

Senator Jay Emler

Kansas Senate District 35



From the Desk of Jay Scott Emler

Week of March 23 to 27, 2009

Budget Update

On Tuesday, March 25, the Senate passed the fiscal year 2010 budget bill (S. Sub. for HB 2354) by a vote of 26 to 14. The conference committee on the Mega Appropriations bill (S. Sub for HB 2354) began meeting Wednesday, March 25 and reached an agreement on Thursday, March 26.

Budget Challenges

Legislative researchers estimate the state faces a nearly \$800 million budget shortfall based on the November Consensus Revenue Estimates. We will receive an update on the state's financial picture in mid-April. We expect the state's finances to worsen and the projected shortfall to grow from the November Consensus Revenue Estimates. This will govern how the Legislature proceeds with the Omnibus budget bill.

We hope to be able to maintain the proposed funding level for K-12 Education but reductions may be necessary based on the April revenue update. By trying to hold K-12 harmless, other state agencies and programs must carry more of the burden and absorb deeper cuts. While most must cut their budgets 6% - 9%, some agencies will be required to reduce their spending by 10-20%.

Some have suggested tax increases are the answer to the state's tight budget. Now is not the time to raise taxes on Kansans and businesses who are struggling to make ends meet. Instead of raising taxes, the state should set budget priorities - funding necessary programs and services and delaying or eliminating new ones. Agencies are carefully reviewing what they do. Eliminating ineffective or outdated programs and services is a priority.

The Bill as Passed by the Senate Committee of the Whole

The Senate bill includes and uses all **federal stimulus funding** for Medicaid, K-12 Education and Higher Education.

K-12 Education is a top priority for the Legislature. The Senate bill fully funds the Governor's Budget Amendment recommendation for Base State Aid Per Pupil at \$4,400 - totaling more than \$3 billion. (\$71 million in additional Title 1 funding will put approximately five schools over their previous funding levels for the 2008-2009 school year.)

Agencies will decide how reductions to their budgets will be implemented. They are in the best position to decide what is best for the Kansans they serve. The Senate also removed a proviso that required **fee-funded agencies** to cut their budgets by 10% if SB 308 does not pass the Senate.

Senate action continues the transfer to the **Special City and County Highway Fund**. Local governments are counting on the \$10.1 million to repair their roads and bridges. This means jobs for local economies. Funding for the **Business and Machinery Tax Slider** will be reconsidered during Omnibus.

The full Senate added back in the \$1.2 million to increase **SCHIP** qualifier to 250% above the federal poverty guidelines. The funding is matched 28/72 from federal SCHIP funding for two years. It will allow insurance coverage through the Healthwave program for an additional 8000 Kansas children. Families who currently have insurance must go without insurance for eight months before qualifying. Families pay monthly premiums based on their incomes. Funding for the \$1.2 million will come from \$4.5 million in additional tobacco settlement money the state received this month.

The full Senate added \$328,465 for **primary care/safety net clinics**. The funding will come from the \$4.5 million in additional tobacco settlement money the state received this month.

The full Senate delayed the **Under Market Pay Increases** for FY 2010, adding \$2.1 million back into SGF. The Committee had reduced funding by 75% but without full funding, the program could not be implemented. The delay pushes implementation of the entire State Employee Pay Plan back one year.

The full Senate added funding of \$355,000 from the State General Fund for **Pregnancy Maintenance Initiative**, and added \$35,000 from the State General Fund for teacher training for **Ag in the Classroom**.

Directed all federal funding for **family planning services** to public health entities (county health depts., etc) and then to private ones that provide comprehensive and primary care.

Directed any use of a **state-owned aircraft** that is not for official use to be reimbursed. Also requires any non-state employee to reimburse state for use.

The bill as passed in conference committee

State General Fund (SGF) expenditures for FY 2010 total **\$5.76 billion, which is a decrease of \$408.6 or 6.6% below the FY 2009 amount**. FY 2010 includes a net increase of federal economic stimulus funds of \$293.4 million, which is used to offset State General Fund Expenditures. **The projected State General Fund ending balance for FY 2010 is \$153.4 million or 2.7% of expenditures. State General fund expenditures are \$26.1 million less than the November estimate of SGF receipts.**

K-12 Education - Base state aid per pupil decreases \$33 on the base; from \$4,400 to \$4,367, or a 0.8% reduction. Special education is reduced by \$4.5 million, or 1.0%. Total SGF support for K-12 education decreases \$3.6 million or 0.1%.

Regents - Higher Education funding increases \$10.2 million or 1.25%, (including federal stimulus funding). Excluding federal stimulus funding, the regents FY 2010 amount is a decrease of \$20.2 million or 2.5%.

State Children's Health Insurance Program - \$1.2 million is added for the expansion of the State Children's Health Insurance Program (SCHIP).

