Approved: _	February 25, 2009
ippic rea	1001441 / 25, 2007

Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 10:30 a.m. on February 16, 2009, in Room 545-N of the Capitol.

All members were present.

Committee staff present:

J. G. Scott, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Reagan Cussimanio, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Gordon Self, 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:

Jerry Sloan, Budget and Fiscal Officer, Judicial Branch
Patricia Scalia, Executive Director, Board of Indigent Services (BIDS)
Steve Weatherford, President, Kansas Development Finance Authority (KDFA)
Duane Goossen, Secretary, Department of Administration
Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERS)

Others attending:

See attached list.

Rules and Regulations

Senator Schmidt expressed a concern that agencies who have come before the Joint Committee on Administrative Rules and Regulations Committee are not responding to concerns or suggestions put forth by the Committee. A document prepared by Kansas Legislative Research Department notes the agencies who have come before the Rules and Regulations Committee, received input or comments from the Committee and then responded back to the Legislature if actions were considered and the outcome (Attachment 1).

Subcommittee reports on Judicial Council, Judicial Branch and Board of Indigents Defense Services (BIDS)

Senator Vratil, Chair of the Judicial Subcommittee, presented the Subcommittee report (Attachment 2).

Senator Vratil explained the following notations and adjustments to the agency budgets:

- Concurred with the Governor's recommendations for the Judicial Council, Judicial Branch and BIDS for FY 2010 except for notations and adjustments.
- Applied an 8 percent reduction to the Judicial Council and Judicial Branch budgets as that was the direction at the time of the Subcommittee hearings.
- Requests that the Judicial Council seek introduction of legislation to allow the use of fee funds for expenditures related to the Kansas Criminal Code Recodification Commission.
- Recommends that the Judicial Branch propose legislation to increase docket fees for FY 2010 to cover an additional reduction of \$1,876,875 to their budget, delay implementation of the Level of Services Inventory-Revised instrument and delay the expansion for a 14th Court of Appeals' judge.
- Did not reduce the BIDS budget by 8 percent, noting that the agency may face a shortfall in FY 2010. However, took the BIDS' 8 percent reduction of \$1,876,875 in the Judicial Branch budget and proposes that an increase in docket fees for the Judicial Branch will cover the extra reduction to the Judicial Branch budget.
- Noted that the Judicial Branch should have flexibility regarding how they will implement reductions

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 16, 2009, in Room 545-N of the Capitol.

in their agency budget, including possible furloughs as an option.

Responding to questions from the Committee, Jerry Sloan, Budget and Fiscal Officer, Judicial Branch, noted that the Judicial Branch currently has 1,861.3 full-time-equivalency (FTE) positions with 30 of those positions vacant as a result of a hiring freeze. Mr. Sloan acknowledged that any furloughs could cause a backlog in the court system.

Patricia Scalia, Executive Director, BIDS, responded to a question, noted that approximately 1/3 of the BIDS budget is spent on capital murder cases. The Committee noted that the Constitution requires the State to provide counsel for those charged with an criminal offense and not able to provide counsel for themselves.

Senator Vratil, Chair of the Judicial Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Judicial Council, Judicial Branch and Board of Indigents' Defense Services (BIDS) for FY 2010 and moved for the adoption of the Subcommittee recommendations on the Judicial Council, Judicial Branch and Board of Indigents' Defense Services (BIDS) with notations and adjustments for FY 2010 (Attachment 2). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Action on Moratoriums

Senator Schmidt moved to allow Staff to make technical corrections to Subcommittee reports previously adopted by the Committee and incorporate the moratorium on employer contributions to the State Health Plan, moratorium on KPERS Death and Disability Group Insurance Fund contributions and carry the 1.25 percent reduction to FY 2009 budgets into FY 2010 as passed in **House Sub for Senate Sub for SB 23.** The motion was seconded by Senator Kelly. Motion carried on a voice vote.

The Committee requested that the Department of Administration and the Kansas Health Policy Authority consider preparing a letter of explanation to state employees regarding the moratorium to be placed on the State Health Plan, if **House Substitute for Senate Substitute for SB 23** is signed into law by the Governor.

Hearing on <u>SB 205</u> - Prohibiting the development finance authority from refunding any bonds for any state agency unless specifically approved by an act of the legislature.

Jill Wolters, Revisor, explained that <u>SB 205</u> related to the duties of the Kansas Development Finance Authority (KDFA) (<u>Attachment 3</u>). Currently, KDFA has the authority to issue bonds for the purpose of refunding, whether at maturity or in advance of maturity upon the request of the Secretary of the Department of Administration. The legislation would require the approval of the Legislature before issuing bonds for the purpose of refunding. Following such approval becoming law, upon request by the president of the Senate or the speaker of the House of Representatives pursuant to such specific approval, the authority may issue such bonds for the purpose of refunding.

Senator Vratil presented testimony in support of <u>SB 205</u> (<u>Attachment 4</u>). Senator Vratil noted that the intent of the legislation is to require the consent of the Legislature or the State Finance Council before refunding of bonds can take place. The Senator indicated that an amendment will be necessary to make clear the State Finance Council's authority to approve the refunding of bonds, noting that the amendment would appear on page 2, lines 13 and 14 of the bill.

Responding to a question from the Committee, Ms. Wolters stated that the current procedure has been in place since 1987. Senator Vratil indicated that he was not aware of any problems with the current procedure.

Steve Weatherford, President, Kansas Development Finance Authority, presented testimony in opposition to <u>SB 205</u> (<u>Attachment 5</u>). Mr. Weatherford stated that his main concern with the restructuring process as outlined in <u>SB 205</u>, concerns lost opportunities for the state to take advantage of market fluctuations. Mr. Weatherford noted that it is the goal of KDFA to monitor bonds and look for opportunities to achieve savings with refunding of bonds.

Duane Goossen, Secretary, Department of Administration, provided testimony to the Committee on SB 205.

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 16, 2009, in Room 545-N of the Capitol.

Mr. Goossen noted that most actions in refunding bonds results in savings for the state. The Governor's budget recommendations included the refunding of 3 bond issues - 1 bond issue in FY 2009 and 2 more bond issues in FY 2010, to extend the length of the bonds and delay payments from the State General Fund (SGF) during the economic downturn. The Secretary requested that the legislation target the three transactions proposed by the Governor rather than the whole procedure.

The hearing on **SB 205** was closed.

<u>Hearing on SB 196 - KPERS employment after retirement restrictions to apply to retirants employed by a third-party entity.</u>

Gordon Self, Revisor, explained that <u>SB 196</u> concerns the Kansas Public Employees Retirement System (KPERS) and relates to employment after retirement. The legislation applies to retirees who are employed directly by a participating employer or employed by a third-party entity who contracts services. The legislation would amend current statute pertaining to those retirees. The legislation is a result of discussions by the Legislative Educational Planning Committee (LEPC) and the Joint Committee on Pensions, Investments and Benefits.

