

Approved: 4-10-97
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 1:25 p.m. on March 26, 1997 in Room 514-S of the Capitol.

All members were present except: Representative McKechnie - Excused
Representative Weber - Excused
Representative Kejr - Excused
Representative Helgerson - Excused

Committee staff present: Julian Efird, Stuart Little, Legislative Research Department;
Jim Wilson, Mike Corrigan, Revisor of Statutes Office;
Marcia Ayres, Appropriations Secretary; Helen Abramson, Administrative Aide

Conferees appearing before the committee: Ms. Betty McBride, Division of Vehicles
Ms. Eileen King, Riley County Treasurer
Mr. Mike Billinger, Ellis County Treasurer
Mr. Gary Watson, Trego County Treasurer
The Honorable Joe Humerickhouse, Representative, 59th District
Mr. D. Scot Loyd, Municipal Auditing Accountant
The Honorable Chris Steineger, Senator, 6th District
The Honorable Don Myers, Representative, 82nd District
Mr. Mike Hall, Chief of Police, Pittsburg, Kansas
Ms. Kelly Feyh, Assistant Attorney General

Others attending: See attached list

A motion was made by Representative Farmer, seconded by Representative Holmes, to reconsider further action on SB 43. Discussion. The motion carried.

A motion was made by Representative Holmes, seconded by Representative Neufeld, to further amend SB 43 by inserting the appropriation of additional operating expenditures for investigation and litigation regarding interstate water rights contained in HB 2518. Discussion. The motion carried. Representative Spangler recorded as voting no.

A motion was made by Representative Holmes, seconded by Representative Pottorff, to pass SB 43 as further amended. The motion carried. Representative Spangler recorded as voting no.

Hearing on SB 125 - Motor vehicle registration and title fees; deposit in county general fund

Ms. McBride. Betty McBride, director of the division of vehicles, appeared in support of **SB 125** because of the close working partnership between the division of vehicles and the county treasurers in providing services to Kansas citizens. (Attachment 1)

Ms. King. Eileen King, president of the Kansas County Treasurers' Association, spoke in support of **SB 125** as amended in recognition of the concern over the Special Auto Fund. (Attachment 2)

Mr. Billinger. Mike Billinger, Ellis County treasurer, appeared on behalf of the Kansas County Treasurers' Association to request support of **SB 125** with its proposed amendments even though he believes the present system to be a time-tested system that makes good sound business sense. (Attachment 3)

Mr. Watson. Gary Watson, vice president of the Kansas County Treasurers' Association, testified in support of **SB 125** as proposed because the language creates more accountability and still preserves the fund for what it was originally intended. (Attachment 4)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on March 26, 1997.

Representative Humerickhouse. Representative Humerickhouse appeared to support the concept of **SB 125** as it was originally drafted and encouraged the committee to amend it back to the original form. (Attachment 5)

Mr. Loyd. Scot Loyd, certified public accountant in McPherson, spoke in opposition to the amended **SB 125** because it does not address weaknesses under the current special auto fund law. (Attachment 6)

Some questions followed after which the hearing on **SB 125** was recessed so the chairman could recognize Senator Steineger to testify on **SB 256** before the Senate went into session.

Senator Steineger. Senator Steineger spoke in support of **SB 256** which is about campus security. He was interested because of some amendments that would affect the KU Medical Center in Wyandotte County. Currently, the KU Medical Center police only have jurisdiction on university property. **SB 256** as amended would allow the campus police to work out mutual agreements with the local police to have full law enforcement powers in certain areas that they patrol.

A few questions were asked and then the Chair recognized Representative Don Myers to testify on **HB 2132**.

Representative Myers. Representative Myers spoke in support of **HB 2132** which would add another exception to the 12-month state educational residency requirement. The bill was narrowly crafted to apply only to those few young people who meet very strict requirements and wish to return to complete graduate school in Kansas. (Attachment 7)

Questions followed. The Chair then recognized Mr. Loyd to finish answering questions on **SB 125** after which the hearing was closed. Chairperson Kline reminded the members they are due on the House floor at 2:00 p.m.

Hearing on SB 256 - Jurisdiction of university police officers

Mr. Hall. Mike Hall, chief of police in Pittsburg, Kansas, appeared on behalf of all the chiefs of police in cities that have Regents' universities. They support **SB 256** because the bill would help them provide better service; especially in those areas around the universities where there are students who don't recognize the difference between city and university police.

Ms. Feyh. Kelly Feyh, assistant attorney general, appeared in support of **SB 256** and distributed testimony written by Deputy Attorney General Julene Miller giving background information on the CAMPUS Task Force recommendations which include this bill. (Attachment 8)

There being no other conferees, the hearing was recessed at 2:00 p.m. until adjournment of the House. Chairperson Kline later adjourned the committee meeting from the House floor.

The next meeting is scheduled for March 27, 1997.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: March 26, 1997

NAME	REPRESENTING
Kelly Jayh	AG's Office
Julienne Marlow	AG office
Donna Shultz	Putt Co. Treasurer
Gita Line	Shawnee County
Dorothy L. Hunter	Jord County TREASURER
Dana McDaniel	Anderson Co. Treasurer
Lynn Scanlon	Jewell Co Treasurer
MIKE BILLINGER	ELLIS CO. TREASURER
Sally Watson	Jrego Co. Treasurer
Eileen King	Riley Co. Treas.
Danell Mason	PSA POLICE
MIKE HALL	Pittsburg POLICE
Roger Frazier	KGC
Brenda Becker	M'Pherson Co. Treas.
Jo Ann Raaf	Coffey Co Treasurer
Don Myers	Leg.
Joe Jossard	KU
JIM DENNE S	KU

Betty McBride, Director of Vehicles
Kansas Department of Revenue
915 SW Harrison St.
Topeka, KS 66626-0001



(913) 296-3601
FAX (913) 296-3852
Hearing Impaired TTY (913) 296-3909

Division of Vehicles

MEMORANDUM

TO: Representative Phil Kline, Chairperson
House Appropriations Committee

FROM: Betty McBride, Director
Division of Vehicles

DATE: March 26, 1997

SUBJECT: Senate Bill 125

Mr. Chairman, Members of the Committee:

I am Betty McBride, Director of the Kansas Division of Vehicles. I appreciate the opportunity to appear before you today, regarding Senate Bill 125.

