, Kansas Dental Board and Board of Examiners in Optometry (Attachment 20).
- Additional agency budget information on Office of the Attorney General and Secretary of State (Attachment 21).

## CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

- Additional agency budget information on Kansas Public Employees Retirement System (KPERS), Court of Tax Appeals, Department of Revenue and Department of Commerce ([Attachment 22](#)).
- Additional agency budget information on Kansas, Inc., Department of Revenue, Kansas Technology Enterprise Corporation (KTEC) and Department of Commerce ([Attachment 23](#)).
- Additional agency budget information on Governmental Ethics Commission, State Board of Barbering, Board of Cosmetology and Board of Mortuary Arts ([Attachment 24](#)).
- Additional agency budget information on Kansas Corporation Commission, Animal Health Department, Kansas State Fair, Department of Wildlife and Parks, Department of Health and Environment-Environment, State Conservation Commission, Kansas Water Office and Department of Agriculture ([Attachment 25](#)).
- Additional agency budget information on Department of Health and Environment-Health, Department on Aging, Kansas Health Policy Authority and Department of Social and Rehabilitation Services ([Attachment 26](#)).
- Additional agency budget information on State Bank Commissioner, Department of Credit Unions, Kansas Insurance Department, Health Care Stabilization Fund, Department of Labor, Kansas Commission on Veterans' Affairs, Kansas Guardianship Program, Kansas Human Rights Commission and Office of Securities Commissioner of Kansas ([Attachment 27](#)).
- Additional information on Kansas Soldiers' Home and Kansas Veterans' Home ([Attachment 28](#)).
- Information on Veteran's Benefit Enhancement Project ([Attachment 29](#)).
- Additional agency budget information on Department of Corrections, Kansas Parole Board and Kansas Sentencing Commission ([Attachment 30](#)).
- Additional agency budget information on Postsecondary Education Systemwide ([Attachment 31](#)).

**Actions taken by the Committee on "Items for Omnibus Consideration" ([Attachment 5](#))**

### **Board of Veterinary Examiners (Page 5)**

Senator Wysong moved to authorize a technical adjustment to S Sub for HB 2354 deleting \$6,021 from the appropriated amount for the Board of Veterinary Examiners in FY 2010 as adopted by the Conference Committee. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

### **Attorney General (Page 22)**

Senator Vratil moved to adopt the request from the Attorney General for 2.0 FTE positions in FY 2010 in the Medicaid Fraud Unit to be funded with federal funds; however, if federal funds do not become available, the positions will lapse. The motion was seconded by Senator Wysong. Motion carried on a voice vote.

### **Governmental Ethics Commission (Page 32)**

Senator Schmidt moved to authorize a technical adjustment to S Sub for HB 2354 to increase State General Fund by \$6,761 and decrease the agency's fee fund by \$13,694 as adopted by the Conference Committee. The motion was seconded by Senator Masterson. Motion carried on a voice vote.

### **Kansas Corporation Commission (Page 39)**

Senator Lee moved to authorize a technical adjustment to S Sub for HB 2354 to include language to authorize Kansas Electric Transmission Authority (KETA) to reappropriate any remaining funding from FY 2009 to FY 2010 as adopted by the Conference Committee. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

### **Kansas Health Policy Authority (Page 70, Item I)**

Senator Schmidt moved to change the date in Item I, Page 70 regarding a "Review Continuation of MediKan Preferred Drug List for Mental Health Medications Proviso" from June 30, 2009, to June 30, 2010. The motion was seconded by Senator Schodorf.

## CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

Senator Kelly made a substitute motion to table the issue until additional information is available from the Kansas Health Policy Authority. The motion was seconded by Senator Lee. Motion carried on a vote of 6-3. Senator Schmidt requested to be recorded as voting “no”.

### **Board of Regents (Page 90, Item E)**

Senator Masterson moved to authorize a technical adjustment to delete language in **S Sub for HB 2354** to hold technical colleges harmless in FY 2010 in lieu of the fact that postsecondary aid for technical education was funded at \$33.0 million in FY 2009 and \$32.6 million in FY 2010 making it impossible to hold the technical colleges harmless in FY 2010. The motion was seconded by Senator Wysong. Motion carried on a voice vote.

