

Approved: April 26, 2012

(Date)

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30 AM on Friday, February 17, 2012 in 548-S of the Capitol.

All members were present except Senator Masterson, who was excused.

Committee staff present:

Jan Lunn, Committee Assistant
Melinda Gaul, Chief of Staff, Senator McGinn's Office
Eli Johns, Intern, Senator McGinn's Office
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department
Michael Steiner, Senior Analyst, Legislative Research Department
Bobbi Mariani, Fiscal Analyst, Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
David Wiese, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes

Conferees appearing before the Committee:

Lauri McKinnion, General Counsel, Kansas Public Employees Retirement System

Others in attendance:

See attached list.

Bill introductions:

Senator Huntington moved introduction of 12rs2119 concerning the arts council; Senator McGinn seconded the motion, which carried on a voice vote.

Senator Teichman moved introduction of 12rs2277 concerning taxation relating to health club exemptions; Senator Umbarger seconded the motion, which carried on a voice vote.

Senator McGinn moved introduction of 12rs2256 concerning the conservation reserve enhancement program; Senator Huntington seconded the motion, which carried on a voice vote.

Senator McGinn moved introduction of 12rs2265 concerning drivers licenses; Senator Schodorf seconded the motion, which carried on a voice vote.

Senator Umbarger moved introduction of 12rs2276 concerning corrections related to the purchase of property; Senator Schmidt seconded the motion, which carried on a voice vote.

CONTINUATION SHEET

Minutes of the SENATE WAYS AND MEANS Committee at 10:30 AM on Friday, February 17, in 548-S of the Capitol.

Senator Schmidt moved introduction of 12rs2096 concerning newborn screening; the motion was seconded by Senator Teichman, which carried on a voice vote.

Announcements and Receipt of Reports:

Senator McGinn called committee members attention to follow-up from:

- Major General Lee Tafanelli, Adjutant General Office, concerning the cost and use of disaster funds which was discussed during his testimony on **SB 336-Adjutant general; funding for disasters; creating the disaster reimbursement fund; insurance fees and premium taxes; KUSF**. The hearing was February 6, 2012 (Attachment 1). This attachment becomes part of the permanent record.
- Laurel Murdie, Division of Post Audit, relating to request information showing commercial internet service providers contacted, bandwidth sizes, and monthly cost inform. In addition, a map showing connected members' location was provided. This information was requested on February 10, 2012, during discussion of the Kan-Ed audit. (Attachment 2) was received by committee members and becomes a part of the permanent record.

Senator McGinn announced:

- Governor Sam Brownback submitted the Governor's Budget Amendment No. 2 (Attachment 3), which restored budget reductions, all from the State General Fund (SGF) to the legislative agencies. A committee member requested that an explanation be provided during scheduled meetings the week of February 20, 2012.
- The annual report from Steve Sutton, Executive Director, Emergency Medical Services Board was received, according to statute. (Attachment 4)

Subcommittee Report on the Kansas Department of Transportation (KDOT):

Senator Umbarger described the agency's FY 2013 budget request as well as Governor's recommendations. (Attachment 5) He reported the Subcommittee concurred with the Governor's recommendation with the following addition and notations:

- Added \$3.5 million, all from the State Highway Fund, to replace 173 vehicles, which have met or exceeded KDOT's replacement criteria.
- Noted 98.0 full-time equivalent positions (FTEs) participated in the Voluntary Retirement Incentive Program (VRIP) saving \$5,401,604, all from special revenue funds. The Governor's Budget Amendment #1 added 11.0 FTE positions.
- Noted funding continues for the Kansas Highway Patrol through a transfer from the State Highway Fund.
- Noted the uncertain nature of federal funding and legislative action that could affect KDOT projects and funding.

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- Noted the receipt of an attachment regarding the Northern Flyer Alliance (NFA) concerning the Transportation Investment Gathering Economic Recovery (TIGER) Federal Grant Pre-application process for passenger rail improvements.

In response to a committee member's question, Lindsey Douglas, Kansas Department of Transportation, indicated sales tax funds are received by KDOT; an increase in sales tax funds is expected for FY 2014. These funds are not considered appropriations since they are deposited directly into the State Highway Fund. Operations for the Kansas Highway Patrol have been funded by the Kansas Department of Transportation, State Highway Fund for many years.

Senator Umbarger moved to adopt the Subcommittee report; Senator Teichman seconded the motion, which carried on a voice vote.

Hearing on **HB 2460-- Removing first year employer contribution rate for KPERS affiliated employers and allowing for KPERS employers to affiliate for either prior and future service or future service only**

Lauri McKinnon, General Counsel for the Kansas Public Retirement System (KPERS), spoke on behalf of Alan Conroy, Executive Director, concerning **HB 2460**, which addresses technical amendments that :

- Provide a less costly option for employers considering affiliation with KPERS
- Ensure new employers pay the same employer contribution rate during their first year of affiliation, and
- Update the Retirement Act's Internal Revenue Service (IRS) Guidepost section to remain in compliance with federal law.

Ms. McKinnon encouraged passage of **HB 2460** (Attachment 6).

Chairperson McGinn recognized David Wiese, Office of the Revisor of Statutes, who submitted a written bill brief (Attachment 7) detailing the location of amendments within the bill.

Senator Kelly moved to pass out favorably HB 2460; Senator Vratil seconded the motion, which carried on a voice vote.

Senator Schmidt commented that she had attended a KLISS training session and encouraged committee members to attend; the new technology will create efficiencies for end users.

The meeting was adjourned at 11:04 a.m.