State Employee Pay - There is a 1% base salary increase and longevity bonus payments (both self funded by the agencies). \$8.5 million was provided for the next phase of the "below market pay increase."

Local Units of Government - The second half of the FY 2009 slider payment will still be made on June 1, 2009 but the FY 2010 slider payment will not be made. \$5 million will be provided for the Special

City/County Highway Fund. No payment will be made to the Local Ad Valorem Tax Reduction Fund.

Physically Disabled Waiver - \$4 million was added to the Physically Disabled waiver.

Department of Corrections - Approximately \$600,000 was included for community residential beds, substance abuse programming, and batterers' intervention programming.

Selected Non-SGF Issues - All available federal economic stimulus funds were utilized. This provided \$396.2 million in FY 2010 to help offset SGF expenditures. \$6.5 million in federal economic stimulus funds was authorized (if available) for the Wichita Center for Graduate Medical Education. Kansas Inc. and Kansas Technology Enterprise Corporation were maintained as separate state agencies, rather than merging them with the Department of Commerce.

Legislation passed in the Senate

Senate Bill 92 - Kansas Code for Care of Children Jurisdiction

SB 92 limits the court's jurisdiction for children in need of care, unless a transition plan does not exist, to the child's 18th birthday or June 1 of the school year the child turns 18 , if still in high school. If a transitional plan is not in place, the court can retain jurisdiction until a plan is approved or until the child's 21st birthday.

The bill adds education and employment to a list of provided services included in a transition plan and clarifies the plan would provide support and services to an adult with a disability by including home and community based funding waivers. Finally, the bill allows an 18 year old child in need of care to request, in writing, to the court that it cease its jurisdiction and do so in 30 days.

Children impacted by the changes in SB 92 will no longer be in the custody of SRS but will continue to have access to independent living services. The bill would reduce the foster care monthly caseload average by 94 cases in FY 2010 providing a cost savings of \$1,687,876. Children older than 18 are eligible for reduced Medicaid coverage, decreasing regular Medicaid assistance by \$307,944 in FY 2010.

SB 92 was approved 40 to 0 on Monday, March 23.

Senate Bill 94 - Kansas Code for Care of Children Placement

SB 94 amends existing law to authorize SRS custody of children 15 years of age or younger, age 16 or 17 if no identifiable parental or family resources are available, or age 16 to 17 if the child shows signs of physical, mental, emotional, or sexual abuse.

The bill would end out-of-home services for youth whose actions are problematic but not a result of abuse or neglect. Savings from foster care reductions would slightly be offset by an increase in services targeted to help families and children identify and address the child's destructive behavior. SRS and community providers would also be available to support the families involved with case management and family preservation services.

Effective July 1, 2009, the bill would not impact any child in SRS custody. Savings to the foster care system would result in an average caseload reduction of 170 cases in FY 2010 totaling \$3,056,199. Of the savings, \$494,430 in additional costs for family preservation services would be needed with passage of the bill. ***SB 94 was approved 40 to 0*** on Monday, March 23.

Senate Bill 146 - KPERS Computation of Benefits

SB 146 reinstates KPERS benefit provisions for state employees placed on furlough. If placed on furlough, contributions must still be paid by the state for the employee and for retirement, death and long-term disability benefits. Unclassified employees are not covered in the bill nor are employees who are recipients of other state-sponsored retirement plans. ***SB 146 was approved 40 to 0*** on Monday, March 23.

Senate Bill 184- Kansas Surface Owner Notice Act

SB 184 makes changes to applications for intent to drill permits by requiring the name and address of the surface owner and preliminary location estimates of roads of ingress and egress, any tank battery, and any pipeline or electrical line. The Kansas Corporation Commission (KCC) is required to send a copy of the application and the contact information of the applicant to the named surface owner. The same contact information must be sent a surface owner when a notice of transfer of operator is filed with the KCC and when an oil or gas operator files a notice to plug an abandoned well.

SB 184 passed 40 to 0 on Wednesday, March 25.

Senate Bill 201- U.S. Flag at Half-Staff

SB 201 requires the U.S. Flag to be displayed statewide at half-staff on a day designated by the Governor to honor members of the Kansas National Guard, Kansas Air National Guard, and Kansas residents who are members of the U.S. Armed Forces that were killed in the line of duty during the previous month. Unless otherwise directed by a family member of the deceased, the bill requires the Governor to publish a list of armed forces personnel who are recognized on the respective date.

SB 201 passed 40 to 0 on Monday, March 23.

Senate Bill 220- Emergency Medical Services

SB 220 amends current law on emergency medical services by adding definitions for emergency, emergency scene, inter-facility transfer, medical personnel, and patient. The terms mobile intensive care technician, emergency medical technician defibrillator, emergency medical technician-intermediate, first responder, and medical adviser are replaced in the bill.