### **Kansas State University - Extension Systems and Agricultural Research Programs (Page 91, Item A)**

Senator Masterson moved to authorize a technical adjustment to **S Sub for HB 2354** to add \$4,501, all from the Economic Development Initiatives Fund (EDIF), to restore state contributions to the state employee Health Insurance Premium Reserve Fund for seven payroll periods in FY 2010. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

### **Postsecondary Systemwide**

Senator Wysong moved to provide authorization to Kansas State University to raze buildings on the campus as necessary for the site of the new National Bio and Agro-Defense Facility (NBAF). The motion was seconded by Senator Vratil. Motion carried on a voice vote.

The meeting was recessed at 5:30 p.m. and will reconvene at 8:30 a.m. on April 23, 2009.

## **April 23, 2009**

Chairman Emler called the meeting to order at 8:45 a.m.

**The Committee addressed the items on the list of “Possible Budget Adjustments to FY 2009 and FY 2010 Budget” (Attachment 15).**

1. Delete the second half of the FY 2009 “slider” payment to local units of government (\$25.0 million).

Senator Lee moved to accept the Governor’s Budget Adjustment (GBA) No. 2, Item No. 1, to suspend the second half of the FY 2009 “slider” payment to local units of governments in the amount of \$25.0 million. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

2. Limit the amount of the Bioscience Authority transfer to the FY2009 amount (\$5.0 million)

Senator Vratil moved to reject the limitation on the transfer from the State General Fund to the Bioscience Authority for FY 2010. The motion was seconded by Senator Schmidt. Motion was withdrawn with permission of the second.

Following a request from the Committee, Tom Thornton, Kansas Bioscience Authority (KBA), appeared before the Committee to explain projects that are currently and proposed to be funded through the KBA (Attachment 32).

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

Senator Vratil moved to reject Item No.2 to limit the amount of Bioscience Authority transfer to the FY 2009 amount. The motion was seconded by Senator Wysong. Motion carried on a voice vote.

- The Committee requested a detail list of projects funded by the Kansas Bioscience Authority and a map showing the locations of the projects.
- 3. Assume the receipt of \$50.0 million in expanded gaming funds for two privilege fee payments of \$25.0 million per casino (\$50.0 million).

Senator Kelly moved to adopt Item No. 3 to add \$50 million in expanded gaming funds to the State General Fund (SGF). The motion was seconded by Senator Schodorf.

Senator Wysong made a substitute motion to reduce the expanded gaming funds to \$25 million for FY 2010. The motion was seconded by Senator Teichman. Motion carried on a vote of 8-3.

The Committee expressed concern that gaming revenue may not be realized.

- 4. Delete FY 2010 state employee classified below market pay (\$8.5 million).

Senator Schmidt moved to not delete the FY 2010 state employee classified below market pay funding of \$8.5 million. The motion was seconded by Senator Kultala. Motion carried on a vote of 7-4.

- 5. Sweep one-time special revenue funds that were not swept in FY 2009 (\$21.0 million).

Senator Schodorf moved to adopt No. 5 to sweep one-time special revenue funds that were not swept in FY 2009 in the amount of \$21 million to the SGF. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

- 6. Transfer KSIP Balances from FY 2009 (\$4.2 million)

Senator Lee moved to adopt Item No. 6 to transfer KSIP balances from FY 2009 in the amount of \$4.2 million to the SGF. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

- 7. Sweep non-SGF 3.0 percent reduction from FY 2009 (\$2.2 million).

Senator Schmidt moved to not sweep non-SGF 3.0 percent reduction from FY 2009. The motion was seconded by Senator Masterson. Motion failed on a vote of 5-6.

Senator Teichman moved to adopt a proviso stating “Provided that, notwithstanding the provisions of K.S.A. 9-1703, and amendments thereto, or any other provision of state law, for FY 2010 and FY 2011, assessments authorized pursuant to K.S.A. 9-1703 may be collected by the state bank commissioner as needed, and in such installment periods as the commissioner deems appropriate, but no more frequently than monthly (Attachment 33). The motion was seconded by Senator Masterson. Motion failed.

Senator Lee moved to sweep the non-SGF 3.0 percent reduction from FY 2009 in the amount of \$2.2 million. The motion was seconded by Senator Kultala. Motion carried on a 6-5 vote. Senator McGinn, Schmidt, Teichman, Umbarger and Masterson requested to be recorded as voting “no”.

