

Approved: \_\_\_\_\_  
Date April 20, 2000

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 24, 2000 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD  
Rae Anne Davis, KS Legislative Research Department  
Debra Hollon, KS Legislative Research Department  
Norman Furse, Revisor of Statutes  
Michael Corrigan, Asst. Revisor of Statutes  
Judy Bromich, Administrative Assistant to the Chairman  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

**HB 2605: Sub for H 2605 by committee on Kansas 2000 Select Committee--Kansas state historical society created as a new state agency, transferring statutory agency powers, duties and functions from not-for-profit corporation**

Senator Ranson expressed her opinion that changing the name of the state agency would help alleviate confusion between the state agency and the not-for-profit entity. Senator Ranson moved, Senator Morris seconded that Sub. for HB 2605 be amended by renaming the state agency the Kansas Department of History and Preservation. Senator Salisbury, Chair of the Special Committee on Organization and Structure of the State Historical Society, told members that the Special Committee believed that fund raising could be more effective if there was more distinction between the names and that a name change would place more emphasis on preservation within the state agency. She added, however, that this was one issue which had become "very emotional." The motion to amend carried on a show of hands.

Senator Salisbury moved, Senator Petty seconded, that the effective date of the act be changed from July 1, 2001 to July 1, 2000. The motion carried on a voice vote.

Senator Salisbury moved, Senator Petty seconded, that the "shall" be changed to "may" on page 3, line 25 of the bill. Senator Salisbury voiced her concern that without this amendment, the Governor would be limited to the three names submitted by the not-for-profit entity and would not have the ability to retain the current executive director. The motion to amend carried on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Petty that Sub. for HB 2605 as amended be recommended favorably for passage. The motion carried on a roll call vote.

**SB 639: Appropriations for FY 2001 for state agencies**

Alan Conroy, Chief Fiscal Analyst, KLRD, distributed and briefly reviewed the following documents:

- "House and Senate Committee Recommendations on Agency Appropriations" (Attachment 1) In discussing this item, Mr. Conroy noted that the House's adjustments to the Governor's recommendations included an increase in funding from the SGF (a result of their recommendation to fully fund base state aid per pupil at \$50.) and a decrease in "all funds" expenditures (due to their deletion of Childrens' Initiatives Fund monies from the budget for Omnibus consideration).
- "Senate Adjustments to Amended Governor's Recommendation" (Attachment 2)
- "House Adjustments to Amended Governor's Recommendation" (Attachment 3)
- "Comparison of Senate & House Adjustments to the Governor's Recommendation for FY 2001 (Attachment 4)

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- “FY 2001 Governor’s Budget Amendments Not Considered by Senate Committee (Attachment 5) Mr. Conroy told members that the item concerning the Department of SRS had been addressed. Senator Salisbury moved, Senator Jordan seconded that the Governor’s Budget Amendments (with the exception of SRS) be amended into SB 639. The motion carried on a voice vote.
- “Senate Items for Omnibus Consideration” (Attachment 6)

Reed Holwegner, KLRD, presented information on the State Water Plan Fund for FY 2000 and FY 2001 (Attachment 7).

Rae Anne Davis, KLRD, reviewed information on the Children’s Initiatives Fund (Attachment 8). The Committee concurred with making a technical adjustment to reflect that the Senate Committee Adjustment of \$500,000 was intended for the School District Reading Readiness Programs.

Rae Anne Davis also reviewed the status of the Economic Development Initiatives Fund (Attachment 9). It was noted that some of the recommendations made by the House had been addressed by the Senate in the Capital Improvements bill.

Alan Conroy distributed and reviewed copies of a document entitled “State General Fund Profile” (Attachment 10).

Senator Downey moved, Senator Petty seconded, that \$200,000 be shifted from other operating expenditures within the budget of the Department of Education to the reading and vision therapy research as described in Attachment 11. She told members that the costs associated with revising and giving new science tests in FY 2001 total \$255,000 and it would be her suggestion that the balance of \$55,000 remain within the Department of Education. She distributed copies of a response from Dale Dennis, Deputy Commissioner of Education, in regard to how the reappropriation would be used (Attachment 12). Members generally supported the results of vision therapy treatment, but expressed some concern about the funding source. Senator Downey withdrew her motion and Senator Petty withdrew her second. The Chairman noted that this item might be considered during Omnibus.