Senate Bill 125 is of vital interest to the Division because of the close working partnership between the Division of Vehicles and the County Treasurers. County Treasurers serve as agents for the State in providing a variety of services to Kansas citizens throughout the state.

Counties have issued registrations and vehicle tags in county offices since 1929. During this process, they also collect sales tax due on vehicles registered. They collect millions of dollars in state revenue each year, which is credited to the State Highway Fund. The level of service they provide their citizens and the manner in which they administer the required duties for the State is beyond reproach.

In an effort to streamline processes, in 1991, the State of Kansas made the decision to close low volume Driver License stations. A total of 41 exam stations throughout the state were closed. The outcry from county citizens and legislators, whose offices were closed, was dramatic. I became Director during this hectic time. A determination was made to survey County Treasurers located in these counties and ask if they would consider assuming this responsibility and provide driver license service to their county citizens at the County Treasurers office. The response from Treasurers was outstanding. Thirty nine of the forty one counties involved agreed to assume the additional responsibility of issuing renewal driver licenses and ID cards without personal or county compensation. In many instances, the counties themselves absorbed the cost to provide these extra services. The number of Treasurers offering this service has increased, and we now have 60 County Treasurers issuing renewal driver's licenses and ID cards. Assuming these duties has also brought about additional responsibilities mandated by Federal legislation, such as accepting Motor Voter Registrations, and more recently, administering the record opt-out procedure. licenses and to allow CDL renewal testing in their offices.

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Attachment 1

In February, we began requesting that County Treasurers issue Driver Education student licenses and to allow CDL renewal testing in their offices.

Mr. Chairman, members of the Committee, I am making you aware of the State services provided by the County Treasurers with the hope that when the Committee studies Senate Bill 125, and a decision is made, the State functions, training, staffing, supplies and other requirements made by the state of County Treasurers, will continue to be top priority, and the Division will be assured that the current level of customer service to Kansas citizens is continued. The state's partnership with County Treasurers is vital. Loss of service from these offices would result in major increases in the Division's budget, increases in FTE's, and loss of service to Kansas citizens.

Thank you again for allowing me to appear today. I would stand for questions at this time.



KANSAS COUNTY TREASURERS' ASSOCIATION

OFFICERS:

EILEEN KING
RILEY COUNTY
President

GARY WATSON
TREGO COUNTY
Vice President

LARRY TUCKER
RENO COUNTY
Secretary

KATHY TREMONT
GEARY COUNTY
Treasurer

To: The Honorable Phil Kline, Chairman
House Appropriations Committee Members

From: Eileen King, ^{JK} President Kansas County Treasurers' Association

Date: March 26, 1997

Re: Senate Bill 125

Chairman and members of the committee. Thank you for allowing me the opportunity to speak to you today.

My name is Eileen King, Riley County Treasurer and President of the Kansas County Treasurers' Association. In recognition of the concern over the Special Auto Fund, our association offered the amended version of SB125. At our annual association legislative meeting last month, our association voted unanimously to support this amendment.

This wording was derived from K.S.A. 19-503 which states the duties of a County Treasurer and limitations to which they are subject. In 1991, our association and the Municipal Accounting Section developed a manual to assist with the Special Auto Fund expenditures, but compliance was advisory rather than mandatory. Now we are asking that these amendments be added to the Special Auto Fund in order to give some authority to our guidelines.

With respect to the Motor Vehicle operations, the **County Treasurer is an agent of the state** rather than a county official. Since the motor vehicle operation is NOT a county function, it is questionable whether County Commissioners would place this high on a priority list with county functions that are already competing for funding.

The history of the Special Auto Fund dates back to 1937. Others here will give you some background on this fund. The intended use of this fund, as stated under current law "is for the use of the county treasurer in paying for necessary help and expenses incidental to the administration of duties." The Kansas County Treasurers' Association does not condone inappropriate expenditures of this fund. Every year the Special Auto fund is audited in conjunction with the annual county audit. Any inappropriate expenditures are pointed out in the auditors report and management letter. Upon receipt of this report it is up to the people in that county to say if the expenditure in question was acceptable or not and what action should be taken.

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On February 28, 1997, Linda Peterson, President of the Kansas County Commissioners Association, sent out a memo asking for input from County Commissioners on SB125. All of the counties that responded said they did not have a problem with SB125 as amended. She only heard from one county that was having a problem, but they weren't willing to testify. Ms. Peterson has sent me copies of the letters that she received to use as testimony from county commissioners. I have enclosed copies of these letters with my testimony.

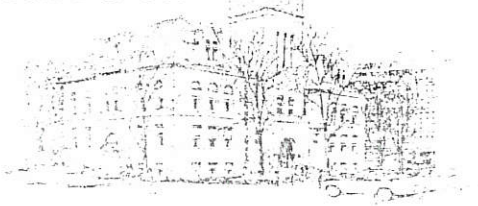
As an association, our foremost responsibility and priority is to serve the public. The Special Auto Fund ensures county treasurers the ability to continue providing a quality level of service. We would appreciate your support of SB125 as amended. I would be glad to stand for any questions.

RILEY COUNTY
BOARD OF COUNTY COMMISSIONERS

COMMISSIONERS

JIM WILLIAMS
RUSSELL A. FREY
BOB NEWSOME

Riley County Office Building
110 Courthouse Plaza
Manhattan, Kansas 66502
(913) 537-0700 or 537-6300



March 13, 1997

Linda Peterson, President
Kansas County Commissioners Association
P.O. Box 219
Marion, KS 66861

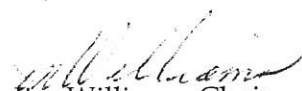
Dear Commissioner Peterson:

We have just become aware of Senate Bill 125 regarding the Special Auto Fund. The current system is working very well in Riley County. Riley County's Treasurer has always budgeted the monies in the fund and has made the budget available to us even though this is not required. In Riley County, we have a very good working relationship between ourselves and the Treasurer. Since the money generated in this fund is for the purpose of operating the motor vehicle department which is a state function, we are not interested in having the Special Auto Fund compete with the county funds for scarce county resources. Every year the Treasurer turns over any unspent auto special funds to the general fund. We have a copy of the Special Auto manual and we feel that Riley County's Treasurer is complying with these policies.