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

8. Do not make the transfer to the Health Care Stabilization Fund in FY 2010 (\$2.8 million).

Senator Schmidt moved to not adopt Item No. 8. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

9. Do not transfer \$3.2 million to the State Water Plan Fund in FY 2010 (\$3.2 million).

Senator McGinn moved to not adopt Item No. 9. The motion was seconded by Senator Kultala. Motion carried on a vote of 6-4.

10. Do not transfer \$2.0 million to the State Water Plan Fund in FY 2009 (\$2.0 million).

Senator Lee moved to not adopt Item No. 10. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

11. Reduce State Gaming Revenue Fund transfer amount to the FY 2009 level (\$2.0 million).

Senator Schodorf moved to reduce the State Gaming Revenue Fund transfer amount to the FY 2009 level. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

12. Delete the FY 2010 partial payment to the Special City County Highway Fund (\$5.0 million)

Senator Vratil moved to fund the FY 2010 partial payment of \$5.0 million to the Special City County Highway Fund from Department of Transportation instead of the SGF. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

13. Transfer the Clean Drinking Water tax to the State General Fund instead of the State Water Plan Fund (\$3.2 million).

Senator Vratil moved to not adopt Item No. 13. The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

14. Reduce grants to community mental health centers to Governor's FY 2010 recommended amount (\$5.0 million).

Senator Kelly moved to not adopt Item No. 14. The motion was seconded by Senator Lee. Motion carried on a voice vote.

- 15 & 16. Suspend Phase-out of Corporation Franchise Tax (**HB 2028**) (\$14.0 million) and Estate Tax (**HB 2047**) (\$5.0 million).

Senator Lee moved to introduce legislation to suspend phase-out of the Corporation Franchise Tax and Estate Tax for a period of 3 years. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

18. Transfer remaining balance of extra payment of tobacco settlement funds (\$3.25 million).

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

Senator Vratil moved to adopt GBA No. 2, Page 6, Item 8, to fund the Wichita Center for Graduate Medical Education (WCGME) in the amount of \$3.5 million and fund the \$3.5 million with \$3.25 million of tobacco settlement funds (Kansas Endowment for Youth Fund) and \$.25 million from the SGF. The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

The Committee stated that it is the consensus of the Legislature that appropriate funding for the Wichita Center for Graduate Medical Education (WCGME) is a Board of Regents' issue. The Committee also noted that the \$3.5 million funding will allow WCGME to draw down \$2.4 million in federal funding through the Medicaid process for additional resources available totaling \$5.9 million.

Senator Teichman moved to not adopt GBA No. 2, Item No. 2 transferring \$3.25 million funds from the Kansas Endowment for Youth Fund (KEY) to the SGF in FY 2009. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

19. Do transfer from the State Safety Fund (driver's education) and Motorcycle Safety Fund to State General Fund (\$3.0 million).

Senator Teichman moved to not adopt transfer from the State Safety Fund and Motorcycle Safety Fund to the SGF. The motion was seconded by Senator Wysong.

The Committee discussed the possibility of the state receiving approximately \$11.0 million additional federal funds if the primary seat belt legislation before the Legislature at the present time, becomes law.

Senator Lee made a substitute motion to fund driver's education and motorcycle safety with \$3.0 million federal funding if the primary seat belt law becomes law during the 2009 Legislative Session and federal funds are received which would further result in a transfer of \$3.0 million from the State Safety Fund and Motorcycle Safety Fund to the SGF. If the legislation does not become law or the federal funds are not received, the transfer from the State Safety Fund (driver's education) and Motorcycle Safety Fund to the SGF will not be made. The motion was seconded by Senator Masterson. Motion carried on a voice vote.

20. Reduce non-SGF agencies and sweep balances - FY 2010 (\$2.9 million).

Senator Schodorf moved to adopt Item No. 20 to reduce non-SGF agencies and sweep balance in FY 2010. The motion was seconded by Senator Kelly. Motion carried on a vote of 6-5. Senators McGinn, Teichman and Schmidt requested to be recorded as voting "no".

21. One-time special revenue sweep balances - FY 2010 (\$2.2 million).

Senator Kelly moved to adopt Item No. 21 to do a one-time special revenue sweep of balances in FY 2010. The motion was seconded by Senator Lee. Motion carried on a voice vote.

