Approved	Only 6	1990
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MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by _____SENATOR AUGUST "GUS" BOGINA

____ at

Chairperson

11:10 a.m. 🟋 n. on ____

MAY 1

_, 19<u>90</u>in room <u>123-S</u> of the Capitol.

All members were present except:

Committee staff present:

Research Department: Diane Duffy, Leah Robinson

Revisor: Norm Furse, Gordon Self

Committee Staff: Judy Bromich, Administrative Assistant

Ronda Miller, Committee Secretary

Conferees appearing before the committee:

SB 751 -- Elimination of nonjudicial employees salary payback provision

<u>Senator Doyen moved, Senator Salisbury seconded, that SB 751 be recommended favorable for passage. The motion carried on a roll call vote.</u>

HB 2867 -- State finance, limitations on state general fund appropriations and transfers, state cash operating reserve fund and state capital improvements reserve fund

Senator Gaines moved, Senator Kerr seconded, that HB 2867 be amended by including the amendments contained in Attachment 1. In answer to a question, Michael O'Keefe, Division of the Budget, noted that the difference between 2.5% and 1% (Attachment 1-2) is an estimated \$36 million. The motion to amend carried.

<u>Senator Winter moved, Senator Feleciano seconded, that Section 3 of HB 2867 be deleted</u>. Norm Furse, Revisor of Statutes, stated that Section 3 could be amended by majority vote anytime. <u>The motion to amend carried</u>.

Senator Kerr moved, Senator Allen seconded that HB 2867 as amended be recommended favorable for passage. The motion carried on a roll call vote.

HB 3091 -- Community corrections, authority to discontinue certain services

Senator Gaines noted that because the policy decision to implement community corrections statewide had been made, the authority to supervise and prioritize also need to be delegated to provide for fairness in treatment. Chairman Bogina concurred, noting that there should be some mechanism for adjusting inefficiencies, problems, and start up or one time costs that may exist in some programs.

Senator Salisbury had three suggestions for the Committee:

- conduct a Post Audit study
- delay for one year the implementation of community corrections programs in those counties that are not ready
- 3. assign to a Legislative interim committee the study of the coordination of court service officers with community corrections programs to assure public safety.

Gordon Self, Revisor's Office, told the Committee that although K.S.A. 75-52,114 indicates that funding for community corrections cannot be reduced below the FY 89 level, another section of the statute (Attachment 2) requires that the Secretary reduce the grant by the amount that was not expended. The DOC has interpreted this to mean that the limit is the amount that is expended. He stated that $\frac{HB}{AB} = \frac{3091}{AB}$ will allow for reductions below the FY 89 level as determined by the Secretary.

CONTINUATION SHEET

MINUTES OF THE _	SENATE COMMITTEE ON	WAYS AND	MEANS,
			•
room 123-S, Stateho	ouse, at 11:10 a.m./ xx . on _	MAY 1	, 19 _90

Mr. Self noted that a county displeased with a grant reductions could appeal to the appeal board. He suggested that the statute be amended with regard to the reduction to indicate that it is subject to the approval of that board.

Senator Gaines reiterated that there has to be accountability within the programs, citing the house arrest program in Wyandotte county as an example.

Senator Parrish expressed concern about giving complete authority to discontinue programs to the Secretary.

Senator Winter moved that HB 3091 be amended to clarify that existing law gives authority to reduce grants to the Secretary, but that funding reductions are subject to appeal to the State Community Corrections Board. Senator Kerr questioned whether the motion would allow the Board to make the final decision on funding reductions or whether the motion would only allow the Board to make recommendations to the Secretary.

<u>Senator Winter offered a substitute motion to clarify that a funding reduction, if appealed, would have to be approved by the Board. Senator Salisbury seconded the motion, which passed on a voice vote.</u>

Senator Parrish moved, Senator Johnston seconded, that lines 8-15 (page 2) be deleted from HB 3091. The motion carried on a voice vote.