The Committee requested clarification of language applying to those employees employed prior to July 1, 2009.

Responding to a question from the Committee concerning previously enacted legislation, Glenn Deck, Executive Director, KPERS, stated that approximately \$3.2 million has been contributed since July 1, 2006, as a result of legislation directed at retirees who go to work for a different employer. At the current time, there are approximately 619 employees under this program.

The hearing on **SB** 196 will be continued on February 17, 2009.

The next meeting is scheduled for February 17, 2009.

The meeting was adjourned at 12:10 p.m.

SENATE WAYS & MEANS COMMITTEE GUEST LIST

DATE: ____February 16, 2009___

Λ	
NAME	REPRESENTING
Grallin MAX (m)	Budget
Juli homas	DOK
Tody Harrell	Jedral Courcel
Jerry Stoan	Judicial Branch
Kirk Fowler	Judicial Branch
BILL Blady	Capital Strategies
Soch Smith	Intern, Sen. Pyle
Colleen Chandler	KDOT
Terry Heidner	KDOT
most therenan	INER- Sex Kultula
KUS MEALY	LEARNEY & ASSUC
TERRY FORSYTH	KNEM
Wale Hy James	45DE
Flenn Deck	KPERS
Sharon Wenger	Leg Research
Berend Koops	Hein Lan Firm
Tom Bruno	Poruno + Associa Les
Val De Fere	Schools for Quality Ed
Mark Tall man	KASB O
Debbie Rosacker	BIDS
PATRICIA A-SCALIA	BIDS
Store Weatherford	KDFA
Marilyn Jacobson	UOH.

Agency	Database entries since July 2006	were there		
Accountancy	3	no		
Administration	1	no		
Agriculture	11	no		
Agriculture - Water Resources	3	no		
Athletic Commission (Commerce)	1	no		
Attorney General	1	no		
Bank Commissioner	1	no		
Barbering	1	no		
Behavioral Sciences	8	no		
Commerce	4		yes	
Conservation Commission	3	no		
Corrections	3	no		
Cosmetology	1	no		
Credit Unions	3	no		
Dental Board	2	no		
Education	4	no		
Emergency Medical Services	<u>i</u>	no		
Fire Marshal	1	1.0	yes	
Governmental Ethics Commission	i	no	<u> </u>	
Healing Arts	12	110	with 1	
Health Policy Authority	8	no	VVICIT	
Hearing Aid Examiners	: 1			
	- 1	no		
Historical Society	3	no		
Indigents Defense	9	no		
Insurance	1	yes		
Juvenile Justice Authority	1	no		
KBI KCC	7	no	sedding 4	
		(-)	with 1	
KDHE	17	no (a)		
Labor	3	no		
Labor - Workers Comp	1	no		
Mortuary Arts	2	no		
Nursing	3		with 1	
Pharmacy Board	12		yes	
Racing and Gaming	4	no		
Real Estate Appraisal	3		with 1	
Real Estate Commission	2		with 1	
Regents	3		with 1	
Revenue	8		yes	
Revenue - Alcoholic Beverage Control	2	no		
Secretary of State	4	7	with 1	
Securities Commissioner	3	no		
SRS	5	no		
Tax Appeals	1	no		
Technical Professions	4	no		
Treasurer	3	N	yes	
Veterans Affairs	2	no		
Veterinary Medical Examination	1		yes	
Wildlife and Parks	11	no	,	
49	190	35, "no'	1	
(a) Usually KDHE responded only in the included with the final regulation.				

Senate	Ways	& Mea	ans Cmte	
Date _	2-	16-6	2009	
Attach		1		

meeting date	Agency	Committee comments?	Agency response letter in file?	Did agency address each Committee comment in its response?	Final rules have been published? (Register date) (a) (b)		
	Accountancy	yes	yes	yes			
	Accountancy	yes	yes	yes	12/27/2007		
4/7/2008	Accountancy	yes	yes	yes .	5/8/2008		
7/9/2007	Administration	yes	yes	yes	<u> </u>	F	
					1		
11/20/2006	Agriculture	yes	yes	no		The response didn't address the Committee's request that comments on the regulations be received by emai prior to the public hearing.	
1/4/2007	Agriculture	yes	yes	ino		The agency's response did not address the Committee's requests to include in its notice of publication a website where the public may access proposed regulations or to allow the public to comment on the proposed regulations through email. It fully addressed other suggestions, including withdrawing 2 of the 3 proposed regulations.	t .
2/9/2007	Agriculture	yes	yes	yes	1	1	<u> </u>
11/19/2007		yes	yes	yes	1/3/08 and	(Two separate replies were received, one for feed and	1
1011515	A. J. H.	L	ļ. <u></u>	<u> </u>	1/24/2008	seed and one for weights and measures.)	4
12/10/2007		yes	yes	yes		(food safety)	
4///2008 /	Agriculture	yes	yes	yes - 	withdrawn	from the response letter: "[l]t was decided to withdraw the proposed regulations as currently drafted The department will redraft the proposed regulations and reinitiate the regulation adoption process."	
5/28/2008	Agriculture	ino	jyes	n/a	7/3/2008		
5/28/2008		no	yes	¹n/a		(weights and measures)	
9/22/2008		yes	yes	yes	11/20/2008		
11/6/2008		yes				(BGH labeling)	
12/10/2007	Agriculture	yes	yes	yes	2/14/2008	(pesticides)	
			l	 	L		
	Agriculture - Water Resources	yes	yes	yes	40/46/0000		
	Agriculture - Water Resources Agriculture - Water Resources	yes	no	lno 'vos	9/18/2008		
71712008 7	Agriculture - Water Resources	yes	yes	yes	9/10/2008		
	Athletic Commission (Commerce)	yes	yes	yes	3/20/2008		
9/6/2006 :	Attorney General	yes	yes	yes			
1/14/2008	Bank Commissioner	yes	yes	yes	3/20/2008		
L							
10/2/2006	Barbering	!yes	no	n/a	NTD		!
0/6/2006	Behavioral Sciences	yes	yes	yes	1		.
		yes	yes	yes	1		
	Behavioral Sciences	no	no	n/a			!
	Behavioral Sciences	yes	yes	yes	3/27/2008		
5/28/2008 E	Behavioral Sciences	yes	yes	yes	7/24/08 for all but social workers, 12/4/08 for social workers		
			n/a	n/a	12/4/2008		
		yes			NTD		,
17/6/2008 E	Behavioral Sciences	yes			NTD		1
10/2/2006	Commerce	yes	no	n/a		The Committee questioned the agency's authority to divide the maximum amount of tax credits available to	problem
8/14/2007 0	Commerce	yes	no	n/a		community-based organizations. The Committee's comment had to to with receiving	
						comments via the internet.	*)
10/8/2007		yes	no	n/a		The Committee had suggested that the agency consider a different phrase for "on a form provided by the department" so that the form could be provided electronically, and it suggested agency explore mechanisms using electronic verification other than solely using the mall.	
5/28/2008 : C	Commerce	yes	yes	yes	7/10/2008		
7/47/0000 0	Consequation Commission	VOC	no	n/a			
				n/a n/a	<u>i</u>		
					9/11/2008	two replies because there were two sets of	<u> </u>
8/12/2008 C							
8/12/2008 C	Johnsel Vallett Gottimilediett	,	, 55	•		regulations and two public hearings)	1_0