The bill authorizes the Board of Emergency Medical Services to issue a temporary 60 day permit for an ambulance service if the operator applies for a permit, pays the permit fee, and has all required equipment. The EMS board is authorized to deny, revoke, limit, modify, suspend, or refuse renewal of an EMS attendant's or instructor's certificate if proof is provided that a certificate or permit to practice EMS services has been denied, revoke, limited or suspended.

The Kansas Board of Emergency Medical Services is in the process of a top to bottom review of all of its statutes and regulations and has found several areas needing revisions.

SB 220 was approved 40 to 0 on Monday, March 23.

Senate Bill 242- Motor Vehicle Property Tax

SB 242 reduces the assessment rate for motor vehicles from 20 to 15 percent by 2014. If full funding of the Local Ad Valorem Tax Reduction Fund to local governments occurs, the assessment rate will drop to 12 percent.

The bill restores, over five years, a portion of the motor vehicle tax previously distributed to school districts. Beginning in 2010 until 2014, four mills will be added per year to school districts to restore

the 20 mill rate for 2014 and all subsequent years. ***SB 242 failed by a vote of 16 to 24*** on Tuesday, March 24.

Senate Bill 268 - Elections

SB 268 allows federal service voters residing outside the U.S. or U.S. armed forces members, their spouses, and dependent family members who are qualified voters and unable to timely vote by mail, to apply for registration to vote and receive an absentee ballot by e-mail. ***SB 268 passed 40 to 0*** on Monday, March 23.

Senate Bill 298 - Regulation of Oil and Gas Wells

SB 298 requires individuals who operate or who are responsible for an oil, gas, injection, disposal, cathodic protection, natural gas storage injection or withdrawal, and CO2 injection or withdrawal wells to place a well identification sign on or near each well. The identification signs would help the Kansas Corporation Commission (KCC) Conservation Division better assist contractors working on wells. ***SB 298 was approved 40 to 0*** on Monday, March 23.

Senate Bill 312 - Natural Gas Inventories

SB 312 amends the definition of a public utility to include marketers and other entities that own, broker or market natural gas inventories stored underground in Kansas. Currently, in-state public utilities pay property tax on underground natural gas facilities but out-of-state utilities do not. The bill would require out-of-state utilities to pay property tax. If approved, property taxes on underground gas inventories would contribute an additional \$1.7 million to school districts and \$128,000 to state building funds for FY 2010. ***SB 312 was approved 32 to 6*** on Tuesday, March 24.

Senate Bill 316 - Swine Waste

SB 316 changes current law on the review of Nutrient Utilization Plans regarding swine permits by the Kansas Department of Agriculture. Currently, the Department must review and approve Nutrient Utilization Plans as part of its swine waste permitting process. The bill would transfer the review to the Kansas Department of Health and Environment (KDHE) if appropriations are not made to the Department of Agriculture for the program.

During the floor debate and amendment was attached to the bill by Senator Taddiken that would transfer the review and approval of Nutrient Utilization Plans permanently to KDHE.

SB 316 was approved 40 to 0 on Monday, March 23.

Senate Bill 324 - Kansas Commission on Rural Policy

SB 324 revises and clarifies statutes regarding the Kansas Commission on Rural Policy by deleting the requirement that appointments to the Commission be subject to Senate confirmation and clarifies the lengths of terms form members.

The three initial members appointed by the Governor would serve until June 30, 2012. The first three members appointed by the Senate President and Minority leader would serve until June 30, 2011. The three initial members appointed by the House Speaker and Minority Leader would serve until June 30, 2010. All subsequent voting members would hold terms of four years.

Originally created in 2008, the Commission deadline to develop operational plans and partnerships is extended to July 1, 2010 from July 1, 2009. Also, the sunset of the Commission is extended to July 1, 2012.

During the Senate debate, an amendment by Senator Huelskamp was added to the bill directing the Commission to study new homestead opportunities, business expansion and relocation opportunities, and general business development for rural areas. ***SB 324 was approved 40 to 0*** on Monday, March 23.

Senate Bill 326 - Crime Victims Compensation Fund

SB 326 increases the amount that may be transferred from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund from \$100,000 to \$300,000. ***SB 326 was approved 40 to 0*** on Wednesday, March 25.

SCR 1602 - Classification and Taxation of Watercraft

SCR 1602 proposes a state constitutional amendment to section 1 of article 11 of the Kansas Constitution to be considered by Kansas voters in the 2010 November General Election. The proposed amendment would separate the classification and taxation of watercraft from personal property. Currently,

watercraft are treated in Kansas as personal property and many Kansas boat owners register their watercraft in other states to save money. The Kansas Constitution requires tax law changes and proposals to be approved by a majority of Kansas voters. **SCR 1602 passed 39 to 1** on Monday, March 23.