Senator Salisbury again expressed concern that it is not in anyone's best interest to implement programs before they are ready. Senator Gaines expressed his belief that counties with existing programs are protective of their positions and don't want funding distributed across the state.

Senator Allen moved, Senator Gaines seconded, that HB 2867 as amended be recommended favorable for passage. Senator Parrish questioned whether criteria for funding reductions should be included in the bill. The Chairman directed her to work with staff to develop such language.

The Chairman adjourned the meeting.

GUEST LIST ·

COMMITTEE: SENATE WAYS AND MEANS					5-1-90
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HOUSE BILL No. 2867

By Committee on Appropriations

2-7

AN ACT concerning state finances; prescribing certain restrictions[, procedures] and limitations on authorized expenditures and transfers from the state general fund fand bonded indebtedness; establishing a state cash operating reserve fund and a state capital improvements reserve fund; providing for revenue estimates and imposing restrictions regarding the governor's budget report fand bills appropriating or transferring moneys from the state general fund, amending K.S.A. 75-3721 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) On or before each December 1 4 and on or before the 85th calendar day of each regular session each April 4, the director of the budget and the director of the legislative research department shall prepare a joint estimate of revenue to the state general fund for the current fiscal year and the ensuing fiscal year.

- (b) If prior to final adjournment of any regular session of the legislature any law is enacted providing for additional or less revenues to be deposited in the state treasury to the credit of the state general fund, the director of the budget and the director of the legislative research department shall prepare a joint estimate of such revenues.
- (c) In the event of a disagreement or failure to agree upon a joint estimate of revenue pursuant to subsection (a) or (b), the legislature shall utilize the estimates of the director of the legislative research department and the governor shall utilize the estimates of the director of the budget.
- Sec. 2. (a) The Commencing with the regular session of the legislature in 1991, the last appropriation bill passed in any regular session of the legislature shall be the omnibus reconciliation spending limit bill. Each bill which is passed during a regular session of the legislature and which appropriates or transfers money from the state general fund for the ensuing fiscal year shall contain a provision that such bill shall take effect and be in force from and after the effective

Proposed Amendments to HB 2867 For Consideration by Senate Ways and Means

SWAM May 1, 1991 Attachment

date of the omnibus reconciliation spending limit bill for that regular session of the legislature or from and after such effective date and a subsequent date or an event occurring after such effective date.

(b) The total amount of expenditures and demand transfers from the state general fund that may be authorized by act of the legislature during a regular session of the legislature for the ensuing fiscal year or prescribed by statute for such fiscal year shall be subject to the following limitation:

During the 1991 regular session of the legislature, the maximum amount authorized to be expended or transferred by demand transfer from the state general fund for the ensuing fiscal year 1992 is hereby fixed so that there will be an ending balance in the state general fund for such fiscal year that is equal to 2.5% 1% or more of the total amount authorized to be expended or transferred by demand transfer from the state general fund in such fiscal year, but excluding any amount transferred to the state cash operating reserve fund under section 4 and

the 1992 regular session, the maximum amount authorized to be expended or transferred by demand transfer from the state general fund for the ensuing fiscal year 1993 is hereby fixed so that there will be an ending balance in the state general fund for such fiscal year that is equal to 5% 2% or more of the total amount authorized to be expended or transferred by demand transfer from the state general fund in such fiscal year, but excluding any amount to be transferred to the state cash operating reserve fund under section 4.;

(3) during the 1993 regular session of the legislature, the maximum amount authorized to be expended or transferred by demand transfer from the state general fund for the ensuing fiscal year 1994 is hereby fixed so that there will be an ending balance in the state general fund for such fiscal year that is equal to 3% or more of the total amount authorized to be expended or transferred by demand transfer from the state general fund in such fiscal year, but excluding any amount transferred to the state cash operating reserve fund under section 4;