JCARR meeting date	Agency	Committee comments?	Agency response letter in file?	Did agency address each Committee comment in its response?	Final rules have been published? (Register date) (a) (b)	Comments
2/9/2007	Corrections	yes	yes	yes		4
	Corrections	yes	yes	yes		
5/28/2008	Corrections	yes	yes	yes	7/24/2008	1
2/15/2008	Cosmetology	yes	yes	yes	NTD	
ZITUIZUUU	Coomotology			-:1-:1-:		
10/2/2006	Credit Unions	yes	no	n/a		The only comment was about including the agency's minor website address in the notice and indicating that problem comments on the regulation are accepted by email.
10/8/2007	Credit Unions	yes	ino	n/a	12/13/07 and 7/17/2008	The Committee's question was about a definition. The regulation in question came back before the Committee at its May 28, 2008, meeting.
5/28/2008	Credit Unions	no	ino	n/a	7/17/2008	
F/00/0000	Doubl Board	ļ	 	 	·	A rouled uppin of the control of
5/28/2008	Dental Board	'no		1	withdrawn	A revised version of these proposed rules and regulations came before the JCARR on 22 Sept 08.
9/22/2008	Dental Board	yes	Ino	n/a	some; 12/25/08 for the	The Board did not adopt the proposed sedative and general anaesthesia regulations, KAR 71-5-7 through 171-5-14; KLRD received a letter to this effect dated 11/17/08. The regulations on practice by a dental student and by a dental hygiene student have been published as final regulations.
1/4/2007	Education	yes	yes	n/a	1	The regulations were withdrawn.
	Education	yes	yes	yes		
	Education	yes	yes	yes	3/6/2008	
4/7/2008	Education	yes	yes	yes	7/3/2008	
8/12/2008	Emergency Medical Services	no	yes	n/a	10/16/2008	
9/22/2008	Fire Marshal	yes !	no	ino	12/11/2008	The Committee had concerns about cross references within regulations, ramifications to a regulated entity of a single violation, and the impact of a program not paying for itself.
4/7/2008	Governmental Ethics Commission	yes	yes	yes	7/3/2008	
9/6/2006	Healing Arts	yes	по	n/a		A comparison of the proposed regulations with the yellow copy of the permanent regulations in KLRD files showed no changes, except that the agency delayed adoption of proposed regulation 100-73-9 (to Register Vol. 26, p. 1044 [June 21, 2007]).
10/2/2006	Healing Arts	yes	no 	n/a	İ	The Committee had questions about only 1 of the 3 regulations. The questioned regulation went before the Committee again 5/22/07.
	Healing Arts		no	n/a	NTD	
4/4/2007	Healing Arts	yes	no	n/a		Although there was no letter, the regulations were revised to address Committee comments.
5/22/2007	Healing Arts	yes	no	in/a		The Board did not address the Committee's concern regarding the size of the sign to be displayed. One of the three proposed regulations was not adopted.
7/9/2007	Healing Arts	yes	no	in/a	! i	The Committee commented that the Board should problem consider the staggering of fees in order to relieve cash flow issues.
				1		
11/19/2007	Healing Arts	yes	yes	ino	3/13/2008	The Committee requested a copy of any letter sent to the regulated community; no such copy was in the file.
1/14/2008	Healing Arts Healing Arts Healing Arts	yes	yes yes yes	yes yes	3/20/2008 3/20/2008 100-69-1 and 100-69- 2 on 11/6/08; 100-69-3	The Committee requested a copy of any letter sent to the regulated community; no such copy was in the file. The Board tabled proposed KAR 100-69-3 "for further research and revision."
1/14/2008 5/28/2008	Healing Arts Healing Arts	yes yes	yes	lyes lyes	3/13/2008 3/20/2008 100-69-1 and 100-69- 2 on 11/6/08; 100-69-3 NTD	the regulated community; no such copy was in the file. The Board tabled proposed KAR 100-69-3 "for further
1/14/2008 5/28/2008 7/7/2008	Healing Arts Healing Arts Healing Arts	yes	yes	lyes lyes	3/20/2008 3/20/2008 100-69-1 and 100-69- 2 on 11/6/08; 100-69-3	the regulated community; no such copy was in the file. The Board tabled proposed KAR 100-69-3 "for further
1/14/2008 5/28/2008 7/7/2008 9/22/2008	Healing Arts Healing Arts Healing Arts Healing Arts Healing Arts Healing Arts	yes yes yes	yes	lyes lyes	3/13/2008 3/20/2008 100-69-1 and 100-69- 2 on 11/6/08; 100-69-3 NTD NTD NTD	the regulated community; no such copy was in the file. The Board tabled proposed KAR 100-69-3 "for further
1/14/2008 5/28/2008 7/7/2008 9/22/2008; 11/6/2008	Healing Arts Healing Arts Healing Arts Healing Arts Healing Arts Healing Arts	yes yes yes yes yes	yes yes	yes yes	3/13/2008 3/20/2008 100-69-1 and 100-69- 2 on 11/6/08; 100-69-3 NTD NTD NTD	the regulated community; no such copy was in the file. The Board tabled proposed KAR 100-69-3 "for further research and revision."
1/14/2008 5/28/2008 7/7/2008 9/22/2008 11/6/2008	Healing Arts	yes yes yes yes yes yes	yes yes	yes yes	3/13/2008 3/20/2008 100-69-1 and 100-69- 2 on 11/6/08; 100-69-3 NTD NTD NTD	the regulated community; no such copy was in the file. The Board tabled proposed KAR 100-69-3 "for further research and revision."
1/14/2008 5/28/2008 7/7/2008 9/22/2008 11/6/2008 7/17/2006 9/6/2006	Healing Arts Health Policy Authority Health Policy Authority	yes yes yes yes yes no	yes yes	yes yes n/a	3/13/2008 3/20/2008 100-69-1 and 100-69- 2 on 11/6/08; 100-69-3 NTD NTD NTD	the regulated community; no such copy was in the file. The Board tabled proposed KAR 100-69-3 "for further research and revision."
1/14/2008 5/28/2008 7/7/2008 9/22/2008 11/6/2008 7/17/2006 9/6/2006 11/20/2006 1/4/2007	Healing Arts Health Policy Authority Health Policy Authority Health Policy Authority	yes yes yes yes no no yes	yes yes yes n/a yes	yes yes	3/13/2008 3/20/2008 100-69-1 and 100-69- 2 on 11/6/08; 100-69-3 NTD NTD NTD	the regulated community; no such copy was in the file. The Board tabled proposed KAR 100-69-3 "for further research and revision."

