

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:35 a.m. on January 22, 2003, in Room 123-S of the Capitol.

All members were present except: Senator Dave Kerr - excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Deb Hollon, Kansas Legislative Research Department
Audrey Nogle, Kansas Legislative Research Department
Robert Waller, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Don Moler, Executive Director, League of Municipalities
Randall Allen, Executive Director, Kansas Association of Counties

Others attending: See attached list

Chairman Morris opened the public hearing on:

SB 30--Appropriations for FY 2003, supplemental appropriations for various state agencies

Chairman Morris mentioned that normally the supplemental bill is handled in the subcommittee process throughout the session, which is what will be done with the majority of the supplemental bill, and recommended that rather than doing the whole supplemental bill, pull out parts of it and address four items separately. Staff briefed the committee by request of the Chairman regarding the following items currently contained in **SB 30 (Attachment 1)**:

1. Eliminate remaining FY 2003 payments for demand/revenue transfers - \$48.0 million
2. Do not repay loan from Kansas Department of Transportation - \$94.6 million
3. Special revenue fund transfers - \$35.1 million
4. Supplemental funding for the Board of Indigents' Defense Services - \$1.3 million

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Regarding Item Number 2, Chairman Morris mentioned that plans are to have the Kansas Department of Transportation come to a committee meeting regarding the status of the highway fund, how the loss of the demand transfers (FY 2002, FY 2003 and FY 2004) affects their operations of the highway plan and discuss other impact by the Governor's budget. Committee questions and discussion followed.

Senator Feleciano requested information from staff regarding Item Number 1 for a spreadsheet relating to demand transfers to local units of government going back five years including these actions, reflect the actions of the expenditures that should have gone back to the local units of government and the affect of the Governor's proposal.

Senator Salmans requested information from staff regarding other things that may have offset eliminating the remaining FY 2003 payments for demand/revenue transfers with local units of government and if there are additional funds they have actually received through other revenue sources.

Senator Schodorf moved, with a second by Senator Bunten, to recommend **SB 30** be amended by substituting a new bill to be designated as **Senate Substitute for SB 30** to include elimination of the remaining FY 2003 payments for demand/revenue transfers, not repay the loan from the Kansas Department of Transportation, special revenue fund transfers and supplemental funding for the Board of Indigents' Defense Services. Motion carried on a voice vote.

Don Moler, Executive Director, League of Kansas Municipalities, spoke in opposition to **Senate Substitute for SB 30** (Attachment 2). Mr. Moler expressed concern that the legislature allow the legal process to work and allow the Supreme Court of the State of Kansas to rule in this area in regard to current litigation. He noted that there are separation of powers issues involved and urged letting the court determine whether the Governor can reduce demand transfers pursuant to the allotment process when that is in direct contradiction to the process that the Legislature has established for reducing demand transfers.

Randall Allen, Executive Director, Kansas Association of Counties, spoke in opposition to **Senate Substitute for SB 30** (Attachment 3). Mr. Allen expressed concern with the issue of timing, the legislative affirmation of the Governor's reductions in demand transfers through **SB 30** could potentially render the legal questions before the Supreme Court moot, and delay closure on the issue. He noted that the separation of powers issues and its relation to the ability of locally elected officials to know which revenues are solid and which revenue streams are less certain are their central concerns.

Committee questions and discussion followed. The Chairman closed the public hearing on **Senate Substitute for SB 30**.

Copies were distributed to the committee from the Kansas District Judges' Association regarding support for the current year supplemental funding for the Board of Indigents' Defense Services (Attachment 4).

Senator Feleciano moved, with a second by Senator Barone, to introduce a bill to include the remainder of the contents of **SB 30**. Motion carried on a voice vote.

Bill Introductions

Senator Adkins moved, with a second by Senator Schodorf, to introduce a bill concerning retirement and

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pensions; relating to the Kansas public employees retirement system and systems thereunder; death and disability benefits (3rs0268). Motion carried on a voice vote.

Senator Jordan moved, with a second by Senator Jackson, to introduce a bill concerning crimes, criminal procedure and punishment; relating to aid to indigent defendants; application fee (3rs0270). Motion carried by a voice vote. Motion carried on a voice vote.

Senator Salmans moved, with a second by Senator Jackson, to introduce a bill concerning technical corrections regarding the emergency medical services board; related to financial support therefor (3rs0088). Motion carried on a voice vote.

Senator Downey moved, with a second by Senator Schodorf, to introduce a bill concerning the Kansas pet animal act; relating to seizure and impoundment of animals (3rs0229). Motion carried on a voice vote.

The meeting adjourned at 11:40 a.m. The next meeting is scheduled for January 24, 2002.