

Approved \_\_\_\_\_

3-26-87

Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntin at  
Chairperson

1:30 ~~xx~~/p.m. on Monday, March 16, 19 87 in room 514-S of the Capitol.

All members were present except: Representatives Wisdom and Vancrum

Committee staff present: Gloria Timmer, Legislative Research  
Diane Duffy, Legislative Research  
Jim Wilson, Revisors Office  
Sharon Schwartz, Administrative Aide  
Nadine Young, Committee Secretary

Conferees appearing before the committee:

Richard Funk, Kansas Association of School Boards  
Glenda Sherman, Board of Accountancy  
T. C. Anderson, Kansas Society of CPA's  
Clark Duffy, Kansas Water Office  
Guest List (Attachment 1)

HB 2324 -- concerning transfers from the state general fund to the state highway fund; making certain reductions and prescribing a termination date therefor; amending K.S.A. 79-34,147 and repealing the existing section; also repealing K.S.A. 79-34,148.

Representative Lowther, chief sponsor of the bill, presented it to the committee. The proposed legislation would reduce the amount of funds being transferred to the state highway fund and would be phased out in 1992. His contention is that the funds could be put to better use in other much needed programs. Representative Hamm expressed opposition to the measure and commented that the roads in western Kansas are in much need of repair and asked how would his people get from here to there if the roads are not maintained.

Richard Funk testified in support of HB 2324. He said that the Association of School Boards has for a number of years opposed any legislation that would transfer state general fund dollars to other state funds which are traditionally funded by user fees. This would begin to bring back the programs and policies of the Board.

Written testimony (Attachment 2) was provided by Johnson County, Kansas voicing their concerns about the impact of HB 2324, however no one appeared in person.

Chairman turned to HB 2549 - concerning the regulation and review of the practice of public accountancy; authorizing a positive enforcement program.

Diane Duffy explained the differences in HB 2549 and SB 128. SB 128 was introduced by joint committee of Rules and Regs, and HB 2549 originated in the subcommittee for the Board of Accountancy. SB 128 increases fees and sets forth regulations and rules for a positive enforcement program. It also sets forth a register of firms and allows a \$50 fee for the registration. The expenditures for the positive enforcement program would be about \$3600 and total revenue generated would be approximately \$33,785. HB 2549 does not allow as high a fee as does the senate version. The House bill eliminates the Board's responsibility to print and distribute an annual register of CPA's in the state.

Representative Duncan spoke to the issue. He said the two bills are basically identical except the Caps is higher in the senate bill and would give them more room for growth. He suggests that K.S.A. 1-202 concerning partnerships be amended into the Senate bill since it has already passed the Senate.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,  
room 514-S, Statehouse, at 1:30 ~~xx~~ p.m. on Monday, March 16, 19 87

Glenda Sherman, Executive Secretary of the Board of Accountancy appeared before the committee for the purpose of answering questions. She said the Board has not had a chance to meet since the section that would eliminate the register was introduced.

T. C. Anderson, Executive Director of Kansas Society of CPA's appeared in support of HB 2549 and SB 128 (see Attachment 3). He asked the committee's consideration of using the maximum fee schedule contained in SB 128. Additionally, he asked that the word "shall" be changed to "may", where it refers to printing an annual register. This change would permit the printing of such a register provided that funds are appropriated by the Legislature.

Chairman Buntin requested Representatives Duncan and Lowther to confer concerning the two bills and arrive at a compromise, and then report back to this committee tomorrow.

HCR 5021 - requesting Kansas Water Authority to prioritize the Water Plan budget requests.

Representative Chronister reviewed for the committee the background of this proposed resolution. The request was made by the Appropriations Committee at the time of the Water Authority's presentation.

Clark Duffy appeared as a proponent. He said that work is currently under-way to respond to the request. The Water Authority is in the process of conducting a series of public meetings in preparation for the priority list. The Board is scheduled to meet March 24, after which time the priority list will be provided.

Representative Chronister moved that HCR 5021 be adopted. Seconded by Representative Hoy. The motion carried.

HB 2137, relating to interpreter services was brought up for final action. Representative Heinemann reported for the subcommittee. They agreed that the language contained in the bill is ok, however they suggest addition of language as follows: In line 55, "and agencies" should be stricken; in Line 57, strike "and" and insert in lieu thereof "or such agency, except that, in the case of any proceeding instituted by a county attorney or district attorney, such fee may be paid out of funds appropriated for the operation of the office of the county attorney or district attorney. The court or agency conducting the proceeding".....

The amendment would provide for one more option on how to budget for this expense. Representative Heinemann moved for adoption of the amendment, seconded by Representative Solbach. The motion carried.