(4) during the 1994 regular session of the legislature, the maximum amount authorized to be expended or transferred by demand transfer from the state general fund for the ensuing fiscal year 1995 is hereby fixed so that there will be an ending balance in the state general fund for such fiscal year that is equal to 4% or more of the total amount authorized to be expended or transferred by demand transfer from the state general fund in such fiscal year.

and each regular session of the legislature thereafter

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but excluding any amount transferred to the state cash operating reserve fund under section 4; and

- (5) during the 1995 regular session of the legislature, the maximum amount authorized to be expended or transferred by demand transfer from the state general fund for the ensuing fiscal year 1996 is hereby fixed so that there will be an ending balance in the state general fund for such fiscal year that is equal to 5% or more of the total amount authorized to be expended or transferred by demand transfer from the state general fund in such fiscal year, but excluding any amount transferred to the state cash operating reserve fund under section 4.
- Sec. 3. If the total amount of authorized expenditures and demand transfers from the state general fund for the ensuing fiscal year exceeds the limitation imposed by section 2, the omnibus reconciliation spending limit bill shall require the affirmative vote of 2/3 of the members of each house of the legislature for passage. When such limitation is exceeded for a fiscal year and such bill fails to receive the affirmative vote of 2/3 of the members of each house of the legislature, the legislature shall prepare a new omnibus reconciliation spending limit bill which reduces the amount of authorized expenditures and demand transfers from the state general fund so as to make the total amount of authorized expenditures and demand transfers from the state general fund equal to or less than the limitation for that fiscal year.
- Sec. 4. (a) The state cash operating reserve fund is hereby established in the state treasury. The state cash operating reserve fund shall be administered by the director of the budget in accordance with the provisions of this section.
- (b) On July 1, 1990 1991, the director of accounts and reports shall transfer from the state general fund to the state cash operating reserve fund the amount equal to 5% of the amount of expenditures and demand transfers from the state general fund authorized by act of the legislature for fiscal year 1991 1992 or prescribed by statute for such fiscal year, as certified by the director of the budget. Commencing with the 1991 1992 regular session of the legislature and during each regular session of the legislature thereafter, the legislature shall include in the omnibus reconciliation spending limit bill each year for such session, provisions to transfer moneys from the state general fund to the state cash operating reserve fund on the first day of the ensuing fiscal year in an amount equal to not less than 5% of the total authorized expenditures and demand transfers from the state general fund for such fiscal year, but excluding the amount transferred to the state cash operating reserve fund under

this section.

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- (c) Commencing with fiscal year 1991 1992, whenever any bill provides in the current fiscal year for supplemental appropriations or additional demand transfers from the state general fund during the current fiscal year which have not previously been accounted for in transfers to the state cash operating reserve fund in accordance with subsection (b), the bill containing any such supplemental appropriation or authorizing any such additional demand transfer from the state general fund also shall contain provisions for a transfer from the state general fund to the state cash operating reserve fund for such fiscal year in an amount equal to 5% of the total amount of all such supplemental appropriations and additional demand transfers. In any case where current fiscal year appropriations or demand transfers from the state general fund are reduced by act of the legislature, the legislature may decrease balances in the state cash operating reserve fund by transferring from the state cash operating reserve fund to the state general fund an amount equal to not more than 5% of the total amount of such reductions.
- (d) During fiscal year 1992 or any fiscal year thereafter, the director of the budget shall request the director of accounts and reports to transfer amounts from the state cash operating reserve fund to the state general fund whenever the director of the budget determines that the amount of money credited to and available in the state general fund is insufficient to satisfy the cash operating requirements of projected expenditures and demand transfers authorized or prescribed by law for such fiscal year. Upon receipt of any such request, the director of accounts and reports shall transfer the amount or amounts specified in such request from the state cash operating reserve fund to the state general fund on the date or dates specified in such request.

(e) On June 30 of each fiscal year, the director of accounts and reports shall transfer all moneys in the state cash operating reserve fund to the state general fund.