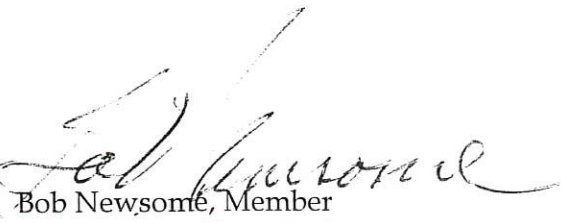
Our auditors have not found any problems in this fund. We do not feel that there is a problem, but we do understand that some counties have problems in this area. For us, the current system is fine and does not need to be changed. However, we do support Senate Bill 125 *as amended*. The Treasurer would maintain the funds for use in the operation of the motor vehicle department, but it would make it clear that all county purchasing, personnel and other policies would still be applicable. This bill also outlines penalties for failure to follow those policies.

While we do not feel that any changes are necessary in the operation of the Special Auto Fund, we would support SB125 as amended by the Kansas County Treasurers Association.

Sincerely,


Jim Williams, Chair
Riley County Commission


Russell Frey, Member
Riley County Commission


Bob Newsome, Member
Riley County Commission

/cwc



March 25, 1997

House Appropriations Committee

Room 514 S

Re: S. B. 125

This is to advise the House Appropriations Committee the Butler County Commissioners have read the amended version of S. B. 125 and we do support it in its entirety.

We do not want the bill to be returned to the original version.

Ronald Roberts
Ronald Roberts
Chairman of the Board

Neal Parrish
Neal Parrish

Linsey Cutsinger
Linsey Cutsinger



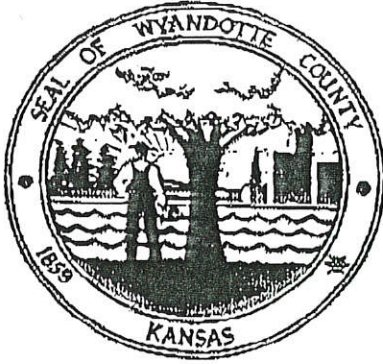
FAX		DATE 3-25-96	# PAGES 1
TO <i>Eileen</i>	FROM <i>Beverly</i>		
CO. <i>Riley Co. Treas</i>	CO. BUTLER COUNTY, KS		
FAX # <i>1-913-537-6326</i>	FAX # 316-321-1011		

MESSAGE

Ronald Roberts, 1st District
505 Allison, Andover, KS 67002

Neal Parrish, 2nd District
1716 Fairway Dr., Augusta, Kansas

Linsey Cutsinger, 3rd District
520 N. Emporia, El Dorado, Kansas



OFFICE OF
BOARD OF COUNTY COMMISSIONERS

WYANDOTTE COUNTY COURT HOUSE

710 N. 7TH STREET

KANSAS CITY, KANSAS 66101

PHONE (913) 573-2827

FAX (913) 321-0237



March 25, 1997

NANCY W. BURNS
COMMISSIONER 1ST DISTRICT
VERDIS J. ROBINSON
COMMISSIONER 2ND DISTRICT
JAMES T. YOAKUM
COMMISSIONER 3RD DISTRICT

House Appropriations Committee
State Capitol
Topeka, Kansas 66612

RE: S.B. 125

Dear Members of the House Appropriations Committee:

Please accept this correspondence as testimony that the county commissioners of Wyandotte County currently find the structure and administration of the *Special Auto Fund* in the Wyandotte County Motor Vehicle Department acceptable and well within the stringent financial guidelines set forth for all other Wyandotte County funds.

The Wyandotte County *Special Auto Fund* has consistently, for a number of years, been subject to the following:

1. The Wyandotte County Motor Vehicle Department does prepare an annual budget including salary and equipment expenditures. Additionally, this budget is made available to the county commissioners.
2. Surprise audits, conducted by out-side auditors are performed on at least an annual basis.
3. Employees of the Wyandotte County Motor Vehicle Department do follow the personnel policies as established by the board of county commissioners.
4. All county purchasing policies are followed by the Wyandotte County Motor Vehicle Department.

We are in full support of SB 125 as amended with the suggestions made by the Kansas County Treasurer's Association, and ask you to do the same.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
WYANDOTTE COUNTY, KANSAS

Nancy W. Burns
Nancy W. Burns, Chairman

Verdis J. Robinson
Verdis J. Robinson, Member

James T. Yoakum
James T. Yoakum, Member

NWB/NJR/JTY:jl

GOVE COUNTY


3-24-1997

Gove County Commissioners
Gove, KS 67736

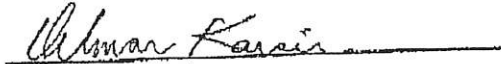
To whom it may concern,

We the Board of Gove County Commissioners agree with the structure of Senate Bill 125 as proposed by the Kansas County Treasurers Association. At this time we have not had any problems with the way the Special Auto fund has been handled in our county.

Dated this 24th day of March, 1997.


Frank Schwarzenberger


Ralph Ostmeier


Delmar Kaiser

Pratt County

P. O. Box 885 (316) 672-4110
Pratt, Kansas 67124

County Commissioners
Charles F. Rinke, 1st Dist
Ramon Parker, 2nd Dist
Lothair Dauner, 3rd Dist

Office of the County Clerk
Alma Walker, Clerk

March 10, 1997

Linda Peterson
KCCA President
700 SW Jackson, Suite 805
Topeka, Ks 66603

Dear Commissioner Peterson:

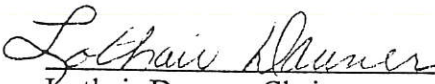
The Pratt County Board of Commissioners appreciate the opportunity to express our opinions on SB125.