22. State Employee Health Insurance Administration Fund (\$4.5 million).

Senator Schmidt moved to not adopt Item No. 22. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

23. Fully decouple from all federal changes (\$77.0 million) (Attachment No. 34).

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

Senator Wysong moved to introduce legislation to fully decouple the state from all federal changes on income tax liability for a maximum of 2 years until the \$77.5 million is reached as set forth in Attachment No. 34. The motion was seconded by Senator Lee. Motion carried on a voice vote. Senators Masterson and McGinn requested to be recorded as voting "no".

26. Suspend the development of the new state financial management system (\$16.9 million).

Senator Vratil moved to not adopt Item No. 26. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

27. Delay Fair Fares program for one year and convert to SGF (\$5.0 million).

Senator Masterson moved to reject Item No. 27. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

28. Do not transfer funding to the State Housing Trust Fund (\$2.0 million).

Senator Kelly moved to suspend the transfer to the State Housing Trust Fund for a period of two years thus pushing the program back two years. The motion was seconded by Senator Masterson. The Committee requested to pass-over the issue at this time.

Senator Kelly moved to fund the \$2 million for the State Housing Trust Fund from the Economic Development Initiatives Fund (EDIF). The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Schmidt made a substitute motion to suspend the program for two years. The motion was seconded by Senator Vratil. Motion failed on a voice vote.

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

29. Do not transfer EDIF to KEOIF and convert to SGF (\$1.2 million).

Senator Masterson moved to reject Item No. 29. Motion died for lack of a second.

Senator Vratil moved to accept Item No. 29. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

30. Do not fund Wildlife and Parks State General Fund capital improvements (\$.5 million).

The Committee noted that the Department of Wildlife and Parks has requested that the funds be withheld from capital outlay fund rather than the capital improvements fund.

Senator Schodorf moved to not fund the Wildlife and Parks SGF capital outlay appropriation of \$.5 million. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

31. Increase federal match for all non caseload programs in FY 2009 and FY 2010 (\$6.0 million).



CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

Senator Schmidt moved to accept GBA No. 1, Item No. 6, Page 5. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

32. Suspend the development of the Kansas Legislative Information Services System (\$2.0 million).

Senator Schmidt moved to not adopt Item No. 32. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

33. Delete all language related to the 1.0 percent base salary adjustment - no salary increase would be provided and hence the state agencies then would not have to self-fund an increase. The estimated cost for a 1.0 percent salary increase.

Senator Lee moved to accept the recommendation to delete language related to the 1.0 percent base salary adjustment. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

**Afternoon Session**

**1:15 p.m.**

**Additional Committee Action on GBA No. 2 (Attachment 6).**

Senator Teichman moved to accept GBA No. 2, Item No. 3 concerning the Department of Administration, Statehouse Bonding Authority. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Vratil moved to accept GBA No. 2, Item No. 4, concerning the Board of Indigents Defense Services and Caseload Estimates and Capital Defense Adjustment. The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Senator Vratil moved to accept GBA No. 2, Item No. 5 concerning the Department of Social and Rehabilitation Services, Department on Aging, Kansas Health Policy Authority and Juvenile Justice Authority caseload adjustments. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Vratil moved to not accept GBA No. 2, Item No. 7 concerning the Kansas Health Policy Authority and Clearinghouse Capacity. The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Senator Vratil moved to accept GBA No. 2, Item No. 9 concerning the Department of Education Special Education Part B. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Kelly moved to accept GBA No. 2, Item No. 10, concerning the Adjutant General and Disaster Relief. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

**Further Committee Actions on “Items for Omnibus Consideration” (Attachment 5)**

**Page 70, Item I - Review Continuation of Medikan Preferred Drug List for Mental Health Medications Proviso**

## CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

Senator Schmidt moved to change the date in the proviso from June 30, 2009, to June 30, 2010, and insert the proviso that would prohibit KHPA from instituting a preferred drug list for mental health medications for the MediKan population. The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

### **Page 92 and 93, Item F and G - Department of Social and Rehabilitation Services - Statewide Protection Report Center System Project and Host Access Transformation Services Project.**

Senator McGinn moved to add funding in the amount of \$1.3 million SGF for the funding of the Statewide Protection Report Center System Project and Host Access Transformation Services Project within the Department of Social and Rehabilitation Services (SRS). The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

### **K-12 Education Funding**

Senator Masterson moved to appropriate K-12 education funding of \$3.06 billion including the federal stimulus funding and making the appropriate adjustments (Attachment 35 ). The motion was seconded by Senator Wysong.