(f) All moneys credited to the state cash operating reserve fund shall be used to assist in meeting the cash flow demands of the state general fund in accordance with this section.

(g) The provisions of this section shall not be subject to the provisions of appropriations acts.

Sec. 5. (a) The state capital improvements reserve fund is hereby established in the state treasury. Commencing in fiscal year 1991, whenever the amount of the ending balance in the state general fund on June 30 of any fiscal year is greater than the amount equal to 7% of the total amount of authorized ex-

1992, and on June 30

thereafter

penditures and demand transfers from the state general fund for such fiscal year, but excluding any amount transferred to the state each operating reserve fund under section 4, the director of accounts and reports, in the first 60 days of the ensuing fiscal year, shall transfer from the state general fund to the state capital improvements reserve fund the amount by which the amount of the ending balance in the state general fund exceeds the amount equal to 7% of the total amount of authorized expenditures and demand transfers from the state general fund for such fiscal year, but excluding any amount transferred to the state each operating reserve fund under section 4.

(b) Moneys in the state capital improvements fund may be appropriated for capital improvements and are not subject to the limitation established pursuant to this act.

- [Sec. 5. (a) The total of all authorized and outstanding bonded indebtedness of all agencies of the state of Kansas, except bonds authorized by the state board of regents, shall not exceed an amount equal to 7.8% of the total taxable tangible property in the state. Such limitation shall apply to bonds the principal of and interest upon which are payable from revenues of the state but shall not apply to indebtedness authorized pursuant to section 6 of article 11 of the constitution of the state of Kansas.
- (b) The legislature shall by law establish an order of priority for the issuance of revenue bonds by agencies of the state within the limitations imposed by this section.
- [(c) On the first day of each regular session of the legislature all agencies of the state which are authorized to issue bonds subject to the limitation prescribed by this section shall report all such indebtedness which has been retired during the preceding calendar year together with a detailed description of any such bonds proposed for authorization or issuance in the current year.]
- Sec. 5-[6]. K.S.A. 75-3721 is hereby amended to read as follows: 75-3721. (a) On or before the eighth calendar day of each regular legislative session, the governor shall submit the budget report to the legislature, except that in the case of the regular legislative session immediately following the election of a governor who was elected to the office of governor for the first time, that governor shall submit the budget report to the legislature on or before the 21st calendar day of that regular legislative session.
- (b) The budget report of the governor shall be set up in three parts, the nature and contents of which shall include the following:
- (1) Part one shall consist of a budget message by such governor, including the governor's recommendations with reference to the

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fiscal policy of the state government for the ensuing budget period describing the important features of the budget plan, embracing/a general budget summary setting forth the aggregate figures of/the budget so as to show the balanced relation between the total proposed expenditures and the total anticipated income, with the basis and factors upon which the estimates were made, and the means of financing the budget for the ensuing budget period,/compared with the corresponding figures for at least the last completed fiscal year and the current year, and the director of the budget shall prepare the figures for the governor for such comparisons. The budget plan shall not include (A) any proposed/expenditures of anticipated income attributable to proposed legislation that would provide additional revenues from either current or new sources of revenue, (B) any proposed expenditures of moneys in the ending balance in the state general fund required by section 2, or (C) any proposed expenditures of the moneys required to be transferred to the state cash operating reserve fund under section 4. The general budget summary may be supported by explanatory schedules or statements, classifying the expenditures contained therein by state agencies, objects, and funds, and the income by state agencies, funds, sources and types. The general budget summary shall include all special or fee funds as well ax the state general fund, and shall include the estimated amounts of fèderal aids, for whatever purpose provided, together with estimated expenditures therefrom.

(2) Part two shall embrace the detailed budget estimates, both of expenditures and revenues, showing the requests of the state agencies, if any, and the incoming governor's recommendations thereon. It shall also include statements of the bonded indebtedness of the state, showing the actual amount of the debt service for at least the last completed fiscal year, and the estimated amount for the current fiscal year and for the next budget period, the debt authorized and unissued, and the condition of the sinking funds.