SCR 1611- Right to Bear Arms

SCR 1611 authorizes a state constitutional amendment to section 4 of the Kansas Bill of Rights to be considered in the November 2010 General Election. The proposed amendment goes as follows, “A person has the right to keep and bear arms for the defense of self, family, home, and state, for lawful hunting and recreational use, and for any other lawful purpose.” **SCR 1611 passed 39 to 1** on Tuesday, March 24.

SCR 1614 - Budget Stabilization Fund

SCR 1614 proposes to amend article 11 of the Kansas Constitution by creating a budget stabilization fund. If approved by two thirds of the State Senate and State House of Representatives, the measure would be included on the November 2010 General Election ballot for approval by Kansas voters. If approved by a majority of voters, the state would be required to annually deposit a quarter percent of state revenues collected during the fiscal year into the fund by June 30. **SCR 1614 passed 32 to 8** on Monday, March 23.

Senate Resolution 1859 - Airborne Laser Program

SR 1859 encourages the U.S. Congress to provide funding for developing and operating the Airborne Laser Program at the Boeing Facility in Wichita.

SB 1859 was approved 40 to 0 on Tuesday, March 24.

House Bill 2001 - School Finance, Atchison USD 409

HB 2001 allows students in the custody of SRS or the Juvenile Justice Authority and who are enrolled in the Atchison School District to be counted as two pupils. In order to receive the additional funding, students must be housed and educated at the youth residential center located on the grounds of the former Atchison Juvenile Correctional Facility.

The Division of the Budget estimates the bill will result in additional expenditures of \$151,928 in general state aid for FY 2010 to the Atchison School District. *HB 2001 was approved 40 to 0* on Wednesday, March 25.

House Bill 2008 - Epinephrine

HB 2008 authorizes a professional nurse working at a school to administer epinephrine to a student or staff member without prior diagnosis in cases where the nurse believes the signs and symptoms of an anaphylactic reaction are occurring. A physician is required to provide written authorization allowing a nurse to use and maintain a supply of epinephrine.

The bill allows any accredited school to maintain an epinephrine kit with one or more doses to be used only in emergency cases by a professional nurse or under the direction of a professional nurse. Finally, the bill requires a school district to consult with a licensed pharmacist who can provide supervision and maintenance on the emergency use of the kit. *HB 2008 was approved 36 to 3* on Monday, March 23.

House Bill 2050 - Kansas Department of Agriculture Fees

HB 2050 assesses various fees for applications and issuances of the Division of Water Resources in the Kansas Department of Agriculture. Among the fees covered in the bill are: term permit fees, beneficial use fees, place of use fees, point of diversion fees, use of water fees, field inspection fees, extension of time fees, reinstatement fees, temporary permit fees, and application fee refunds.

HB 2050 was approved 38 to 2 on Monday, March 23.

House Bill 2059 - Uniform Controlled Substances Act Violations

HB 2059 amends the crime of receiving or acquiring proceeds derived from violating the Uniform Controlled Substance Act to include proceeds derived from violations of similar offenses from other jurisdictions. Currently, it is illegal to receive or acquire proceeds collected from violations of the Kansas Uniform Controlled Substance Act rather than from any jurisdiction.

HB 2059 was approved 40 to 0 on Wednesday, March 25.

House Bill 2072 - KPERs Retirement and Pensions

HB 2072 makes several temporary and permanent revisions to state retirement laws administered by the

Kansas Public Employees Retirement System (KPERS). Among the changes in the bill are:

Increasing the current statutory earning limitation of \$10,000 to \$25,000 for tier 2 members of the Kansas Police and Firemen's (KP&F) Retirement System;

Allowing firefighters serving in the 190th Kansas Air National Guard to affiliate with the KP&F retirement system or to remain KPERS members on or after July 1, 2009;

Increasing the break-in-service requirement for all KPERS retirees, including state, school, and local groups, after retirement from 30 days to 60 days before returning to work for any KPERS participating employer;

Requiring information on compensation for KPERS retirees to be reported by contractors for certain school district contracts entered into on or after March 1, 2009;

Until June 30, 2012, eliminating the current statutory limit of \$20,000 for teachers and administrators of the KPERS school group who return to work after retiring for the same employer and who chose a normal retirement option instead of early retirement before the age of 62;

Until June 30, 2012, requiring a special employer contribution rate to be paid by all public school employers who employ KPERS school group retirees. If the retiree is age 62 or older, the school district must pay the actuarial rate plus a four percent employee rate. If the retiree is under 62 years of age, the school district must pay the actuarial rate, the four percent employee rate, and an additional four percent;

Applying the special employer contribution rate, for three years, to all school employers who hire KPERS retirees who return to work for the same or different school district after retiring; and

Increasing the \$20,000 cap on working after retirement for all KPERS retirees who are state, local, and non-licensed school employees to \$25,000 beginning July 1, 2009.

HB 2072 was approved 38 to 2 on Wednesday, March 25.