Senator Vratil made a substitute motion to make no change in K-12 Education and Higher Education funding from the Legislature's position in the MEGA bill. The motion was seconded by Senator Kelly. Motion carried on a voice vote. Senator Masterson requested to be recorded as voting "no".

### **Page 20, Item B, State Library**

Senator Wysong moved to add a proviso stating that the State Library may not use any existing funding to start a new program, specifically the Courier Program. The motion was seconded by Senator Emler. Motion carried on a voice vote.

### **Page 89, Item A, Board of Regents**

Senator Schodorf moved to appropriate \$95,000 from the Southwest Kansas Access Projects Fund to continue membership in the Midwest Higher Education Compact (MHEC). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Kelly moved to appropriate \$91,965 from the Southwest Kansas Access Projects Fund for the Career Pipeline. The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Teichman moved to appropriate \$50,000 from the Children's Initiative fund (CIF) Early Childhood Block Grant through the Department of Social and Rehabilitation Services (SRS), designated to help train people at the University of Kansas Medical Center to promote early identification of those with autism. The motion was seconded by Senator Masterson. Motion failed on a voice vote.

The Committee expressed concern that this is a new program or expansion of an existing program.

### **Page 87, Item C - Residential Centers in Johnson and Sedgwick Counties**

Senator Vratil moved to continue the funding of \$2,068,020 SGF in FY 2010 of the residential centers in

## CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

Johnson and Sedgwick Counties. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

### **Page 32, Item B, Kansas Technical Enterprise Corporation (KTEC)**

Senator Wysong moved to delete \$2 million from the Economic Development Initiatives Fund (EDIF) Kansas Technical Enterprise Corporation (KTEC) budget and transfer to SGF. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Wysong made a motion to rescind the Committee's earlier action of deleting \$2 million for KTEC and instead add \$7 million to KTEC budget. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

### **Page 43 - Kansas Department of Health and Environment (KDHE)**

Senator Schmidt moved to direct KDHE to not cut the funding for the Cerebral Palsy program below \$90,000. The motion was seconded by Senator Schodorf.

Senator Vratil made a substitute motion to provide that KDHE not cut the funding for the Cerebral Palsy program by a percentage greater than the average percentage cut for their entire budget. The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

### **Page 16, Item G, Department of Transportation**

Senator Umbarger moved to authority no-limit expenditure authority in FY 2009 and FY 2010 for the Intermodal Revolving Fund as created in HB 2131. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

### **Page 23, Items C & D, Judicial Branch**

Senator Vratil moved to delete \$8,948,976 SGF from the Judicial Branch budget and delete \$1,876,865 SGF from the Board of Indigents' Defense Services budget and allow the Judicial Branch to increase docket fees to replace these funds in the Judicial Branch and Board of Indigents' Defense Services budgets. The motion was seconded by Senator Lee. Motion carried on a voice vote.

### **Page 25, Items G & H, Department of Education**

Senator Vratil moved to add \$3.4 million in FY 2009 and \$4.4 million in FY 2010, both from the SGF to maintain K-12 funding level; and add \$4.8 million in FY 2009 and \$1.8 million in FY 2010 for the Kansas Public Employees Retirement System (KPERs) employee contribution shortfall, for a total of \$14.4 million, all from the SGF. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

### **Page 87, Item B, Department of Corrections**

Senator Umbarger presented two amendments pertaining to the closure of correctional facilities:

1. Closure of men's and women's camps at Labette County Conservation Camp (Attachment 36).
2. Closure of other correctional facilities (Attachment 37).

## CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

Senator Umbarger moved to adopt Amendment No. 2 to fully fund all correctional facilities. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Vratil made a substitute motion to strike the word “provided” and all language following in Amendment No. 2. The motion was seconded by Senator Schmidt. Motion failed on a vote of 4-7.

The Committee returned to the original motion by Senator Umbarger.

### **Page 25, Item A, Kansas Public Employees Retirement System (KPERs)**

Senator Schmidt moved to approve the payment of the interest on the 13<sup>th</sup> Check Bond Payment in the amount of \$639,134 SGF. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

### **Page 15, Items D, E, & F, Department of Transportation**

Senator Schmidt moved to provide authorization for the operating expenditure increase of \$2,580 in FY 2010 in Item D; operating expenditure increase of \$780 in FY 2010 for Item E; and operating expenditure increase of \$23,680 in FY 2010 for Item F. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

The Committee noted that this is not SGF funding.

