

Approved March 30, 1988
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at
Chairperson

11:00 a.m. ~~P.M.~~ on March 8, 1988 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Scott Rothe, Russ Mills, Laura Howard, Lynne Holt,
Paul West

Revisor's Office: Norman Furse

Committee Office: Judy Bromich, Pam Parker

Conferees appearing before the committee:

INTRODUCTION OF BILLS

Senator Talkington moved, Senator Feleciano seconded, the introduction of the following bills:

7 RS 2637 - Department of Corrections; imprest funds.

7 RS 2673 - Secretary of Corrections authorized to lease land for production of oil, gas and other minerals.

7 RS 2636 - Authorizing payment for medical services for inmates not submitted within fiscal year in which services rendered.

The motion carried on a voice vote.

Senator Johnston moved, Senator Gannon seconded, the introduction of 7 RS 2642, tax levies authorized for county health purposes. The motion carried on a voice vote.

Staff distributed and reviewed information regarding the Governor's recommendations pertaining to the Economic Development Initiatives Fund (EDIF). Staff also reviewed the State General Fund dollars recommended by the Governor for the Department of Commerce, FY 1989, projects from the EDIF. One opinion expressed was that, based on the Redwood-Krider report, those who were involved in organizing the economic development activities in Kansas tried to focus resources and have a more clearly defined, narrow focus in the creation of jobs. It was pointed out that the Economic Development Commission which wrote the bill creating Kansas, Inc. also drafted the EDIF allocation bill. This has a direct bearing on the weight which should be given the recommendations of Kansas, Inc. on how to expend the EDIF from the lottery. In the spirit of compromise it was conceded that some of the projects have job related activities such as the Galena clean-up and the Hillsdale Reservoir projects. He felt it was up to the Department of Commerce and those in charge of the water projects to make the case for those projects. He suggested eliminating the EDIF money from all of the various bills except the \$4 million in water projects and replace that with \$3 million of EDIF money appropriated to the Department of Commerce in a special fund, a job development water project fund. The Department of Commerce, through consultation with Kansas, Inc., Kansas Water Authority and DH&E, should make the decision about funding those projects on the basis of an analysis of the impact on job development. With respect to the rest of the EDIF money, the proposal was offered to have the standing Joint Committee on Economic Development meet on a regular basis, as does the Joint Committee on State Building Construction, to make recommendations to the legislature on the allocation of those funds. He did not feel the formula should be changed this year.

The feeling was expressed that the funds belong to the people of the

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

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state of Kansas along with concern that oversight should not be with a body of nonelected people.

Another Committee member thought economic development was purposely defined in very broad terms so it could include water and other projects. It was not expected by Kansas, Inc. that the legislature would agree totally with their recommendations.

In the opinion of another, it was felt the law is clear. It is open, in this case for the Governor, for definition of these projects as economic development and recommended funding from the EDIF. He questioned whether the Governor felt natural resources projects are economic development, whether the natural resources projects can compete with other projects, or whether the Governor would not have wanted a redefinition of natural resources projects and allocate a percentage of the EDIF to fund it. Concern was expressed about what projects were eliminated in the budget process and the fact that a fuller explanation was lacking on all of the projects.

Concern was expressed in earmarking lottery funds. It was pointed out that job development is only one aspect of the whole economic development picture and job maintenance is equally important on into the unforeseeable future.

It was pointed out that the legislature is guided by a law which was passed with respect to allocation of EDIF money and with respect to the duties of Kansas, Inc. It was noted that the suggestions of Kansas, Inc. are not lightly thought up.

It was stated that two years ago it was easy to design a framework for economic development because dollars were not available for funding at that time. This Committee member stated that the appropriate question was not whether \$4 million is appropriate to take out of the EDIF for water, but rather have the targeted initiatives been appropriately funded. One example of not properly funding economic development was in not increasing the staff for K-TEC. It was pointed out that the Seed Capital program, in his opinion, would be a waste of money without at least a modest staff to help run that fund.