House Bill 2097 - Sentencing for Certain Felony Drug Crimes

HB 2097 extends the standard probation term for a drug felony from 12 months to 18 months. In addition, the bill delays the implementation of a statewide offender risk assessment analytical tool for community correctional service programs to July 1, 2011. *HB 2097 was approved 40 to 0* on Wednesday, March 25.

House Bill 2111- Kansas Commission on Judicial Performance

HB 2111 extends the sunset on the Kansas Commission on Judicial Performance to June 30, 2013. The Commission was set to expire this year. *HB 2111 was approved 34 to 6* on Wednesday, March 25.

House Bill 2115 - Underground Utility Damage Prevention Act

HB 2115 repeals the requirements that individuals surrender a multi-party line in emergency situations and telephone companies publish the requirement in their directories. Among the changes in the bill to the Underground Utility Damage Prevention Act is the deletion of the size limit for tier three facilities, implementation a process to bring tier three facilities fees to parity with tier two facility fees by 2014, and delaying implementation of the Act to January 1, 2010 from July 1, 2009. *HB 2115 was approved 35 to 3* on Wednesday, March 25.

House Bill 2126 - Kelsey Smith Act, Enhanced 911, VoIP

Senate Sub. for HB 2126 enacts the Kelsey Smith Act requiring wireless telecommunications carriers to provide call location information in certain situations. In addition, the bill amends existing law regarding funding for Enhanced 911 and Voice Over Internet Protocol (VoIP).

Kelsey Smith Act

The Kelsey Smith Act requires wireless telecommunications carriers to provide location information of a telecommunication device if requested by a law enforcement agency in emergency situations.

Enhanced 911 for Wireless Service and VoIP

The bill extends current funding provisions for Enhanced 911 and VoIP service for one year, to July 1, 2011. The maximum population limit for eligible municipalities to receive grants from the Enhanced 911 Fund is increased to 85,000 from 75,000.

In addition, the bill creates the Joint Committee on Enhanced and Next Generation 911 to review and make recommendations on changing technology for emergency communication systems, funding equality for emergency communications systems across the state, deploying next generation 911 technology, statutory requirements for wireline and wireless emergency communication systems, benefits of consolidating public safety answering points, centralizing emergency communications, use of Enhanced 911 grant funds, and VoIP local fee assessment. ***HB 2126 was approved 40 to 0*** on Tuesday, March 24.

House Bill 2152 - Towed Vehicles

HB 2152 expands the circumstances on creating a lien when towing and recovery service are needed.

The bill requires a city ordinance or county resolution authorizing the towing to include a maximum rate that can be charged for the towing service, a provision access to personal property in the vehicle within 48 hours of the towing, and the requirement that a towing company notify law enforcement no more than two hours after that the vehicle was towed. Current law requires law enforcement to respond to private property towing requests and not wrecker or towing services. ***HB 2152 was approved 40 to 0*** on Wednesday, March 25.

House Bill 2155 - City of Topeka Land Bank

HB 2155 gives cities the authority to establish a land bank to help improve abandoned and distressed properties. The land bank has authority to compile and maintain an inventory of certain properties, evaluate potential uses for the properties, and quickly return the properties to tax rolls. Cities can accept or purchase land for economic development, residential improvements, multi-family housing or other projects that can contribute to the productive use of a property.

The bill allows the land bank to retain money from the sale with the exception of reimbursing a municipality for a delinquent special assessment on sold property. Transfers of property to land banks are not subject to bidding requirements and are exempt from law requiring public sale. Land banks are allowed to sell property without undergoing the competitive bidding process.

HB 2155 was approved 34 to 6 on Wednesday, March 25.

House Bill 2162 - Marriage and Family Therapists

HB 2162 amends the licensing requirements for marriage and family therapists by deleting the requirement that therapists complete practicum at state universities. Currently, applicants for marriage and family therapy licenses must have 500 hours of direct client contact to be eligible to receive a Kansas license. If applicants have not had the required 500 hours while in graduate school, they are banned from practicing marriage and family therapy in Kansas. The bill would allow prospective therapists to finish the remainder of their hours upon completion of their coursework.

The bill also increases the amount the Behavioral Sciences Regulatory Board can charge for applications for psychologist licenses from \$150 to \$225 and decreases the amount that can be charged for license fees from \$200 to \$150. *HB 2162 was approved 38 to 2* on Wednesday, March 25.

House Bill 2164 - Retirement Age of Judges and Justices

HB 2164 repeals the mandatory retirement age for judges, including justices on the Kansas Supreme Court. Currently, justices are required to retire at age 75 with the exception of Supreme Court Justices who are required to retire at age 70. The bill authorizes the Kansas Judicial Council to use fee funds to pay for the Kansas Criminal Code Recodification Commission for an additional year. The bill delays continued expansion of the Court of Appeals until January 1, 2011. *HB 2164 failed 16 to 24* on Wednesday, March 25.