JCARR Agency meeting date	Committee comments?	Agency response letter in file?	Did agency address each Committee comment in its response?	Final rules have been published? (Register date) (a) (b)	Comments	-
2/15/2008 Health Policy Authority	yes	yes	yes	5/8/08 and 7/3/08		
5/28/2008 Health Policy Authority	yes	yes	yes	9/4/2008		
4/4/2007 Hearing Aid Examiners	yes	no	n/a	NTD	The Committee suggested rearranging some words for clarity.	
11/20/2006 Historical Society	yes	yes	yes	<u> </u>		
7/17/2006 Indigents Defense	no	yes	.n/a	<u> </u>	L	
8/14/2007 Indigents Defense	no	no	:n/a	. 40/44/0000		
8/12/2008 Indigents Defense	no	yes	n/a	12/11/2008	1	
7/17/2006 Insurance	yes	no	:n/a 		The Committee requested the criteria used by the American Accreditation Health Commission and used by the Utilization Review Committee to develop certain standards. The Committee also requested the agency review its statutory authority for collecting and maintaining policies and procedures of utilization review organizations.	problem
11/20/2006 : Insurance :	yes	no 	n/a		A comparison of the proposed to the final regulations showed that none of the suggested changes were made. The JCARR questioned the economic impact statement, a 180-day timeframe, and whether new state law had been considered.	Problem
2/9/2007 Insurance	yes	yes	yes		The regulation was withdrawn	:
3/16/2007 Insurance	yes	yes	yes	<u> </u>	The regulation was withdrawn.	
8/14/2007 Insurance 11/19/2007 Insurance	yes	no	n/a in/a	for 3 of 4 (1/3/08 and 1/31/08)	The Committee's only comment was to ask the agency to review the history sections of the proposed regulations and communicate the changes, if any, which the agency makes. (40-3-12 has not yet been adopted as of 1/8/09.)	· · · · · · · · · · · · · · · · · · ·
1/14/2008 Insurance	yes	no	n/a	4/3/2008	The Committee was concerned that any changes in health utilization management standards will no longer be reviewed by any legislative entity, but rather, those changes will be made in a document adopted by reference.	problem?
8/12/2008 Insurance	yes	yes	yes	40-1-48 published 11/13/08	One (40-1-37) of the two proposed regulations was withdrawn and will be redone to reflect the newest NAIC model regulation, per testimony from KID.	:
11/6/2008 Insurance	no		<u> </u>	NTD		
10/2/2006 Juvenile Justice Authority	yes	yes	yes	!		
2/9/2007 KBI	yes	yes	yes		However, the Committee asked for a clarity on when a time period was to begin; the final regulations omit reference to any time period.	
				1	and the second s	
7/17/2006 KCC	no	no	in/a			
11/20/2006 KCC	yes	yes	yes	 		
4/4/2007 KCC 7/9/2007 KCC	yes	no	n/a n/a		No changes were made to the final regulations to address the Committee's concerns about the acceptance of an electronic signature under the Kansas Electronic Transactions Act.	problem
10/8/2007.KCC	yes	yes	yes			
5/28/2008, KCC	yes	no	n/a	7/3/2008	The only comment requested correction of a spelling error; the error was corrected in the final regulation	
5/28/2008 KCC	yes	yes	lyes	10/9/2008	(oil and gas)	
7/17/2006 KDHE	3.5	in final reg packet	yes	1	KDHE responded completely to the comment, in the hearing officer's report but not in a separate letter to the Committee.	
9/6/2006 KDHE	yes	no	n/a	3/1/2007	The Committee had concerns about uses of terms including "confined feeding facility" and "inspector" and whether certain standards had been adopted by reference.	
11/20/2006 KDHE	yes	no	n/a		The Committee's comment was a commendation for including a website and receiving comments via email.	

Agency	Committee comments?	Agency response letter in file?	Did agency address each Committee comment in its response?	have been published? (Register	Comments
KDHE	yes	yes	yes !	!	Two separate letters providing some of the requested information/responses were included in the file. Other responses were included in the Report of the Hearing Officer and not otherwise sent to KLRD.
KDHE	yes	in final reg packet	yes	i	There was no separate letter to the Committee, but responses to each Committee concern were included in the Hearing Officer's report.
KDHE	yes	lin final reg packet	yes		At this meeting, KDHE presented three types of regulations: isolation and quarantine; cosmetology and tanning; and solid waste management. KDHE did not respond to the Committee's comment on the isolation and quarantine regulations, but it did make the suggested change. KDHE responded completely to each comment on the cosmetology and tanning regulations, in the hearing officer's report but not in a separate letter to the Committee. KDHE responded completely to each comment on the
	1				solid waste regulations, in the hearing officer's report
KDHE	yes	in final reg	yes		but not in a separate letter to the Committee. KDHE responded completely to each comment, in the hearing officer's report but not in a separate letter to the Committee.
KDHE	yes	no	yes	12/20/2007	KDHE responded in its Responsiveness Summary (attached to the final regulations packet) to both of the Committee's concerns, but not in a separate letter to the Committee.
KDHE	yes	in final reg	yes	1/17/2008	the Committee.
KDHE	ves	packet in final reg	ves	(lodging) 13/13/08	<u> </u>
			,	(foster care)	
KDHE	yes	yes	yes		The Committee had questioned the agency's authority to require records retention. The response was from the Secretary.
KDHE	iyes	yes	no 	5/22/2008	There was no separate letter to the Committee, but a response to one of the Committee's two concerns was included in the Hearing Officer's report. KDHE did not address the Committee's concern about ways to measure gains in knowledge from certain types of continuing education allowed, e.g., attendance at poster sessions.
KDHE	no	yes	n/a	5/22/2008	(surface water register)
KDHE	yes	no	yes		(child care) There was no separate letter to the Committee, but responses to the Committee's concerns were included with the Hearing Officer's report in the final regulations received from the Secretary of State's Office.
KDHE	yes	yes	no	11/20/2008	
KDHE	yes			NTD	
KDHE	yes			NTD	(charitable health care providers)
abor	no	n/a	in/a		
_abor			yes		2
_abor			yes	9/25/2008	(boilers)
_apor - vvorkers Comp	по	по	in/a		
Mortuary Arts	yes	yes	yes		
Mortuary Arts	yes	no	n/a		The Committee's only comment was a commendation on promulgating the regulations promptly.
	KDHE KDHE KDHE KDHE KDHE KDHE KDHE KDHE	KDHE yes KDHE yes yes KDHE yes in final reg packet KDHE yes in final reg packet KDHE yes no KDHE yes no KDHE yes in final reg packet KDHE yes yes ABOOT ABOOT yes yes ABOOT yes yes yes	KDHE yes yes yes KDHE yes in final reg packet KDHE yes yes no KDHE yes packet KDHE yes yes no KDHE yes packet KDHE yes yes pes packet KDHE yes packet KDHE yes yes pes pes pes pes pes pes pes pes pes p		