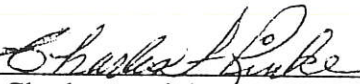
We wish to go on record as supporting SB125 as passed out of the Senate with the amendment introduced and recommended by the Kansas County Treasurer's Association. Pratt County has operated under the current K.S.A. 8-145 for many years with no budgetary or management quandaries arising with the Special Auto Fund. The procedures established in Pratt County for the operation of the Auto Fund by our county treasurer have kept the fund very effective. All expenditures from the Special Auto Fund are subject to the purchase procedures set forth by the county policies. All hiring and firing of employees follow the personnel handbook and county pay plan. The Auto Fund is also regulated by the County Treasurer's Special Auto Fee Fund Handbook. This book was prepared using Kansas Statutes, by a task force of representatives from the County Treasurer's Association and County Commissioners Association and the Municipal Accounting Section.


We feel the communication, operation and use of this fund have been very effective, open and efficient. The implementation of SB125 as passed out of the Senate would continue to allow the county treasurer the ability to manage her office to the benefit of the taxpayers, the State Director of Vehicles and to Pratt County. Pratt County has experience of operating under the amendment in SB125 for many years. We feel the current language in SB125 gives the statute the authority for counties to use the Special Auto Fund effectively, while eliminating the isolated issues that some counties have had to deal with on the local levels.

Thank you for the opportunity to submit our opinions on SB125.

Sincerely,
Pratt County Board of Commissioners


Lothair Dauner, Chairman


Charles F. Rinke


Ramon Parker

County of Jackson, State of Kansas

Courthouse - 400 New York
Holton, Kansas 66436



JOHN T. GRAU, SOLDIER
FIRST DISTRICT COMMISSIONER

ELLEN SCHIRMER, HOLTON
SECOND DISTRICT COMMISSIONER

ROY OGDEN, MAYETTA
THIRD DISTRICT COMMISSIONER

To: Senator Janice Hardenburger, Chairperson
Senator Election & Local Government Committee Members

From: Jackson County Board of County Commissioners

RE: SB 125

Date: March 10, 1997

Madam Chairperson and Committee Members:

The Jackson County Board of County Commissioners appreciates the opportunity to express our opinion of SB 125.

Jackson County has operated under the current K.S.A. 8-145 for many years with no budgetary or management quandaries arising with the County Auto Fund. The current system works well in Jackson County. The procedures established in our county for the operation of the fund by our county treasurer has kept the fund effective, and the board informed the funds status. All bills are subject to the purchase procedures set forth by the county policies and are paid through county warrants upon approval by the board of county commissioners. All hiring and firing of employees follow the personnel handbook. The fund is also regulated by the County Treasurers' Special Auto Fee Fund Handbook. This book was prepared using Kansas Statutes by a task force of County Treasurer's and the Municipal Accounting Section.

The communication, operation and use of this fund have been very effective, open and efficient. It allows the county treasurer to manage her office to the benefit of the taxpayers, the State Director of Vehicles and to Jackson County.

We wish to go on record with the Legislature as endorsing SB 125 with the amendments introduced

and recommended by the Kansas County Treasurer's Association. Jackson County has experience operating under the proposed amendments for many years. We feel it gives the statute the authority for counties to use the Special Auto fund effectively while eliminated the isolated issues that some counties have had to deal with on the local levels.

Thank you for the opportunity to submit our ideas.

**BOARD OF COMMISSIONERS
JACKSON COUNTY, KANSAS**



JOHN GRAU, Chairman



ELLEN SCHIRMER, Member

ROY OGDEN, Member

cc: Linda Peterson, President of KCCA

Anderson County Court House



100 EAST FOURTH • GARNETT, KANSAS 66032

COUNTY
CLERK
913-448-6841

COUNTY
TREASURER
913-448-5824

REGISTER
OF DEEDS
913-448-3715

COUNTY
SHERIFF
913-448-5428

To: Senator Janice Hardenburger, Chairperson
Senate Election & Local Government Committee Members

From: Anderson County Board of County Commissioners

RE: SB 125

Date: February 18, 1997

Madam Chairperson and Committee Members:

The Anderson County Board of County Commissioners appreciates the opportunity to express our opinion of SB125.

Anderson County has operated under the current K.S.A. 8-145 for many years with no budgetary or management quandaries arising with the County Auto Fund. The current system works well in Anderson County. The procedures established in our county for the operation of the fund by our county treasurer has kept the fund effective, and the board informed of the funds status. For several years the county auto fund has been budgeted and presented to the Board with the other county budgets. All bills are subject to the purchase procedures set forth by the county policies and are paid through county warrants upon approval by the board of county commissioners. All hiring and firing of employees follow the personnel handbook and county pay plan. The fund is also regulated by the County Treasurers' Special Auto Fee Fund Handbook. This book was prepared using Kansas Statutes by a task force of County Treasurer's and the Municipal Accounting Section.

The communication, operation and use of this fund have been very effective, open and efficient. It allows the county treasurer to manage her office to the benefit of the taxpayers, the State Director of Vehicles and to Anderson County.

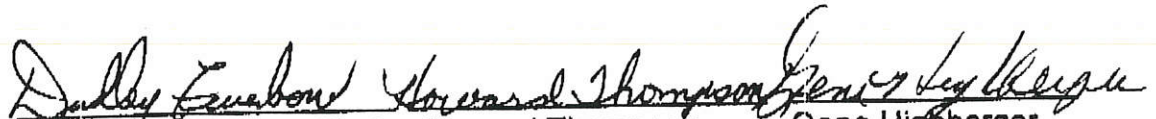
We wish to go on record with the Legislature as endorsing SB125 with the amendments introduced and recommended by the Kansas County Treasurer's Association. Anderson County has experience of operating under the proposed amendments for many years. We feel it gives the

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statute the authority for counties to use the Special Auto fund effectively while eliminating the isolated issues that some counties have had to deal with on the local levels.