### **Page 26, Item A, Court of Tax Appeals**

Senator Vratil moved to delete \$109,759 in FY 2010, all from the SGF for the Court of Tax Appeals. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

### **Funds that need to be appropriated (Attachment 38)**

Senator Lee moved to allow the appropriations of funds as needed with a no-limit authority for the Vietnam war era veterans’ recognition award fund, correctional services special revenue fund, community improvement district sales tax administration fund, community improvement district sales tax fund, community improvement district sales tax refund fund, fire safety standard and firefighter protection act enforcement fund and cigarette fire safety standard and firefighter protection act fund. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

### **Page 88, Item A, Kansas Parole Board**

Senator Kelly moved to restore \$35,000 SGF to the budget of the Kansas Parole Board for FY 2010, providing that no legislation is passed to increase fees. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Lee moved to introduce legislation to allow the Kansas Parole Board to increase fees. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

### **Page 50, Item D, Department of Health and Environment**

## CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22-23, 2009, in Room 545-N of the Capitol.

Senator Kultala moved to delay implementation of House Sub for SB 238 for 1 year. The motion was seconded by Senator Kelly. Motion failed on a voice vote.

### **Page 18, Item B, State Treasurer**

Senator Teichman moved to authorize a change from the “zero limitation” on expenditure to “no limitation” on expenditures on the Kansas Postsecondary Education Savings Program Trust Fund within the State Treasurer. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

### **Department of Social and Rehabilitation Services (SRS)**

Senator Vratil moved to include provisions in the budget bill restricting the Department of Social and Rehabilitation Services from making cuts in any program effecting mental health by limiting the reduction to twice the overall average cut experienced by the Department. The motion was seconded by Senator Lee. Motion carried on a voice vote.

### **Report of the Committee Progress and Additional Committee Actions**

A report, prepared by Legislative Research Department, showing budget adjustments, made by the Committee as of this time was distributed to the Committee (Attachment 39).

Senator Vratil moved to direct a 2.5 percent reduction to K-12 Education and a 3.25 percent reduction across-the-board for all other state agencies excluding debt service and human service caseloads. The motion was seconded by Senator McGinn.

Senator Lee made a substitute motion to direct a 2.5 percent across-the-board reduction in all state agencies, excluding debt service and human service caseloads and add \$25 million from expanded gaming to the SGF. The motion was seconded by Senator Kelly. Motion carried on a 6-5 vote.

Senator Umbarger moved to add \$7.5 million to the Department of Corrections’ budget to hold all correctional facilities open. The motion was seconded by Senator Kultala. Motion failed on a voice vote.

Senator Schodorf moved to provide additional funding for the State Children Health Insurance Program (SCHIP) with \$1.2 million from the State Water Fund in FY 2010. The motion was seconded by Senator Kelly.

Senator Vratil made a substitute motion to direct that \$1.2 million appropriated to the Kansas Health Policy Authority (KHPA) can only be used for the expansion of SCHIP and if not used in this manner, the funding will be lapsed. Language to be inserted in the bill would indicate that the Legislature strongly supports the expansion of SCHIP as indicated by the vote in both the Senate and the House and would not look kindly on any efforts on the part of KHPA to fail to expand the SCHIP program. The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Senator Kelly moved to sweep \$500,000 from the Southwest Kansas Access Projects Fund to the SGF. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

### **Hearing on HB 2373 - Appropriations for FY 2010 through FY 2013 for various state agencies.**

## CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 22, 2009, in Room 545-N of the Capitol.

The Chairman opened the hearing on **HB 2373**. There were no conferees - proponents, opponents or neutrals - to come before the Committee.

The hearing on **HB 2373** was closed.

Senator Vratil moved to remove the contents of **HB 2373**; replace with the budget adjustments as adopted by the Committee, including GBA's; allow for technical adjustments as needed; and recommend **Senate Sub for HB 2373** favorably for passage. The motion was seconded by Senator Teichman. Motion carried on a roll call vote of 11-1.

### **Adjournment**

The next meeting is scheduled for April 29, 2009.

The meeting was adjourned at 6:30 p.m.