JCARR meeting date	Agency	Committee comments?	Agency response letter in file?	Did agency address each Committee comment in its response?	have been published? (Register date) (a) (b)		
2/9/2007	Nursing	yes	yes	no	in Sept. '08	The Board didn't address the Committee's general comment that "The Committee is concerned about the lestablishment of different protocols for the mid-level practitioners, the physicians' assistants and the advanced registered nurse practitioners, that would be created by the adoption of these regulations." The Board also didn't address this Committee request: "Request. The Committee is concerned with the authority of the Board to establish 'protocol' as defined in this set of regulations. The Committee requests that the agency review its statutory authority and explain in Idetall where and how it believes that statutory authority exists beyond the written protocol for the prescription of drugs" Update: The JCARR heard again 22 Sept 08 many of the regulations presented 2/9/07.	
9/22/2008	Nursing	lyes	<u> </u>		NTD	·	
8/12/2008		yes	yes	no	10/23/2008 for all but 60- 2-105 and 60-2-106	The state of the s	essible oblem
7/17/2006	Pharmacy Board	yes	no	n/a		The Pharmacy Board showed that it discussed to each comment, in the hearing officer's report but not in a separate letter to the Committee.	
10/2/2006	Pharmacy Board	yes	yes	yes	İ	The Board thought that removing subsection letter references in definitions in KAR 68-16-1 would delay adoption; this may provide an opportunity for education on which changes are "major" and would require a restart to the process. The Board said it made no changes to the proposed regulations.	
11/20/2006	Pharmacy Board	yes	no	n/a		The Committee's only comment was a request to include notice that public comments could be made by email prior to the hearing.	
5/22/2007	Pharmacy Board	yes	no	n/a			
	Pharmacy Board	yes	no	in/a 		The Committee heard a proposal for the regulation reviewed at the 8/14/07 meeting again 1/14/08.	
:	Pharmacy Board	lyes	no		regulation	The Committee requested clarification regarding the basis upon which the 93-day supply of a controlled substance would be dispensed.	
11/19/2007	Pharmacy Board	yes	yes	no 		The Board sent notice that the public hearing had been delayed because of the ice-storm-related emergency. No subsequent letter was in the file relating to the Committee's comment, and no changes were made to the regulation.	
1/14/2008	Pharmacy Board	yes			not as of 12/4/08	g-immei ii	
4/7/2008	Pharmacy Board	no	no	n/a	68-11-2 published 10/9/08	The public hearing for 1 of the 2 proposed regs was rescheduled to 9/24/08, with a request to the Committee that it need not re-hear the regulation as no changes had been made to it. (The 8/21/08 Kansas Register includes an announcement for a public meeting on 68-7-14 [one of the two regs heard] for 12/3/08.) The other reg, 68-11-2, came to the JCARR again 9/22/08.	
8/12/2008	Pharmacy Board	yes	no	no	10/9/2008	The JCARR had requested the Board send Raney the number of the statute that allows the Board to regulate oxygen suppliers.	
9/22/2008 F	Pharmacy Board	yes			NTD		

JCARR meeting date	Agency	Committee comments?		Did agency address each Committee comment in its response?	Final rules have been published? (Register date) (a) (b)	
11/6/2008	Pharmacy Board	yes	no	n/a	12/18/08 for Utilization of unused	Comments were on unused medications: the Committee questioned a term and expressed concern that this donation program and the cancer drug donation program may be contrary to the Kansas Pharmacy Act; it has authorized the introduction of legislation to ensure that the two programs do not conflict with the Kansas Pharmacy Act.
10/8/2007	Racing and Gaming	yes	yes	yes		The response to the Committee's question at KAR 112-
7/7/0000	Desire and Comba	1		<u> </u>	6/11/2000	7-6 seems to miss the point.
	Racing and Gaming Racing and Gaming	yes	iyes	yes	9/11/2008	(racing)
	Racing and Gaming	yes	1	1		(gaming)
2/9/2007	Real Estate Appraisal	yes	no	n/a		The Committee requested clarifications, including problem clarification of which entity approves course design. The agency made no changes.
11/19/2007	Real Estate Appraisal	yes	yes	yes	1/3/2008	
2/15/2008	Real Estate Appraisal	ino I	n/a	n/a	3/20/2008	
8/14/2007	Real Estate Commission	yes	yes	yes	1	
8/12/2008	Real Estate Commission	yes	no	n/a	10/9/2008	The Committee had a concern regarding the commission's restrictions on the use of the terms "realty" and "real estate" in the names of entities operating in that field.
11/20/2006	Regents	yes	yes	yes	 	
4/24/2007	Regents	lyes	yes	yes	1	
5/22/2007	Regents	yes	no	ino i		The final regulation addressed one Committee concern ?? (that the student not be concurrently enrolled in high school), but there was no response to the Committee's question about whether the Board considered students who
40/0/0000			<u> </u>	!	<u> </u>	
10/2/2006 11/20/2006		yes yes	yes yes	iyes ino		Revenue changed only a date in two regulations, as minor suggested. The agency's letter didn't address other problem Committee concerns.
	Revenue	yes	yes	no 		The response fully addressed all comments except that on including a website address for review of proposed regulations.
7/9/2007		yes	yes	yes		·
10/8/2007		yes	no	n/a		The agency revoked its regulation setting fines and penalties. The Committee was told that there would be agency guidelines, which do not have the force and effect of law, for the imposition of fines and penalties. The Committee requested that any fines and penalties within the discretion of the Secretary be established through rules and regulations.
4/7/2008	Revenue	yes	yes	yes		The final version of 92-12-140 only partially addresses the Committee's concern about placing the value of a donation at the lesser of fair market value or value when purchased when the item's current fair market value far exceeds the original purchase price. The final says "an independent appraisal may be necessary in determining fair market value" and retains the "lesser of" language.
5/28/2008	Revenue	yes	no	n/a	8/14/2008	The Department did include the word "of," as requested by the JCARR, in the final regulation. (That was the only comment.)
0/00/0000	Revenue	yes		yes	NTD	
	Revenue - Alcoholic Beverage Co		yes	yes	011115555	
10/8/2007	Payanua Alashalia Daviana	yes			8/14/2008	
10/8/2007	Revenue - Alcoholic Beverage Co	ı		Name and the contract of the c		
10/8/2007 5/28/2008 1/4/2007	Secretary of State	yes	no	n/a	!	The agency did make the requested change
10/8/2007 5/28/2008 1/4/2007 4/7/2008	Secretary of State Secretary of State	yes	no	n/a	6/19/2008	The agency did make the requested change. (UCC) The Committee questioned the authority of the problem? agency to adopt these rules and regulations until after 2008 SB 449 went into effect (7/1/08).
10/8/2007 5/28/2008 1/4/2007 4/7/2008	Secretary of State Secretary of State Secretary of State	yes	no	n/a n/a	6/19/2008	(UCC) The Committee questioned the authority of the problem? agency to adopt these rules and regulations until after 2008 SB 449 went into effect (7/1/08).
10/8/2007 5/28/2008 1/4/2007 4/7/2008 4/7/2008 8/12/2008	Secretary of State Secretary of State Secretary of State Secretary of State	yes	no	n/a	6/19/2008 6/19/2008 10/16/2008	(UCC) The Committee questioned the authority of the problem? agency to adopt these rules and regulations until after 2008 SB 449 went into effect (7/1/08).
10/8/2007 5/28/2008 1/4/2007 4/7/2008 4/7/2008 8/12/2008	Secretary of State Secretary of State Secretary of State Secretary of State Secretary of State	no yes yes	no no yes	n/a n/a	6/19/2008 6/19/2008 10/16/2008	(UCC) The Committee questioned the authority of the problem? agency to adopt these rules and regulations until after 2008 SB 449 went into effect (7/1/08). (voting) The Committee requested only a copy of a letter from