Chairman Buntin told the committee that funding for HB 2137 would be coming from the agencies' budgets. He said it's difficult at this time to establish a fiscal note, however it is estimated that the cost would be no more than \$5,000 per year. Representative Heinemann moved that HB 2137, as amended, be recommended favorable for passage. Seconded by Representative Solbach. Motion carried.

HB 2548 - hearing for this bill was stricken from today's agenda at the request of Henry Schirner, Chairman of the Board of Technical Professions. It will be rescheduled after the Board has had an opportunity to meet. The request was made through Representative Helgerson who concurs with the request.

On the Minutes for March 9, 10 and 11, Representative Chronister moved that they be approved. Seconded by Representative Brady. Motion carried.

Meeting adjourned at 3:00 p.m.

GUESTS

Date 3-16-87

Name

Address

Representing

Carol Taylor

2700 W. 6th  
Topeka, KS 66606

Kansas Commission  
for the Deaf & Hearing Impaired

Ray Petty

Topeka

KACEH/DHR

Darlene Hammon

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RON CALBERT

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W. J. U.

Edward R. DeSoignie

Topeka

Ks. Dept. of Transportation

Charles Dodson

TOPEKA

KADE

Glenda Sheema

Topeka

Board of Accountancy

Richard Lunk

Topeka

KVSO

Chris Wheeler

Topeka

McGill & Associates

Phil Anderson

"

BUDGET DIVISION

**Johnson County Comments on the Fiscal Impact of House Bill 2324.**

Johnson County would like to take this opportunity to comment on the above-referenced bill. Johnson County will be unable to have a representative at Monday's hearing, but it is hoped that the committee will consider these comments as this and other measures that affect local governments in Kansas are discussed.

Johnson County's concerns with this bill are twofold. First, of course, is that funds local governments receive from the state that have been generated by local taxpayers and returned to local governments would be reduced. This will have the effect of forcing local governments to further rely on the property tax at a time when well-managed local governments are trying to broaden their revenue bases and stabilize ad valorem tax rates. House Bill 2324 will have an impact on Johnson County's revenue of over \$300,000 in 1987 and \$1.1 million in 1988. To replace the loss of these funds in the County's 1988 budget planning would require a mill levy increase of over 1.1 mills.

The second concern is the timing of this and any other bills that may affect local governments' budgets. Budgets for local governments in Kansas for the coming calendar year must be filed with county clerks' offices by August 25th of the preceding year. Because the state is in a position to estimate its payments to local governments, the 1987 budget estimates for the revenue sources affected by House Bill 2324 were made based on information received last summer from the state. To reduce these payments in the current calendar year, long after the time for budget planning has passed, is patently unfair, since local governments relied on state estimates to budget these revenues in the first place. It is recommended that implementation of any bills having revenue impacts on local government be timed to coincide with the beginning of local governments' next calendar and fiscal year; i.e., January, 1988.

Also please note that local governments are not permitted the luxury of openly budgeting surplus ending balances for reserves as the state does. The intent of this and other bills affecting local government revenues seems to be to build the state's 1987-88 ending balances to have sufficient reserves to respond to emergencies. It is unfortunate that the state's problems with its own fiscal integrity may cause many local governments to lose their own ability to respond to similar emergencies in their local economies.

Johnson County recognizes that the State of Kansas has some serious financial problems, and the county believes local governments are willing to bear their fair share of the load, if they are allowed sufficient time to do responsible budget planning.

Gerry Ray  
Johnson County, Kansas  
Courthouse Square  
Olathe, Kansas 66061  
March 16, 1987

Attachment (2)



# Kansas Society of Certified Public Accountants

FOUNDED OCTOBER 17, 1932

400 CROIX / P.O. BOX 5654 / TOPEKA, KANSAS 66605-0654 / 913-267-6460

KANSAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

March 16, 1987

RE: HB 2549 and SB 128

Mr. Chairman and members of the House Appropriations Committee. My name is T. C. Anderson. I am the Executive Director of the Kansas Society of Certified Public Accountants.

I appear before you today to support the concepts contained in nearly identical bills SB 128 and HB 2549.

I would, however, ask your consideration of using the maximum fee schedule contained in SB 128 part (1) of Sec. 2 K.S.A. 1-301. These fees are charged those applicants taking the uniform CPA examinations. Now that it is proposed the Rules and Regulations Committee as well as this Committee will have oversight as to what shall be charged, the use of the higher figure should allow of the Board to cover its expenses associated with the exam for some time.

Secondly, HB 2549, amends K.S.A. 1-202 by eliminating the requirement that the Board shall print an annual register. We would ask that this wordage be restored and the word "shall" be changed to "may".

Such a change would permit the printing of such a register if the legislature appropriated funds for it.

Thank you for allowing me this opportunity to appear before you and I would stand for any questions.

Attachment (3)