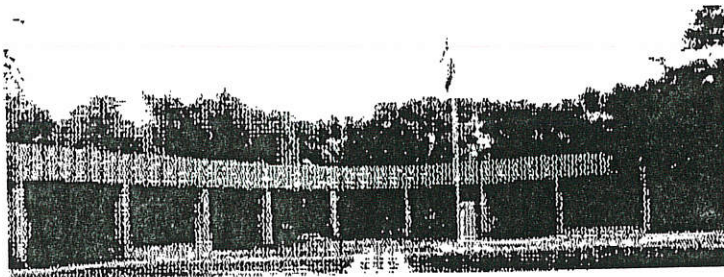
Thank you for the opportunity to submit our Ideas.

Sincerely,


Dudley Feuerborn, Chair Howard Thompson Gene Highberger

Anderson County Board of County Commissioners

Commissioners:
Donald Foster
Bill Lower
Eugene Ochs



Suwayne Williams
Haskell County Clerk

March 10, 1997

Linda Peterson
KCCA President
700 SW Jackson, Suite 805
Topeka, Ks 66603

RE: SB 125

Dear Commissioner Peterson;

The Haskell County Board of County Commissioners appreciates the opportunity to express our opinions on SB 125.

We are in full support of the bill as amended by the Kansas County Treasurer's Association. We have operated under the current K.S.A. 8-145 for years with no budgetary or management quandaries with the Special Auto Fund. The Treasurer in Haskell County follows the guidelines that were established in the Treasurer's Special Auto Handbook. She also served on a committee that went to the Kansas County Commissioners Association meeting to help explain and answer questions on the auto fund. The communication, operation and use of this fund have been very effective, open and efficient. It has allowed the county treasurer to manage her office to benefit the taxpayers, the Director of Vehicles and to Haskell County. The current system works very well in Haskell County.

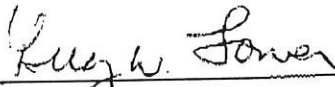
One thing we feel that we all need to remember is that this is a state function NOT a county function. The Treasurer knows what is needed to fund the motor vehicle office and how best the money should be spent. The commissioners are not full time in the office every day. The County Treasurer is. In Haskell County we do not try to micro-manage the other elected official's offices.

We feel the current language in SB 125 (as amended) gives the statute the authority for counties to use the Special Auto Fund effectively, while eliminating the isolated issues that some counties

have had to deal with on the local levels.

Thank you for the opportunity to express the feeling of the Haskell County Commissioners.

Sincerely,
Haskell County Board of County Commissioners



Guy W. Lower, Chairman

Don Foster



Eugene Ochs

OFFICE OF TREASURER

JEWELL COUNTY

MANKATO, KANSAS 66956

March 24, 1997

We don't have any problems with the structure of the Special Auto fund. It has been audited every year and everything has been fine.



Doyle Alcorn, Chairman Jewell County Commissioner

ELLIS COUNTY TREASURY

Mike "Mickey" Billinger
Treasurer
Jerry Schmidtberger
Administrative Assistant

1204 Fort * Box 520 * Hays, Kansas 67601-0520

Phone 913-628-9465
FAX 913-628-9467

March 26 1997

To: Members of the House Appropriations Committee
From: Mike Billinger, Ellis County Treasurer
RE: Senate Bill 125.

Chairman Kline and Members of the Committee:

Good afternoon, I am Mike Billinger, Treasurer of Ellis County; and I am appearing on behalf of the Kansas County Treasurer's Association.

I would like to extend my appreciation to this committee for allowing me the time to make my presentation. I realize your time is valuable and therefore I shall try to be as brief and concise as possible.

When I first took office twenty-two years ago I made the transition from a private professional business to my current public office. At that time the motor vehicle office of Ellis County operated with several manual typewriters and similar antiquated office machinery. All applications and registrations were typed on these manual typewriters and mistakes were at an intolerable level. My first order of business was to replace the manual typewriters with electric typewriters using the financial assistance generated by motor vehicle transactions. My first confrontation with the board of commissioners was concerning these typewriters. Their problem was not that I did not follow correct purchasing procedures or that I over spent my budget, but that every other county office would now insist on having electric typewriters. Their concern was not that bad information was being sent to the State but what effect electric typewriters would have on the other offices in the courthouse.

My next major challenge as County Treasurer was to implement legislation shifting the workload of registering all vehicles in the beginning of the year to a staggered system throughout the entire year. This was a much better utilization of employees and the shift of a staggering workload. This in turn evolved into the improvement of the process of taxing and registering motor vehicles. There was a time when all motor vehicles were taxed on the regular tax cycle with taxpayers required to pay half tax by the 20th of December and the remaining half by June 20th the following year. Many hours of debate and promotion between treasurers, appraisers, the state and legislators finally produced the current process of collecting taxes on vehicles at the time of registration, the "Tag and Tax Law". This process reduced the appraiser's workload and literally eliminated thousands of dollars of delinquent motor vehicle taxes. To the best of my recollection Commissioner assistance was minimal in the passage of this legislation. The state and treasurers worked tirelessly to attain this common goal and in the process laid the foundation for a working partnership based on trust.

Realizing the State of Kansas had an antiquated motor vehicle registration system, treasurers and the Division of Motor Vehicles began the tedious process of developing a statewide computerized motor vehicle system. I actively participated in the evolution process of the

Appropriations
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Attachment 3

VIPS system. I have been through the good, the bad and the ugly; and now take pride in knowing the State of Kansas has one of the premiere motor vehicle systems in the United States. Ellis County was the pilot county in western Kansas and was computerized six months prior to any other counties in this area being brought onto the VIPS system. The main objective was for us to help work out all the "bugs" before other counties were introduced to the system. Not only did this system modernize the motor vehicle registration process but it placed a 3600 computer in every county and did so with self funding through the registration fee structure. In the near future, because of continued efforts, every county will be upgraded to an AS400. Once again this did not involve commissioners but was a joint endeavor between treasurers and the state, reinforcing the partnership and trust started so many years ago.