CARR neeting ate	Agency	Committee comments?	Agency response letter in file?	Did agency address each Committee comment in its response?	Final rules have been published? (Register date) (a) (b)	Comments
711710000	000		luna	1400	 	i
7/17/2006		yes	yes	yes	1	:
10/8/2007		yes	yes	n/a	ļ	i
4/7/2008		yes	yes	yes	5/15/2008	
5/28/2008		in/a	1	1,00		(These were revocations only, in conjunction with the
		11110		<u> </u>		KHPA regulations.)
8/12/200B	Tax Appeals	yes	yes	yes	10/9/2008	
1212000	Тах Арреаіз	700	1	1	10/0/2000	
/20/2006	Technical Professions	yes	yes	yes		i .
	Technical Professions	no	yes	n/a		
/14/2008	Technical Professions	yes	yes	yes	. 3/13/2008	
1/6/2008	Technical Professions	iyes I	no	'n/a 	1/8/2009	The agency has sent information on other states that allow continuing education credit for participation on boards, but that was not one of the JCARR's formal comments.
9/6/2006	Treasurer	yes	no	n/a		The Committee suggested the adoption of the problem referenced sections of the federal Internal Revenue Code and said "the current construction may be a potential unlawful delegation." There were no changes between proposed and permanent regulations.
4/24/2007	Treasurer	yes	no	n/a		The Committee's concerns had to do with statutory probler authority for provisions in three regulations.
8/12/2008	Treasurer	yes	no	n/a	10/9/2006	The Committee requested information on the Treasurer's authority regarding housing loans for building in a floodplain and a determination of whether the program should follow HUD guidelines. The housing loan program regulation the JCARR heard, 3-3-2, was further amended before it became final.
/17/2006	Veterans Affairs	yes	no	n/a		The final regulation includes a new subsection that addresses the JCARR's concern.
2/9/2007	Veterans Affairs	yes	yes	yes		
4/4/2007	Veterinary Medical Examination	yes	yes	ino		The Committee had only one comment, about making minor the proposed regulation available on the agency's probler website. The response (not received until November) did not address that concern.
0/2/2006	Wildlife and Parks	yes	yes	no (it addressed one of two)	1	KDWP's letter did list all changes to the proposed regulations. KDWP did not make a suggested wording change.
	Wildlife and Parks	yes	yes	yes		
	Wildlife and Parks	no	yes	n/a		
	Wildlife and Parks	no	yes	n/a		
	Wildlife and Parks Wildlife and Parks	no yes	yes	n/a no	R	In its response, KDWP listed the changes between the proposed and final regulations but didn't respond to the Committee's questions regarding the manner in which boaters will be informed of the new requirement of speed and the definition of "all departmental land and waters."
0/8/2007	Wildlife and Parks	no	yes	n/a		THATOI U.
	Wildlife and Parks		yes	yes	3/27/2008	
	Wildlife and Parks		yes	n/a	5/1/2008	
	Wildlife and Parks	yes	<i>J</i>		8/28/08 for	(Proposed 115-20-2 did not pass on a Commission vote held August 14, 2008.)
	Amanta and Desire	.00	VOC	ın/a	11/13/2008	
/22/2008:\	Wildlife and Parks	no	yes	11/4	11/10/2000	

FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE

Judicial Council Board of Indigents' Defense Services Judicial Branch

Senator John Vratil, Chair

Senator Mark Taddiken

Senate Ways & Means Cmte Date <u>2-/6-2009</u> Attachment

Senate Subcommittee Report

Agency: Judicial Council Bill No. SB -- Bill Sec. --

Analyst: Cussimanio Analysis Pg. No. Vol. ---- Budget Page No. 171

Expenditure Summary	()	Agency Request FY 10	R	Governor's decommendation FY 10	 Senate Subcommittee Adjustments
Operating Expenditures:					
State General Fund	\$	150,000	\$	0	\$ 0
Other Funds		1,301,746		1,432,064	0
Subtotal - Operating	\$	1,451,746	\$	1,432,064	\$ 0
Capital Improvements:					
State General Fund	\$	0	\$	0	\$ 0
Other Funds		0		0	0
Subtotal - Capital Improvements	\$	0	\$	0	\$ 0
TOTAL	\$	1,451,746	\$	1,432,064	\$ 0
FTE Positions		7.0		7.0	0.0
Non FTE Uncl. Perm. Pos.		1.0		1.0	0.0
TOTAL		8.0	_	8.0	0.0

Agency Request

The **agency** requests FY 2010 operating expenditures of \$1,451,746, an increase of \$7,221, or 0.5 percent, above the FY 2009 estimate. This includes State General Fund expenditures of \$150,000, a decrease of \$11,210, or 7.0 percent, below the revised FY 2009 estimate. Also included is \$1,301,746 in all other funds, an increase of \$18,431, or 1.4 percent. The request would finance 7.0 FTE positions.

Governor's Recommendation

The **Governor** recommends expenditures of \$1,432,064, all from special revenue funds. The recommendation is an all funds decrease of \$19,682, or 1.4 percent, below the agency's FY 2010 request. The Governor recommends: lapsing \$3,000, all from the State General Fund, in the Recodification Commission account to reduce the agency's budget by 2.0 percent; replacing \$147,000 in agency expenditures from the State General Fund with \$83,028 from the Judicial Performance Fee fund, \$63,396 from the Publications Fee fund and \$576 from the Judicial Council Fee fund.

In addition to these adjustments, the Governor placed a state contribution moratorium on state employee health insurance payments for seven pay periods and a state contribution moratorium on KPERS death and disability payments for three-fourths of a year resulting in a

reduction of \$16,682, all from special revenue funds. The Governor recommends the savings be transferred to the State General Fund.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following notation and adjustment:

 The Subcommittee requests that the Judicial Council seek introduction of legislation to allow the use of fee funds, specifically the judicial performance fee fund, for expenditures related to the Kansas Criminal Code Recodification Commission in the amount of \$90,000 in FY 2010. Currently, the fund is limited to expenditures related only to judicial performance evaluations and the costs associated with those evaluations.