House Bill 2165 - Unlawful Hosting of Minors

HB 2165 expands the crime of unlawfully hosting minors to include recklessly allowing a person's land, building, structure or room to be used by minors to consume alcohol or cereal malt beverages.

HB 2165 passed 40 to 0 on Wednesday, March 25

House Bill 2172 - Cash Rebates on Motor Vehicles

HB 2172 repeals the sales tax exemption sunset for cash rebates granted by manufacturers to purchasers or lessees of new motor vehicles if the rebates are directly paid to retailers as a result a sale. The exemption was enacted in 2006 and is scheduled to sunset on June 30, 2009.

HB 2172 was approved 30 to 7 on Monday, March 23.

House Bill 2201 - Child Support Enforcement

HB 2201 requires restrictions on a professional license holder if they owe child support equal or greater than three months of child support. If the license holder has failed to comply with a previously established child support payment plan the licensing body will be given notice. If the license holder can prove that compliance to the child support payment plan has occurred, the action to restrict the license will be immediately terminated. If a license has been suspended or not renewed, and proof of compliance has been given, or the license holder otherwise qualifies for the license, the licensing body is required to reinstate or renew the license. *HB 2201 was approved 40 to 0 on Monday, March 23.*

House Bill 2214 - Risk-Based Capital Requirements

HB 2214 concerns insurance law governing the licensure of public adjusters, Risk-Based Capital (RBC) instructions, mental health parity, policy requirements for group life, and failure to maintain personal injury protection benefit coverage.

Public Adjusters Licensing Act

The bill enacts the Public Adjusters Licensing Act setting the qualifications and procedures for and specifying the duties and restrictions on public adjustors. Public adjustors will be licensed by the Insurance Commissioner. Prior to issuing a license the commissioner must find proof of the applicant's financial responsibility, passage of the public adjuster examination by the applicant, and the payment of a \$100 application fee. Licensees must undergo at least 12 continuing education hours on a biennial basis. The bill prohibits public adjustors from charging, agreeing to or accepting any payment, commission, fee, or other item of value greater than or equal to 10 percent of any insurance settlement or proceed.

Risk Based Capital

The bill requires the Insurance Commissioner to prepare an impact statement notifying domestic insurers of any changes to Risk Based Capital instructions from the National Association of Insurance Commissioners.

Kansas Mental Health Parity Law

The bill amends the Kansas Mental Health Parity Act to require health insurers to provide the same benefits for alcoholism, drug abuse, and other substance abuse treatment as are provided for mental health. This includes the same deductibles, copayments, coinsurance, personal expenses, and other limitations.

Group Life Insurance

The bill deletes participation percentages required for covered employees to place a group life policy in effect. Policy premiums could be paid by the policyholder, insured employee, or both. The bill also increases the limitation of coverage for dependents covered under an employee's group life insurance policy from 50 percent to 100 percent.

Prohibition, Recovery of Non-economic Damages

The bill makes any individual who has not maintained personal injury protection benefits as required in the Kansas Automobile Injury Reparations Act ineligible to sue for non-economic losses resulting from the accident. An exception exists for individuals who have failed to maintain coverage for no more than thirty days and who have previously had continued coverage for at least one year.

Individuals who are convicted of, or who plead guilty to an alcohol or drug-related violation in connection to an auto accident are prohibited from recovering non-economic losses.

HB 2214 was approved 33 to 7 on Monday, March 23.

House Bill 2219 - KPERS

HB 2219 amends the Kansas Public Employees Retirement Act by requiring the KPERS contribution rate for the state and school groups to be equal to the required rate starting in FY 2010. The purpose of the bill is to reduce State General Fund contributions during the 2010 fiscal year to KPERS. Currently, the state and school groups contribute different levels and the bill would make the contribution levels the same. ***HB 2219 was approved 40 to 0 on Monday, March 23.***

House Bill 2250 - Prior Acts of Sexual Misconduct

HB 2250 would allow prior acts or offenses in cases where a defendant is accused of a sex offense or

another criminal offense as a rule of evidence. In criminal actions where the defendant is accused of a non-sex crime, the evidence of a prior crime would be allowed if the action is so similar that it is reasonable to conclude the same individual committed both acts. If the defendant is accused of a sex offense, evidence of a prior act or sexual misconduct is admissible if relevant and probative. The prosecution must disclose the evidence to the defendant and include witness statements at least 10 day before trial or at a later time if allowed by the court. ***HB 2250 was approved 40 to 0*** on Wednesday, March 25.

House Bill 2258 - Vehicle Dealers and Manufacturers

HB 2258 requires the certificate or title of a non-repairable vehicle to be surrendered to the Division of Vehicles if the vehicle is crushed. Currently, certificates or titles of non-repairable vehicles are surrendered when the vehicle has been dismantled, disassembled or recycled, and sold for recycling to a scrap processor.