Looking to improve collections, treasurers have been searching for ways to catch delinquent taxpayers and force them to redeem their tax liability. Naturally total statewide computerization was the driving force behind the five byte enhancement to the VIPS system. The five byte enhancement allows treasurers to put a coded message into the statewide system and if a delinquent taxpayer tries to register in a county other than the one in which they have delinquent taxes they are restricted from doing so and are forced to redeem the delinquent taxes before they can renew their registration. Once again minimal commission involvement in this innovative process, just treasurers and the state. The partnership and trust grows stronger.

I ask you this, what are the circumstances that have generated the need for SB 125? During my years in office I have been an active participant of twenty-one audits. Two years ago the auditors suggested that I was too thorough when documenting expenditures for the auto special fund. It seemed to them to be a situation of over kill. Were this the problem over the years of other county funds there would not have been a need to make correcting entries for violations of the cash basis or budget laws. It is documented that on a yearly average the Ellis County motor vehicle department generates one million dollars in registration fees, three million dollars in motor vehicle taxes, one million dollars in sales tax collections, processes thirty-two thousand transactions and attempts to pacify hundreds of irritated taxpayers. All this under the direction of my professional management expertise for a yearly compensation of \$5,600.00. Is this done for the money or is it a labor of trust and partnership between the treasurer and the state?

SB 125 appears to address a control issue but does not make good business sense. Treasurers and the state have spent years building a trust that has generated sound innovative business like programs. Commissioners generally do not accept directives from the state in a trusting frame of mind. To them the state mandates, it does not work hand in hand, and it's always trying to get the upper hand. Where is the logic in removing the financial means of supporting local motor vehicle offices from trusting full-time professional treasurers to part-time commissioners. With the amended version of SB 125 treasurers are able to control the extent of political liability this office causes them. Without our amendments to SB 125 there is no sense of loyalty to the registrant from those in control thereby creating a political liability for treasurers and legislators.

In conclusion I reiterate that the appearance for corrective legislation has been encouraged by recent specific situations, wherein the need for local cooperation might possibly have been the answer as opposed to wide spread mandates. Begrudgingly I request your support of SB 125 with its proposed amendments eventhough I know the present system to be a time tested system that makes good sound business sense. Once again thank you for your time and considerations.

3-2

February 18, 1997

To: Members of the Elections and Local Government Committee

Re: S. B. 125

Dear Chairperson and Committee Members:

My name is Gary Watson. I am the county treasurer from Trego County and the Vice President of the Kansas County Treasurers' Association. Thank you for the opportunity to be here today.

I'm here today to support S.B.125 as proposed. The language in this proposal is something done by the Kansas County Treasurers' Association, to dispel any perception of wrongdoing by the county treasurers. It is adapted nearly word for word from the language in K.S.A. 19-503, which details the expenditures and restrictions of the county treasurers' general fund budget. Members from the Kansas County Treasurers' Association met with Senator Petty to discuss what we, as an association, could do to show our sincerity and to offer the proposed language as a show of good faith.

As elected officials, we know first hand the importance of public perception. We are a high profile office. Our office is on the front lines every day of the year. It is the County Treasurer that becomes the martyr for the County Commissioners. When the commissioners make a mistake or a controversial decision, it is the treasurer that hears the public's displeasure when they pay their taxes. We do it without complaint, because that is what we are elected to do. What becomes disheartening, is when we are criticized from fellow elected officials, not the public.

The money generated from title and registration fees is not tax money. It is a user fee charged to those individuals that utilize the service. Older people that don't own a vehicle, don't pay for the operation of the Motor Vehicle department. Even in smaller counties where a complete separation of duties is not feasible, the motor vehicle portion of the office can be totally funded by these fees.

Through the years, when the fees no longer supported the operation of the motor vehicle department, it was the Kansas County Treasurers' Association

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that lobbied for an increase in the fees. The Kansas Association of Counties never offered support, The County Commissioners Association never offered support, and the County Clerks Association never offered support. If the county treasurers wouldn't have stepped forward, the general fund would be supplementing the motor vehicle department in every county of the state. And when the need to update hardware and state software arose, it was the county treasurers standing here asking for funding. We had to lobby against the Kansas Highway Patrol and create hard feelings between our association and theirs; but we were willing because it was something that needed to be done. If these fees are incorporated into the general fund now, nobody will come to the legislature when more money is needed. Why won't they? Because nobody will know if there is enough money or not. In essence, this will create another unfunded mandate.

When the State decided to close some of its drivers license exam stations, it was the county treasurers that stepped forward and ask permission to do them in their office. I have no idea how much money the state has saved and how much good publicity they have received from this endeavor. If we had ask the commissioners for more money to support this operation, I'm sure many counties would have refused, viewing this as another unfunded mandate. Because of the auto fund, many counties never needed any additional funding to implement this program.

In some counties, the treasurers office has been on the cutting edge of technology. In part, this has been possible because of the auto fund. In Trego county, I had the first PC in the courthouse. The county clerk tried for years to persuade the commissioners of the need to purchase one for the clerk's office. It wasn't until the commissioners wanted somebody to help prepare a preliminary budget, that the need became apparent. I was the only one in the courthouse with the capability of doing that. Now every office in the courthouse has at least one PC. When we needed to remodel my office, to make it conform to ADA standards, I had enough money in the auto fund to pay for a good portion of the project. If those fees had been in the general fund, they would have already been spent or committed to other projects and the remodeling project would have been delayed indefinitely.

I know you have heard stories of conflicts over this fund or of misuse of these funds. Many of the conflicts are between the county commissioners, who want control of everything, and the treasurer. Or they are between the

treasurer and the clerk, who wants a similar fund. Those are local issues that the legislature should not become involved in. There are very few cases in the history of the fund where misuse was actually uncovered. In those cases, it should be the county attorney pursuing punishment. If the county attorney doesn't think there is anything criminal, then why would the commissioners question his judgment. If there is criminal wrong doing and the county attorney refuses to pursue it, then the commissioners should be just as concerned about the attorney situation as they are about this fund. If that's the case, then the problems are much bigger than the auto fund.

I could make an argument that there are cases of misuse of public funds by commissioners. There have been recall efforts initiated against county commissioners for abuse. Anytime you are in control of public money, you will come under scrutiny about how that money is spent. Anytime you make decisions that affect the public, you will come under scrutiny. The legislature cannot and should not try to react to those situations every time somebody cries foul.