Senate Subcommittee Report

Agency:

Judicial Branch

Bill No. SB --

Bill Sec. --

Analyst: Cussimanio

Analysis Pg. No. Vol. ----

Budget Page No. 163

Expenditure Summary	()	Agency Request FY 2010	R	Governor's ecommendation FY 2010	((Senate Subcommittee Adjustments
Operating Expenditures:						
State General Fund	\$	119,407,971	\$	110,551,616	\$	(10,825,841)
Other Funds		14,287,330		13,828,160		0
Subtotal - Operating	\$	133,695,301	\$	124,379,776	\$	(10,825,841)
Capital Improvements:						
State General Fund	\$	0	\$	0	\$	0
Other Funds		0		0		0
Subtotal - Capital Improvements	\$	0	\$	0	\$	0
TOTAL	\$	133,695,301	\$	124,379,776	\$	(10,825,841)
FTE Positions		1,902.3		1,861.3		0.0
Non FTE Uncl. Perm. Pos.		0.0	-	0.0		0.0
TOTAL		1,902.3		1,861.3		0.0

Agency Request

The agency requests an FY 2010 operating budget of \$133,695,301, an increase of \$7,368,331, or 5.8 percent, above the revised FY 2009 estimate. This includes State General Fund expenditures of \$119,407,971, an increase of \$7,545,773 or 6.7 percent. Also included is \$14,287,330 in all other funds, a decrease of \$177,442, or 1.2 percent, below the revised FY 2009 estimate. The request would finance 1,902.3 FTE positions, an increase of 47.0 positions from the revised current year estimate.

Governor's Recommendation

The Governor recommends expenditures of \$124,379,776, including \$110,551,616 from the State General Fund. The recommendation is an all funds decrease of \$1,947,194, or 1.5 percent, and a State General Fund decrease of \$1,310,582, or 1.2 percent, below the FY 2009 recommendation. The recommendation is an all funds decrease of \$9,315,525, or 7.0 percent, and a State General Fund decrease of \$8,856,355, or 7.4 percent, below the agency request. The Governor did not recommend any of the agency's enhancement requests. The Governor did recommend \$155,955, all from the State General Fund, and 3.0 FTE positions for the 14th Court of Appeals Judge and staff for a half year of funding and \$343,026, all from the State General Fund, for the LSI-R and 3.0 FTE positions.

In addition to these adjustments, the Governor placed a moratorium on health insurance payments for seven pay periods and a moratorium on death and disability payments for three-fourths of a year resulting in a reduction of \$3,639,032, including \$3,328,272 from the State General Fund. The Governor recommends the savings be transferred to the State General Fund.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following notations and adjustments:

- 1. Delete \$8,948,976, all from the State General Fund, to reflect an 8.0 percent reduction in the agency's FY 2009 estimate.
- 2. Delete \$1,876,865, all from the State General Fund, in FY 2010. This reduction reflects an 8.0 percent reduction in the Board of Indigents' Defense FY 2009 estimate. The subcommittee noted that the Board of Indigents' Defense has done well over the past several years at keeping costs low, and also noted that the agency's budget may face a shortfall in FY 2010. The subcommittee further noted that the Judicial Branch has the ability to raise docket fees in order to cover costs whereas the Board of Indigents' Defense does not. As a result, the subcommittee recommends the Judicial Branch absorb the 8.0 percent reduction that would be applied to the Board of Indigents' Defense.
- 3. The Subcommittee strongly suggests the Judicial Branch propose legislation to issue an increase in docket fees for FY 2010. The Subcommittee further notes that each \$5 increase in docket fees results in approximately \$3 million in revenue for the agency. For the agency to use docket fees to adjust for the budget reduction, a surcharge of, approximately, \$18 would have to be issued.
- 4. The Subcommittee notes that the Judicial Branch should have flexibility regarding how they will implement for the reductions in their agency budget and received testimony from the agency which identified a furlough as an option. The Subcommittee further notes that, according to the agency, this would result in approximately \$275,000 in savings per day for non-judicial employees and \$433,000 per day, including judicial employees. To adjust for the reduction in the agency's budget, a furlough of 39 days (3.25 days per month) for non-judicial employees or 25 days (2.1 days per month) for non-judicial and judicial employees would be required.
- 5. The Subcommittee recommends that legislation be introduced to delay the implementation of the Level of Services Inventory-Revised (LSI-R) instrument. This instrument is statutorily mandated and is scheduled to be implemented in June 2010. The Subcommittee suggests delaying the implementation of the program to January 2011.
- 6. The Subcommittee recommends that legislation be introduced to delay the 14th Court of Appeals judge. Legislation enacted in 2001 expanded the Court of Appeals from 10 to 14 members. Legislation enacted in 2006 delayed the creation of the 14th judge position and subsequent legislation in 2008 delayed the position until January 2010. The Subcommittee suggests further delaying the position until January 2011.

Senate Subcommittee Report

Agency: Board of Indigents' Defense Services Bill No. SB Bill Sec.

Analyst: Gorges Analysis Pg. No. Vol.- Budget Page No. 29

Expenditure Summary		Agency Request FY 10	R	Governor's Recommendation FY 10		Senate Subcommittee Adjustments
Operating Expenditures:						
State General Fund	\$	24,142,065	\$	22,189,068	\$	1,271,865
Other Funds		865,000		865,000		0
Subtotal - Operating	\$	25,007,065	\$	23,054,068	\$	1,271,865
Capital Improvements:						
State General Fund	\$	0	\$	0	\$	0
Other Funds		0		0		0
Subtotal - Capital Improvements	\$	0	\$	0	\$	0
TOTAL	\$	25,007,065	\$	23,054,068	\$	1,271,865
FTE Positions		195.0		195.0		195.0
Non FTE Uncl. Perm. Pos.	12	0.0		0.0		0.0
TOTAL		195.0		195.0	_	195.0

Agency Request

The **agency** requests FY 2010 operating expenditures of \$25,007,065, an increase of \$681,132, or 2.8 percent, above the revised current year estimate. The **agency** requests FY 2010 State General Fund operating expenditures of \$24,142,065, an increase of \$681,132, or 2.9 percent, above the current year revised estimate. The request includes 195.0 FTE positions.

Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$23,054,068, a decrease of \$275,200, all from the State General Fund, or 1.2 percent, below the Governor's FY 2009 recommendation. All other funds remain the same. When compared to the agency's FY 2010 request, the Governor's recommendation for all other funds remains the same, but is a reduction of \$1,952,997, or 8.1 percent, from the State General Fund. The Governor does not concur with any of the agency's enhancement requests and would fund 195.0 FTE positions.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's recommendation with the following adjustments and notations:

- 1. Add \$1,271,865, all from the State General Fund, to adopt the agency's FY 2009 request for FY 2010.
- 2. The subcommittee considered reducing the agency's FY 2010 budget by \$1,876,875 which reflects 8.0 percent of the FY 2009 request. The subcommittee noted that the agency has done well over the past several years at keeping costs low, and also noted that the agency's budget may face a shortfall in FY 2010. As a result, the subcommittee recommends not reducing the agency's FY 2010 budget, and reducing the budget of the Judicial Branch by \$1,876,875, all from the State General Fund, in addition to any other reductions for the Judicial Branch.