The bill adds definitions for vehicle crusher, vehicle recycler, scrap metal recycler, non-repairable vehicle and rebuilders. A \$75 license fee is required for any vehicle crusher or recycler, scrap metal recycler, salvage vehicle pool, or rebuilder in the bill and all vehicle recyclers are required to file on or before the 20th day of each month a report of all vehicles that have been disposed or sold.

HB 2258 was approved 40 to 0 on Monday, March 23.

House Bill 2260 - Kansas Home Inspectors Professional Competence and Financial Responsibility Act

HB 2260 revises several provisions of the Kansas Home Inspectors Professional Competence and Financial Responsibility Act. Among the changes to the Act are:

Deleting the requirement that a home inspector include a list of national home inspection organizations he or she is a member of on a pre-inspection notice;

Adding to the duties of the Kansas Home Inspectors Board the ability to investigate the allegations of misconduct against applicants and registrants;

Allowing the Board to deny, suspend, or revoke the registration of anyone convicted of a dishonesty misdemeanor, who inspects a home for a fee that he or she has a personal or financial interest in, who offers a kickback or referral fee, or who fails to abide by set standards of practice;

Changing the registration deadline for home inspectors to July 1, 2010;

Requiring a registered home inspector to file a surety bond with the Board in the amount of no less than \$10,000 per year;

Clarifying provisions concerning successful completion of Board approved exams and exam exemptions;

Requiring registered home inspectors to retain copies of home inspections for 24 months after a home inspection; and

Allowing individuals who are not registered to assist registered home inspectors with home inspections.

The Kansas Home Inspectors Professional Competence and Financial Responsibility Act will sunset on July 1, 2013.

HB 2260 was approved 33 to 7 on Wednesday, March 25.

House Bill 2292 - Security Freeze on Consumer Reports

HB 2292 amends security freeze terms in the Fair Credit Reporting Act and creates new regulatory requirements to the State Bank Commissioner's office.

Consumer Reports

The bill deletes the requirements that consumers who freeze their credit report be a victim of identity theft and have a police report. Also, the bill allows individuals who believe they are victims of identity theft to contact local law enforcement for a police report and, if needed, pass the report to another law enforcement agency if in another jurisdiction.

Regulation of Loan Brokers and Distressed Property Consultants

The bill amends regulations on loan brokers by transferring the governing duties to the State Bank Commissioner. Individuals who are engaged in distressed property consulting are required to register in compliance to the Kansas Credit Services Organizations Act.

Loan Brokers Act

Provisions of the Loan Brokers Act are transferred, in the bill, from the Securities Commissioner to the State Bank Commissioner. Loan brokers must register with the Securities Commissioner Office, pay a \$250 nonrefundable registration fee, and file a financial statement. In addition, the bill increases the renewal fee for loan brokers from \$100 to \$250.

Distressed Property Consulting

The bill amends the Kansas Credit Services Organization Act by establishing regulations for and defining distressed property consulting. Distressed property consultants are required to register in the bill and are subject to registration requirements currently applied to credit services organizations. Specific acts prohibited by distressed property consultants in the bill are requesting a transfer of any portion of ownership interest of the distressed property to a trust and implying that entering into a distressed property consulting agreement will improve the credit rating of the consumer.

HB 2292 was approved 39 to 1 on Monday, March 23.

House Bill 2308 - Personal and Family Protection Act

HB 2308 would allow active duty military members to obtain a concealed carry license if they do not have a Kansas driver's license or identification card. Military members who take advantage of the bill would be given a unique concealed carry license number by the Attorney General upon completing all requirements for a concealed carry permit.

HB 2308 was approved 40 to 0 on Wednesday, March 25.

House Bill 2324 - Kansas Enterprise Zone Act

HB 2324 amends the population qualifications in the Kansas Enterprise Zone Act to allow annual figures certified by the Kansas Division of Budget instead of U.S. Census Bureau figures. The bill eliminates the July 1, 2010 sunset on certain sales tax exemptions for retail businesses located or who expand in

unincorporated areas of low-population counties.

HB 2324 was approved 38 to 2 on Wednesday, March 25.

House Bill 2343 - Professional and Practical Nurse Licensure

HB 2343 amends the qualifications for licensed practical nurses (LPNs) and registered professional nurses (RN) by deleting the requirement that applicants for LPN or RN licensure be high school graduates.

There has been an increase in the number of nursing school graduates who were home schooled and who did not receive a high school diploma or GED. Representatives of the Kansas State Board of Nursing believe the high school graduation requirement is no longer needed.

HB 2343 was approved 40 to 0 on Wednesday, March 25.