(3) Part three shall consist of a draft of a legislative measure or measures reflecting the incoming governor's budget.

(c) The division of the budget, upon request, shall furnish the governor or the legislature with any further information required concerning the budget.

(d) Nothing in this section shall be construed to restrict or limit the privilege of the governor to present supplemental budget messages or amendments to previous budget messages, which may include proposals for expenditure of new or increased sources of yevenue derived from proposed legislation.

Sec. 6-[7]. K.S.A. 75-3721 is hereby repealed.

Sec. 67-[8]. This act shall take effect and be in force from and after its publication in the statute book Kansas register 2 statute book

county or group of counties shall be an amount equal to the fiscal year 1989 per capita costs, as determined pursuant to this subsection, multiplied by the number of individuals to be served by the community correctional services program of such county or group of counties during the ensuing fiscal year. No grant for a county or group of counties which received a grant for fiscal year 1989 shall be less than the amount of the grant received by the county or group of counties during fiscal year 1989, if such county or group of counties continues to serve, or is projected to serve, at least the same number of persons as served during fiscal year 1989 and continues to provide the same community correctional services as provided during fiscal year 1989, as provided by K.S.A. 75-5291 and amendments thereto.

(2) As a part of such county's or group of counties' budget request submitted to the secretary, the county or group of counties may request a higher grant amount than determined as provided in subsection (b)(1) for new or expanded programs as provided in K.S.A. 75-52,102 and amendments thereto and increased amounts as determined in subsection (b)(1) for inflationary costs. The secretary shall determine such additional grant amount for such new or expanded programs based on existing experience of other programs offering

similar programs. (c) On or before July 1, 1990, each county or group of counties applying to receive a grant for the first time shall submit a budget request to the secretary. The secretary shall determine the amount of the grant for such county or group of counties based on existing experience of similar programs. For each fiscal year thereafter, the amount of the grant for such county or group of counties shall be determined as provided in subsection (b), except that the grant received by such county or group of counties pursuant to this subsection shall not be less than the amount of the grant received by such county or group of counties during the first year of operation, if such county or group of counties continues to serve at least the same number of persons as served during the first year of operation and continues to provide the same community correctional services as provided during the first year of operation, as provided by K.S.A. 75-5291 and amendments hereto. The per capita costs of such county or group of counties for the purposes of determining grants for ensuing fiscal years under this section shall be determined as provided

in subsection (b), except that per capita costs shall be based on the first year of operation.

(d) All determinations of base year per capita costs pursuant to this section, shall include all actual audited costs incurred for approved programs included without limitation as to fixed administrative costs.

History: L. 1989, ch. 92, § 15; July 1.

75-52,112, 75-52,113. Reserved.

STATE COMMUNITY CORRECTIONS BOARD

75-52,114. State community corrections board; membership; duties; compensation and staff. (a) There is hereby established the state community corrections board. The board shall consist of five members who shall be appointed as follows:

(1) Three members appointed by the governor who shall serve at the pleasure of the governor, one of whom shall represent the department of corrections, one of whom shall represent the department of social and rehabilitation services with specialty in juvenile matters and one of whom shall be actively involved with community correctional service programs; and

(2) two members appointed by the chief justice of the Kansas supreme court who shall serve at the pleasure of the chief justice, who shall be chosen from the justices of the supreme court or judges of the court of appeals or of any district court.

All members appointed to fill vacancies in the membership of the board shall be appointed in like manner as that provided for the original appointment of the member.

(b) The governor shall appoint a chairperson. The board shall elect any additional officers from among its members necessary to discharge its duties.