49096~(2/15/9{6:51PM})

Office of Revisor of Statutes 300 S.W. 10th Avenue Suite 010-E, Statehouse Topeka, Kansas 66612-1592 Telephone (785) 296-2321 FAX (785) 296-6668

MEMORANDUM

To:

Chairman Emler and members of the Senate Ways and Means Committee

From:

Jill Ann Wolters, Senior Assistant Revisor

Date:

February 16, 2009

Subject:

SB 205, refunding of bonds

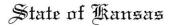
Senate Bill No. 205, relates to the duties of the Kansas development finance authority. Currently, the authority may issue bonds for the purpose of refunding, whether at maturity or in advance of maturity, any outstanding bonded indebtedness of any state agency, upon the request of the secretary of administration.

On and after the effective date of this act, the authority may issue bonds for the purpose of refunding only upon specific approval for the proposed refunding enacted by an act of the legislature. Following such approval becoming law, upon request by the president of the senate or the speaker of the house of representatives pursuant to such specific approval, the authority may issue such bonds for the purpose of refunding.

The act would take effect upon publication in the Kansas register.

Senate Ways & Means Cmte
Date 2-16-2009
Attachment 3

JOHN VRATIL SENATOR, ELEVENTH DISTRICT JOHNSON COUNTY LEGISLATIVE HOTLINE 1-800-432-3924





Pice President Kansas Senate

Testimony Presented to
Senate Ways and Means Committee
By Senator John Vratil
February 16, 2009
Concerning Senate Bill 205

COMMITTEE ASSIGNMENTS

VICE CHAIR: EDUCATION
WAYS AND MEAN

WAYS AND MEANS MEMBER: JUDICIARY

ORGANIZATION, CALENDAR AND RULES

INTERSTATE COOPERATION KANSAS CRIMINAL CODE RECODIFICATION

COMMISSION

Good morning! Thank you for the opportunity to appear before the Senate Ways and Means Committee in support of Senate Bill (SB) 205. Senate Bill 205 seeks to limit who within state government has the authority to request the Kansas Development Finance Authority (KDFA) to issue bonds for the purpose of refunding outstanding bonds.

Under current law, the Governor acting through the Secretary of Administration may make this request. Existing bonds may be refunded to reduce financing costs, eliminate covenants, and alter maturities. Senate Bill 205 would limit the Governor's broad ranging authority to refinance such state bonds and require that requests be made by the Legislature or the State Finance Council should the Legislature not be in session.

Please note that an amendment will be necessary to SB 205 to make clear the State Finance Council's authority to approve the refunding of bonds. The amendment would appear on page 2, lines 13 and 14 of the bill.

Please support Senate Bill 205. It is good public policy. The Legislature levies taxes and fees to create revenues to the state and it authorizes how such revenues are to be expended; therefore, it should authorize how money will be borrowed on the state's behalf.

HOME 9534 LEE BLVD. LEAWOOD, KS 66206 (913) 341-7559 jvratil@lathropgage.com <u>DISTRICT OFFICE</u> 10851 MASTIN BLVD. SUITE 1000 OVERLAND PARK, KS 66210-2007 (913) 451-5100 FAX (913) 451-0875 Senate Ways & Means Cmte

John Vrets

Attachment

4

SB 205

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ities of state educational institutions shall be subject to the provisions of this subsection (b). No bonds may be issued pursuant to this act for any activity or project of a state agency unless the activity or project either has been approved by an appropriation or other act of the legislature or has been approved by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c, and amendments thereto. When requested to do so by the secretary of administration, The authority may issue bonds for the purpose of refunding, whether at maturity or in advance of maturity, any outstanding bonded indebtedness of any state agency, on and after the effective date of this act, only upon specific approval for the proposed refunding enacted by an act of the legislature. Upon request by the president of the senate, or the speaker of the house of representatives pursuant to such specific approval, the authority may issue such bonds for the purpose of refunding. The revenues of any state agency which are pledged as security for any bonds of such state agency which are refunded by refunding bonds of the authority may be pledged to the authority as security for the refunding bonds.

(c) The authority may issue bonds for the purpose of financing industrial enterprises, transportation facilities, agricultural business enterprises, educational facilities, health care facilities, housing developments, research facilities or any combination of such facilities, or any interest in facilities, including without limitation leasehold interests in and mortgages on such facilities, whether located within or outside of Kansas. The authority may additionally issue bonds for the purpose of financing a hall of fame, museum or tourist destination of national significance, as determined by the secretary of commerce. Such authority to issue bonds for a hall of fame, museum or tourist destination of national significance shall expire on December 31, 2007. No less than 30 days prior to the issuance of any bonds authorized under this act with respect to any project or activity within Kansas which is to be undertaken for the direct benefit of any person or entity which is not a state agency or a political subdivision, written notice of the intention of the authority to provide financing and issue bonds therefor shall be given by the president of the authority to the governing body of the city in which the project or activity is to be located. If the project or activity is not proposed to be located within a city, such notice shall be given to the governing body of the county. No bonds for the financing of the project or activity shall be issued by the authority for a one-year period if, within 15 days after the giving of such notice, the governing body of the political subdivision in which the project or activity within Kansas is proposed to be located shall have adopted an ordinance or resolution stating express disapproval of the project or acAmendment proposed by Sen. Vratil in testimony Feb. 16, 2009

or the state finance council

Fiscal Not	e SE	3 205 - DETAIL						
State Age	ncy	Refundings - 2	2004 to 2008					
Bond Series	R	efunding Par Title		Obligor		PV Savings	Reason	
2006B	\$	2,030,000	KU Park & Ride	KU Parking System	\$	(779,654)	Structuring for parity debt	
2005H	\$	20,530,000	State of Kansas Projects	SGF	\$	652,228	Economic Savings	
2005CW	\$	58,540,000	Clean Water SRF	KDHE CW SRF	\$	3,165,543	Economic Savings	
2005E	\$	3,065,000	Templin Hall Refunding	KU Housing System	\$	264,273	Economic Savings	
2004DW	\$	79,525,000	Drinking Water SRF	KDHE DW SRF	\$	3,851,813	Economic Savings	
2004G-2	\$	1,545,000	Capitol Restoration Refunding	SGF	\$	95,085	Economic Savings	
2004F	\$		KBOR Crumbling Classroom	Educational Bldg Fund	\$	1,101,371	Economic Savings	
2004CW	\$	2,190,000	Clean Water SRF	KDHE CW SRF	\$	41,004	Economic Savings	
					\$	8,391,663	total	