How much of the outcry is coming from the general public? Two of the most recent cases to capture attention has been in Osage and Shawnee counties. Both Treasurers had opposition in the election, and both won re-election. That should indicate that the public still has confidence in those treasurers' ability to run the office. Do you honestly believe that the voters, the same voters that elect you to office, are incapable of seeing through the smoke and looking at the issues that are truly important?

We think the language we have proposed is a good compromise to create more accountability, and still preserve the fund for what it was originally intended for. Anything less could have detrimental effects on the operation of the motor vehicle department.

Thank you again for the opportunity to be here, and I will now stand for any questions you might have.

JOE D. HUMERICKHOUSE
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TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
UTILITIES
FINANCIAL INSTITUTIONS
TRANSPORTATION

March 26, 1997

Mr. Chairman and members of the Committee:

Thank you for allowing me to appear before you this noon.

I want to support the concept of SB 125 as I feel that, as it was originally drafted, it fixes a problem we have in budgeting county money.

I realize that all counties may not be experiencing a problem now, but the potential is there, with personalities of County Treasurers and County Commissioners.

I am here to support and encourage the Committee to amend SB 125 back to the original form in which it was drafted.

Thank you for your time and would answer any questions you may have.

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SWINDOLL, JANZEN, HAWK & LOYD, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Kyle J. Hawk, C.P.A.
D. Scot Loyd, C.P.A.

McPherson (316) 241-1826
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TO: Chairman Kline and Members of the House Appropriations Committee.
FROM: D. Scot Loyd, CGFM, CPA of Swindoll, Janzen, Hawk & Loyd, LLC
DATE: March 26, 1997
RE: Senate Bill 125

Chairman Kline and members of the Committee, I appreciate the opportunity to speak to you today. My name is D. Scot Loyd, member/partner of the CPA firm of Swindoll, Janzen, Hawk & Loyd, LLC, McPherson, Kansas.

What Is Our Firm's Background In Servicing Governmental Entities?

Below I have summarized our firm and my personal background in servicing governmental entities of the State of Kansas:

- Our firm had its beginning in 1936 and was one of the first firms in Kansas to conduct governmental audit engagements;
- We have continued the tradition of servicing governmental entities in order to meet their needs in many financial areas;
- Currently our firm services over forty governmental entities in the State of Kansas of which two are counties;
- Personally, I have been servicing governmental entities for almost fourteen years and presently devote my entire time to servicing the needs of governmental clients. Within the last two years I have dealt extensively with the county's special auto fund.

Why Am I Here Testifying on Senate Bill 125?

While conducting county audits the special auto fund has been an area that has received great attention. This attention is not a question of the professionalism or trustworthiness of the county treasurer and their office. However, this attention from an audit prospective, is related to the lack of internal controls and segregation of duties in relationship to the operation and processing of the special auto fees collected and expended by the county treasurer. Due to this lack of internal controls and segregation of duties over the special auto fund, I have set forth to explain why Senate Bill 125 as originally introduced would address the internal control weaknesses and lack of segregation of duties.

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What Weaknesses Exist Under the Current Special Auto Fund Law?

- No budget is required by law over the activity of the special auto fund;
- County treasurer has complete authority over the expenditure approval process;
- County treasurer has complete authority over the processing of the checks issued by this special auto fund;
- Current law contains no definition of what constitutes an administrative expense of the special auto office;
- County treasurer records all activity in the special auto fund ledger;
- County treasurer is responsible for reconciling the special auto fund bank account; and
- No segregation of duties exists within the operation of the special auto fund.

Does the Amended Senate Bill 125 Address the Above Weaknesses?

- It does address the budget issue and possibly addresses a section of the expenditure approval process by subjecting the special auto fund to the county purchasing policies applicable to all other elected officials;

HOWEVER,

- It does not address the other weaknesses noted under the current special auto fund law.

Original Senate Bill 125 Addresses Current Special Auto Fund Weaknesses!

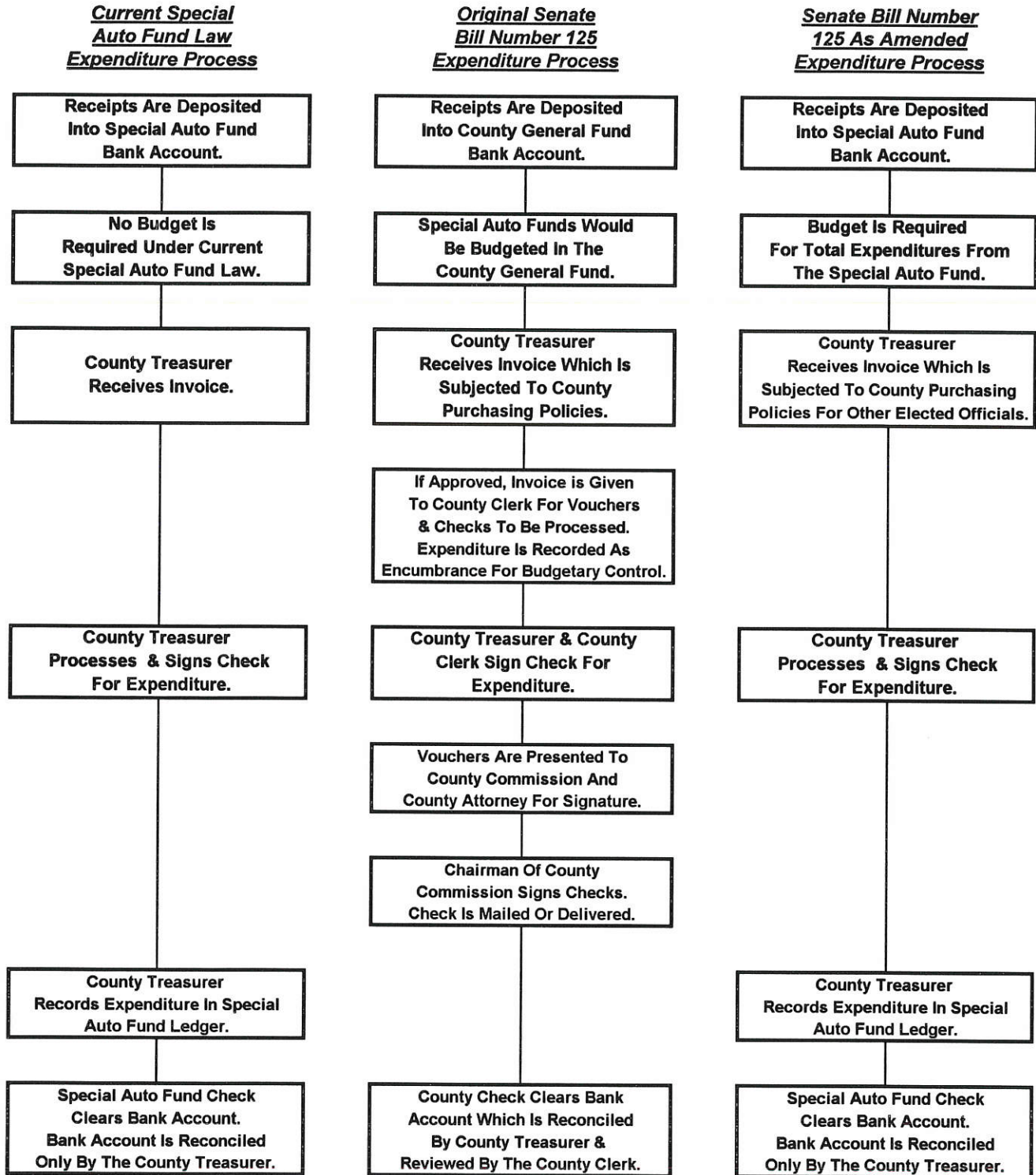
- It does address almost all of the weaknesses noted above under the current special auto fund law (*See Page 3 for Comparisons*);
- It provides better accountability and oversight for public funds.

