

MINUTES

LEGISLATIVE BUDGET COMMITTEE

November 4, 1976

The Legislative Budget Committee convened at 10:00 a.m. on November 4, 1976, in Room 510 of the State House. All members were present. Staff in attendance all or part of the time were Richard Ryan, Arden Ensley, Ed Ahrens, Phill Jones, Marlin Rein, and Jim Wilson.

Minutes of Previous Meetings

The minutes of the meetings held on September 9 and 30, 1976, were approved without change.

Proposal No. 47 - State General Fund

The staff presented an oral report on general fund receipts through October of FY 1977, based on preliminary figures for all taxes and interest earnings but excluding transfers, agency earnings and miscellaneous revenue. The tentative figures indicated that general fund receipts were about \$1.3 million, or six-tenths of one percent, below the budget estimate made last December and adjusted for 1976 legislative action.

Proposal No. 50 - Legal Defense of Government Employees

E. A. Mosher, executive director of the League of Kansas Municipalities, was present. He responded to questions about the position of local governments with regard to this proposal, in effect affirming his testimony on August 5.

The staff reported on its activities concerning Proposal No. 50 since it was last discussed by the Committee on September 9. Meetings were held with Don Hoffman, Chief Assistant Attorney General, relating to his testimony on August 5 and to various options that the Committee might want to consider, and with Fletcher Bell, Commissioner of Insurance, and members of his staff concerning the possibility of purchasing liability insurance, and estimated costs thereof, covering state officers and employees for actions against them arising within the scope of employment.

Next, the Committee reviewed a staff memorandum on basic policy questions relative to Proposal No. 50. After lengthy discussion, the staff was instructed to prepare a draft bill amending K.S.A. 75-4356 to:

1. Make it applicable to all local units of government and all officers and employees of both the state and local units, but do not make providing legal defense mandatory.
2. Authorize local units to pay for legal defense from either their general funds or from a special defense fund supported by a property tax levy not subject to rate limitations or to the tax lid.
3. Permit local units to pay judgments against their officers and employees for actions within the scope of employment by issuance of no-fund warrants, if the State Board of Tax Appeals finds that a local unit cannot make any such payment from existing resources.

The Committee also discussed various means of attempting to discourage the filing of spurious law suits against public officers and employees. One suggestion was to provide that court costs, including reasonable attorney's fees, shall be awarded to the defendant if the court determines that the case was spurious or brought in bad faith. No final decision was made on this matter.

Another item discussed but not resolved was whether or not a defendant employee should be required to reimburse the state or local unit for the cost of providing defense if a court or jury decides that the employee's action was outside the scope of employment.

Proposal No. 54 - State Personnel System

Conferees were Keith Weltmer, Secretary of Administration and Norman Hanson, Director of the Civil Service System Study Group.

Mr. Hanson presented and discussed a memorandum which outlined the executive staff's activities on Proposal No. 54 to date and its scheduled activities in November and December, problem areas most commonly cited during the course of the study, and some suggested actions. A copy of this memorandum is in the Committee notebook.

It was agreed that Mr. Weltmer and Mr. Hanson would present their report and recommendations to the Committee on December 7.

Architectural Services Advisory Committee

The Committee considered and voted to disapprove of a change order in the amount of \$57,419 re the material distribution system for the clinical facility (Phase K) at the KU Medical Center. It was the Committee's opinion that, while the proposed addition to the original contract might be desirable from the viewpoint of the Medical Center, the change is not essential.

Future Meetings

The Committee scheduled meetings on November 12, beginning at 9:00 a.m., and on December 7.

Prepared by Richard Ryan

Approved by Committee on:

11-12-76

Date