(c) The board shall have the following duties:

(1) To hear appeals on decisions of the secretary regarding grants for expenses of a corrections advisory board which does not have a comprehensive plan approved by the secretary as provided in K.S.A. 75-5293 and amendments thereto:

(2) to hear appeals on decisions of the secretary regarding the determination of grant amounts for community correctional services programs as provided in K.S.A. 75-52,111;

(3) to hear appeals on decisions of the secretary regarding the organization of new community correctional services programs and

their plans for services. In hearing such appeals, the board shall encourage counties to enter into agreements with a group of cooperating counties as provided in subsection (a)(2) of K.S.A. 75-52,110 or to contract for correctional services from any county or group of counties as provided in subsection (a)(3) of K.S.A. 75-52,110; and

(4) to review minimum operating standards and performance evaluation standards established by the secretary of corrections for community correctional service programs.

(d) The board shall meet on call of the chairperson of the board. Three members of the board shall constitute a quorum for the transaction of business.

(e) Members of the board shall receive compensation, subsistence allowances, mileage and other expenses as provided for in K.S.A. 75-3223 and amendments thereto.

(f) The board shall appoint such staff as necessary to perform such duties as directed by the board. The staff appointed by the board shall be in the unclassified service under the Kansas civil service act and shall receive compensation fixed by the board with the approval of the governor.

History: L. 1989, ch. 92, § 14; July 1.

MISCELLANEOUS PROVISIONS

75-52,115. Kansas correctional institution at Lansing designated. The name of the correctional institution for women is hereby changed to the Kansas correctional institution at Lansing. All properties, moneys, appropriations, rights and authorities now vested in the correctional institution for women shall be vested in the Kansas correctional institution at Lansing. Whenever the correctional institution for women, or words of like effect, is referred to or designated by any statute, contract or other document, such reference or designation shall be deemed to apply to the Kansas correctional institution at Lansing.

History: L. 1983, ch. 284, § 1; July 1.

75-52,116. Work by inmates outside correctional institutions; compensation. (a) The director of any correctional institution, with the approval of the secretary of corrections, may extend the limits of confinement of inmates who are classified minimum security or less to work for any state agency, federal agency, city, county, school district or nonprofit organization organized for charitable purposes if such work is in furtherance of public service and public welfare or charitable objectives within the com-

munity and results in minimal negative impact on the private sector workforce. Such inmates shall remain under the legal custody of the secretary of corrections with the actual limits of confinement extended and without actual supervision of correctional officials. Those persons observing, supervising, managing, controlling and reporting back to correctional officials regarding such inmates in their work shall be agents of the state and of the secretary of corrections for that purpose only but shall not, solely by reason of the agency, have law enforcement powers.

(b) Compensation of inmates working pursuant to this section shall be normal inmate incentive pay rendered to other inmates working within correctional institutions pursuant to K.S.A. 75-5211 and amendments thereto.

History: L. 1984, ch. 307, § 1; L. 1988, ch. 350, § 1; April 28.

Cross References to Related Sections: Establishment of camps, see 75-5210.

75.52,117. Prerelease programs and centers. (a) The secretary of corrections is hereby authorized to establish a prerelease program under which inmates receive training and other services to better prepare themselves for release upon parole, conditional release or discharge from their maximum sentence.

(b) Within the limitations of appropriations available therefor, the secretary of corrections may establish and operate prerelease centers. Each prerelease center shall be used only for:

(1) The housing and confinement of minimum custody inmates during the period preceding their anticipated release upon parole, conditional release or discharge from their maximum sentence;

(2) the housing and confinement of those minimum custody inmates which the secretary determines are necessary to provide maintenance and other support services for the operation of the prerelease center; and

(3) the housing of paroled inmates who would benefit from the prerelease program, as determined by the secretary of corrections.

(c) No minimum custody inmate sentenced for committing a felony of a higher classification than a class D or E felony may be housed and confined at any prerelease center until the inmate has been in minimum custody status for 90 days or more, except that for good cause the secretary of corrections may make an ex-

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