As servants to the citizens of this State, it is my opinion that public officials should initiate the appropriate oversight needed to provide the necessary accountability required for handling public funds. By adopting the original Senate Bill 125, you would be providing the necessary oversight and accountability over the special auto fund.

Thank you again for allowing me to appear today. I would stand for questions at this time.

6-2

Comparison of Expenditure Process



DON MYERS

REPRESENTATIVE, 82ND DISTRICT
SEDGWICK COUNTY
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HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

CHAIR: UTILITIES

MEMBER: ENVIRONMENT

Testimony - HB 2132
Before the
House Appropriations Committee
March 26, 1997

At present there is a 12 month state residency requirement before anyone can attend a college which is under the regent system. However, there are in statute eight exceptions to that 12 month requirement. Exceptions such as KSA 76-729 (b) (1) and KSA 76-729 (b) (2).

It was brought to my attention that we have potential students who desire to continue higher education in our graduate schools but cannot re-enter the Kansas state regent colleges because they went out of state for a period of time. If they changed their mind and desired to return to Kansas to work on a masters or doctorate, they could not do so unless they re-established residency for 12 months.

The following is a case history of one student. The young lady received a bachelors degree in Biology at Kansas State University. After graduation, she was offered a full scholarship at Baylor University in Houston for a medical assistant degree. She attended two years, but was not satisfied with that decision and wants to return to Kansas State University and become a Veterinarian. She applied and was told that she would be considered a non-resident and by law would have to pay non-resident tuition.

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I have talked with Dr. Pat Bosco, Vice-President and Dean for Students at Kansas State University and he has reviewed her credentials, wants to enroll her, says she is a bright student with a good grade point average but that he cannot enroll her as a Kansas resident because she has been out of state for over a year.

Her parents have always lived in Kansas, she was raised in Kansas, graduated from high school and a four-year college in Kansas, but cannot now be considered as a resident to pursue a graduate degree until she has lived here for the required 12 months.

We talk a lot about stopping the brain drain out of our state, but here is a case where with virtually no cost to the state, we can allow Kansas-born students to return and complete their graduate work.

This bill is very narrowly crafted to apply only to those few young people who meet very strict requirements and have found that the grass is not greener outside of Kansas and desire to return to complete graduate school here in Kansas.

I request your consideration of this change to our educational residency statute.



State of Kansas

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HOUSE COMMITTEE ON APPROPRIATIONS
DEPUTY ATTORNEY GENERAL JULENE MILLER'S
TESTIMONY IN SUPPORT OF
SENATE BILL NO. 256
March 26, 1997

Mister Chairman, members of the committee, thank you for this opportunity to testify in support of this bill.

Senate Bill No. 256, as introduced, was a product of Attorney General Stovall's C.A.M.P.U.S. Task Force. As you may know, the C.A.M.P.U.S. Task Force, composed of public and private university and community college administrators, university and municipal police officers, students, parents of students, and various individuals involved in student assistance services and the criminal justice system, was created in order to bring awareness of campus safety issues to the forefront. The Task Force accomplished this with a series of meetings to share ideas and concerns. Those meetings resulted in specific recommendations, one of which is the amendment before you.

University police officers and municipal law enforcement officers brought to the Task Force their concern regarding the difficulty for university police responding to students and faculty when the property on which the offense occurred was not university property. Currently, the municipal law enforcement agency must request assistance on a case-by-case basis for the university police to have jurisdiction on non-university property with limited exceptions. Often this significantly slows response time or places university police in the position of needing to respond without proper authority having been granted. The Task Force agreed that this was an untenable arrangement and so recommended Senate Bill No. 256. The bill as introduced did not automatically confer jurisdiction on university police officers, but allowed municipal law enforcement entities to enter agreements with university police departments providing for extended jurisdiction. Such agreements would require the approval of the governing body of the city or county involved and the chief executive officer of the university involved. An amendment made in the Senate Committee of the Whole conferred county-wide jurisdiction on university police officers in certain counties without the requirement of an agreement. We believe this new provision should be modified to require such agreement.

We appreciate your support of this bill as so modified. Thank you.

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