The Chairman told members that Senator Bond had requested \$30,000 for the State Treasurer to allow expenditures for hospitality in an effort to identify more unclaimed property. Senator Petty stated that the Department of Revenue has \$9,000 in unclaimed property which is not being used. Members discussed the funding source of the Unclaimed Property Expense Fund. Senator Petty moved, Senator Downey seconded that a proviso be added directing the Department of Revenue to check with the State Treasurer for unclaimed property that is owed to the Department of Revenue. The motion carried on a voice vote.

It was moved by Senator Salmans and seconded by Senator Lawrence that the State Treasurer be given authority in a proviso to spend up to \$25,000 from the Unclaimed Property Expense Fund for official hospitality. Staff noted that the state has a restriction against open receptions without specific authority in either an appropriations bill or in statute, and reviewed amounts other agencies had been given authority to use for official hospitality. Senator Ranson offered a substitute motion which was seconded by Senator Petty to recommend a proviso on the Unclaimed Property Expense Fund that up to \$10,000 might be spent for official hospitality. The motion carried on a voice vote.

Senator Ranson reviewed the “Final Report by the Senate Committee on Utilities” regarding oil and gas well plugging (Attachment 13). She advised members that **HB 2782** would be debated on the Senate floor later in the day and noted that the bill incorporates the recommendations of the Committee with the exception of those related to the bidding process and contractual costs (Attachment 13-5 & 6). In answer to a question about the potential lack of supervision of well plugging, Senator Ranson stated that **HB 2782** authorizes the use of well plugging fee funds for personnel expenses. Senator Ranson moved, Senator Morris seconded that the Kansas Corporation Commission section be amended to include two provisos:

- Recommend that the Division of Purchases require all plugging and remediation jobs, regardless of cost, to be competitively bid using the RFQ procedures that govern contractual amounts exceeding \$10,000
- Recommend that the Conservation Division and the Division of Purchases, in developing specifications, change the formula for compensation to contractors to a cost per well/flat fee basis

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for at least a twelve months period

and that the section be further amended to include the following recommendations:

- Contract out site supervision of plugging contractors to independent contractors
- Post information on opportunities for plugging contractors on KCC web site
- Send information on how to bid on state contracts to all licensed plugging contractors

The motion carried on a voice vote.

Senator Jordan moved, Senator Feleciano seconded that the section on the School for the Blind be amended to include language that would authorize the reappropriation of \$35,631 in FY 2001 to the Technology Lending Library. The motion carried on a voice vote.

Senator Jordan moved, Senator Salisbury seconded that the section on Human Resources be amended to include language regarding the subcommittee's concern and recommendations regarding data transmission within the Division of Workers' Compensation (Attachment 14). The motion carried on a voice vote.

Chairman Kerr distributed copies of an exhibit regarding **SB 653** (Attachment 15). He explained that he had worked with research staff to devise a plan that would incorporate Senator Petty's recommendations on March 23 without transferring the risk (inherent in not receiving the monies) from the Governor's proposal for education to the Medicaid Match. He explained the mechanics and advantages of the alternate plan, noting that if the intergovernmental monies are received, the new money in New No. 1 Fund would not be needed for Medicaid and could be used for education. If, however, the Intergovernmental Transfer monies are not received and the Medicaid Match Fund is insufficient, the Finance Council would release the monies from the New No. 1 Fund for Medicaid Match. He noted that by designating the monies a revenue transfer (to both the Medicaid Match Fund and the New No. 1 Fund) the ending balance in the SGF would not be affected. In answer to Senator Petty, staff explained that monies transferred to the Medicaid Match Fund would supplant SGF monies, and those "freed up" SGF dollars could be used for wage pass through. The Chairman noted that he would like to have a provision in **SB 639** to fund base state aid per pupil at \$50 and special education at 85% if the money becomes available, and this alternate plan would accomplish that.

It was moved by Senator Salisbury and seconded by Senator Lawrence that **SB 639** be amended by adopting the alternate (two fund) plan as outlined in Attachment 15 and including language that would designate the monies transferred from the Intergovernmental Transfer Monies and the SGF as revenue transfers, that necessary technical amendments be made to the bill, and that **SB 653** be amended to reflect the same transfer language. The motion carried on a voice vote.

Senator Salisbury offered a motion which was seconded by Senator Morris to recommend **SB 639** as amended favorably for passage. The motion carried on a roll call vote

The Chairman adjourned the meeting at 1:00 p.m. The next meeting will be March 27, 2000.