A Committee member stated he agrees with the Governor that water projects must be funded, he just disagrees with where the money should come from. We should follow through on the commitment and funding recommendations by Kansas, Inc. Funding for natural resource programs should come from the SGF and, if necessary, sacrifice elsewhere.

Senator Feleciano made a motion to remove the requested EDIF money from the Department of Health and Environment and Department of Wildlife and Parks' water projects and replace it with SGF money. Senator Johnston seconded the motion. During discussion the appropriateness of some of the projects and required funds was questioned. The motion failed on a voice vote.

Senator Winter moved to delete funding for the water projects in the appropriations bills and when the Committee deliberates the budgets of the Department of Commerce or the Kansas Water Authority to reinsert the \$3 million. Senator Kerr seconded the motion. Following discussion, the motion failed on a voice vote.

Senator Winter moved, Senator Kerr seconded, to delete \$1 million for the Saltwater Contamination Clean-up natural Resource project from the Committee Report on DH&E and leave \$250,000 in the project. The motion failed on a voice vote.

PASSAGE OF APPROPRIATION BILLS

Senator Werts moved, the approval of the Senate Subcommittee Report on Page 2 of 3

CONTINUATION SHEET

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SB 550 and SB 571 sections pertaining to Department of Administration, State Finance Council, Department of Wildlife and Parks, State Corporation Commission, and State Historical Society. The motion was seconded by Senator Talkington and passed on a voice vote.

Senator Werts moved, Senator Talkington seconded, that SB 550 be reported favorably for passage as amended. The motion carried on a roll call vote.

Senator Winter moved, Senator Feliciano seconded, to amend the Committee Report regarding SB 572 to appropriate \$10,000 from the SGF to the Department on Aging for the Silver Haired Legislature with a proviso that the money be released only when sufficient matching private funds have been raised. The motion failed.

Senator Talkington moved, Senator Gaines seconded, the adoption of the Senate Subcommittee Report on SB 571 and SB 572 sections pertaining to Department of Revenue - Homestead Property Tax Refunds, Department of Social and Rehabilitation Services, Department of Health and Environment and Department on Aging. The motion carried on a voice vote.

Senator Talkington moved, Senator Harder seconded, to recommend favorably for passage SB 572 as amended. The motion carried on a roll call vote.

Senator Harder moved, Senator Johnston seconded, the deletion of the Department of Corrections from SB 571, the Supplemental Appropriations Bill. The motion passed on a voice vote.

Senator Talkington moved, Senator Harder seconded, to amend the Senate Subcommittee Report on SB 571 to include the addition of position limitation for 16 nurses at Topeka State Hospital for FY 1989 without any funding and \$113,000 for FY 1988, 12 nurses at Osawatomie State Hospital in FY 1988, and 18.5 at Larned State Hospital. The motion carried on a voice vote.

Senator Talkington moved, Senator Harder seconded, the adoption of the Senate Subcommittee Report on SB 571. The motion carried on a voice vote.

Senator Werts, as a member of the Kansas Commission on the Bicentennial of the U.S. Constitution, moved, Senator Gaines seconded, to recommend \$50,000 from SGF for the Commission in SB 571. The motion carried on a voice vote.

Senator Werts moved, Senator Talkington seconded, to delete the Department of Corrections from SB 551 and report it favorably, as amended. The motion carried on a roll call vote.

Senator Feliciano moved, Senator Talkington seconded, the adoption of the Senate Subcommittee Report on SB 571, SB 542 and SB 551 with sections pertaining to Adjutant General, State Fire Marshal, Kansas Parole Board, and Corrections Ombudsman Board. The motion carried on a voice vote.

Senator Talkington moved, Senator Feliciano seconded, the recommendation to report SB 551 and SB 571, as amended, favorably for passage. The motion carried on a roll call vote.

The meeting was adjourned.