HB 2359 - State Board of Cosmetology

HB 2359 deletes a statutory requirement for a written booklet to accompany the written renewal examination for Kansas Board of Cosmetology license renewal. By deleting the requirement, the Board would be allowed to implement online license renewals for the cosmetology professions. **HB 2359 was approved 40 to 0** on Wednesday, March 25.

Ways and Means Committee Update

On Monday, the committee heard a report from the subcommittee on KPERS Issues. In this report, SB 319 was recommended favorably. The committee also took action on SB 196 which also deals with KPERS. SB 319 was rolled into SB 196 and the new bill was passed in committee.

There was also a hearing on HB 2072. HB 2072 deals with disability benefits for certain members of the Kansas Police and Fireman's retirement system. The bill amended the cap on earnings that disabled officers could earn and increased it from \$10,000 to \$25,000. Ed Klumpp, Kansas Association of Chiefs of Police and Kansas Peace Officers' Association; and Dennis Phillips, Kansas State Council of Firefighters, both testified in support of HB 2072. SB 196 (with SB 319 included) was rolled into HB 2072 and the bill was passed, creating Sen. Sub for HB 2072.

On Tuesday, the committee heard HB 2195 and SB 326. HB 2195 concerns state records and the State

Archivist of the Kansas State Historical Society. Pat Michaelis and Matt Veatch, State Historical Society, testified in support of the bill. The committee amended the bill to allow for an option for document transmittal via email and other electronic means. Currently, certain statutes require that documents be in written or facsimile form. The committee recommended it favorably, as amended.

SB 326 would increase the amount that may be transferred from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund. Dorothy Halley, Victims Service Director provided testimony in support of the bill. SB 326 was approved and recommended favorably for passage.

Also on Tuesday, the committee passed SB 308. The bill amends existing law in regard to the State General Fund administrative services fee charged to agency fee funds. Under existing law, fee funded agencies transfer 20.0 percent of the revenues generated to the State General Fund, up to \$200,000. The bill would raise this limitation from \$200,000 to \$350,000. The committee recommended the bill.

The committee did not meet on Wednesday, Thursday, and Friday,. The Senate was in Session all day Wednesday, and Thursday and Friday were reserved for conference committee meetings.

FY 2010 Budget

Conference Committee Summary

State General Fund

- The approved State General Fund expenditures for FY 2010 total \$5.76 billion, which is a decrease of \$408.6 or 6.6 percent below the FY 2009 amount. FY 2010 includes a net increase of federal economic stimulus funds of \$293.4 million, which is used to offset State General Fund expenditures.
- The projected State General Fund ending balance, recognizing the \$82 million in taxes only that receipts were behind the November estimate through the end of February, for FY 2010 is \$153. 4 million or 2.7 percent of expenditures. See attached profile.
- State General Fund expenditures are \$26.1 less than the November estimate of State General Fund receipts. State General Fund expenditures are \$14.1 million greater than State General Fund adjusted receipts for FY 2010.

K-12 Education

- Base state aid per pupil decreases \$33 on the base from \$4,400 to \$4,367 or a 0.8 percent reduction.
- Special education is reduced by \$4.5 million or 1.0 percent.

- Total State General Fund support for K-12 education decreases \$3.6 million or 0.1 percent. See attached K-12 education funding comparison for FY 2008, FY 2009 and FY 2010.

Regents

- Increases \$10.2 million or 1.25 percent, including federal stimulus funding.
- Excluding federal stimulus funding, the Regents FY 2010 amount is a decrease of \$20.2 million or 2.5 percent. See attached Regents funding comparison for FY 2008, FY 2009 and FY 2010.

State Children's Health Insurance Program

- \$1.2 million is added for the expansion of the State Children's Health Insurance Program.

State Employee Pay

- 1.0 percent base salary increase - self-funded by the agencies;
- Longevity bonus payments - self-funded by the agencies;
- \$8.5 million for the next phase of the below market pay increase.

Local Units of Government

- Second-half of FY 2009 slider payment will still be made on June 1, 2009; FY 2010 slider payment will not be made;
- \$5.0 million for the Special City County Highway Fund;
- No payment for the Local Ad Valorem Tax Reduction Fund.

Physically Disabled Waiver

- Added \$4.0 million to the Physically Disabled waiver.

Corrections

- Add \$0.6 million for community residential beds, substance abuse programming, and batterers invention programming.

Selected Non-State General Fund Issues

- Utilized all available federal economic stimulus funds - \$396.2 million in FY 2010 to offset State General Fund expenditures.
- Authorized \$6.5 million in federal economic stimulus funds, if available, for the Wichita Center for Graduate Medical Education.
- Continued Kansas, Inc. and Kansas Technology Enterprise Corporation as separate state agencies, rather than merging them with the Department of Commerce

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TOLL FREE LEGISLATIVE HOTLINE

The State Library will continue its practice of operating the toll free hotline for Kansans to call their legislators and leave brief messages. The hotline number is 1-800-432-3924.

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