

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Representative Kenny Wilk at 9:00 a.m. on March 14, 2002, in Room 514-S of the Capitol.

All members were present except: Representative Newton, Excused

Committee staff present: Amy Kramer, Legislative Research
Alan Conroy, Legislative Research
Julian Efird, Legislative Research
Carolyn Rampey, Legislative Research
Robert Waller, Legislative Research
Leah Robinson, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Bobbi Mariani, Director of Personnel, Administration
Allen Humphrey, KDOT
Janet Palmer, Human Resources
Jeff Montague, Juvenile Justice Authority
Dale Brunton, Accounts and Reports

Others attending: See Attached

Representative Campbell moved for the introduction of legislation on special assessments and appraisals. Motion was seconded by Representative Stone. Motion carried.

Hearing on SB 429—Establishing an employee award and recognition program

Bobbi Mariani, Director of Personnel Services for the Department of Administration, spoke in support of the proposed legislation which would coordinate all employee recognition programs for state employees (Attachment 1). There is a great need for recognition programs at this point as salary increases may not be possible due to budgetary problems. A recent survey reported that 71 percent of state employees did not think that their work was appropriately recognized or rewarded.

During Committee discussion, it was requested that safeguards be instituted into the plan so employees who were awarded monetary compensation did not have to pursue it through the Joint Committee on Special Claims Against the state process.

Allen Humphrey, Chief of the Bureau of Personnel Services of the Department of Transportation, explained that this bill would allow state agencies additional flexibility in developing programs that are pro-active and tailored to individual agency needs (Attachment 2).

Janet Palmer, Personnel Director for the Department of Human Resources, explained the volunteerism category which would provide the agency with the opportunity to acknowledge and recognize the valuable contributions employees make to the community after work hours (Attachment 3).

Jeff Montague, Director of Human Resources of the Juvenile Justice Authority, said that the bill would allow the streamlining of recognition programs and eliminate administrative overlap (Attachment 4). Also the bill would expand the types of activities that can be supported or rewarded through the Kansas Savings Incentive Program (KSIP).

Also received was written testimony in support of the bill from Janet Schalansky, Secretary of Social and Rehabilitation Services (Attachment 5) and Jamie Clover Adams, Secretary of Agriculture (Attachment 6).

Chairman Wilk closed the hearing on **SB 429**.

Hearing on HB 3009—Payroll deductions for state employees; changing the definitions of employee

Dale Brunton, Accounts and Reports, Department of Administration, explained that the bill would eliminate

obsolete language regarding eligibility in certain voluntary payroll deduction programs and align state statutes with favorable amendments to the federal laws governing Kansas deferred compensation plans (Attachment 7).

Chairman Wilk closed the hearing on **HB 3009**.

Discussion and action on HB 2982–Tobacco product manufacturers making required escrow payments and being participating manufacturers

This bill would demand that manufacturers of tobacco products who are not part of the tobacco settlement group would be forced to participate in the settlement by placing funds in an escrow account. They would be required to register with the Attorney General before being granted tax stamps of their products for distribution. The Committee asked for information regarding who is legal counsel for the tobacco settlement in future litigation.

Representative Neufeld moved to amend the bill by adding the proposed balloon amendment recommended by the Attorney General (Attachment 8). Motion was seconded by Representative Campbell. Motion carried.

Representative Neufeld moved to report the bill favorably for passage as amended. Motion was seconded by Representative Campbell. Motion carried.

Discussion on HB 2179–Submittance of judicial branch budget to the legislature without executive branch revision

A memorandum from Paul Davis, Legislative Counsel for the Kansas Bar Association, was distributed regarding the Governor's agreement with the bill as long as submitting the judicial branch budget directly to the Legislature did not impact the governor's requirement to submit a budget with a 7.5 percent ending balance (Attachment 9).

The Committee discussed this proposed major shift in policy and other budgeting procedure options . By including the judicial branch budget in the Governor's recommendations, the Legislature would have a starting point to the process each session. If the judicial branch budget was sent directly to the Legislature in September, then the Legislature could consider it in advance if the remainder of the budget which would be processed by the Division of the Budget in order for the Governor to submit it to Legislative Research by December 1. This would provide fiscal staff one month to review the budget before the Governor reveals his budget in the State of the State address on the first day of the legislative session.

The meeting was adjourned at 10:45 a.m. The next meeting is scheduled for March 15, 2002.

**Testimony to the
House Appropriations Committee**

**By
Bobbi Mariani, Division of Personnel Services**

**March 14, 2002
SB 429 - Statewide Award and Recognition Program**

Thank you for the opportunity to speak to you in support of Senate Bill 429. This bill consolidates the existing award and recognition programs for state employees including length of service pin awards, Kansas Quality Management (KQM), the Employee Suggestion Program (ESP), and the bonus portion of the Kansas Savings Incentive Program (KSIP) into one statewide program. These programs were implemented at different times and have unique requirements, types of recognition and funding sources, but there has still been overlap and confusion on the part of agencies and employees. The existing Employee Award Program, and the Employee Award Board, would be abolished since employee awards would be administered at the agency level.

This bill provides a coordinated employee award and recognition system that recognizes an employee's contribution to the agency and state government through excellence in performance and service. Award categories would include distinguished accomplishment, meritorious service, innovation, Kansas Quality Management, volunteerism, and length of service. This proposal would not impact the longevity bonus program. Employees may be nominated for awards individually or as part of a group under each category. All classified and unclassified employees would be eligible to receive an award.

Agencies could provide monetary and non-monetary awards to employees. The total gross value of monetary awards to a single employee during a fiscal year cannot exceed \$3,500. The award would be a discretionary bonus and therefore not considered pay for overtime calculations. This program would not require additional funding. Agencies would have to fund this program from current operating resources or from funds authorized by the KSIP program if appropriated. Even though some agencies may not have funds available for monetary awards, the real emphasis of the program should be meaningful recognition.

Senate Bill 429 provides agencies maximum flexibility to establish award and recognition programs that support the agency mission, goals and objectives within their available resources. Agencies that choose to implement the program should develop a plan to guide them in the administration of the program and to ensure consistent application. Because some agencies currently have award and recognition programs in place, Senate Bill 429 would also provide consistent statewide application of award and recognition programs for employees.

An award and recognition program supports the move toward a more contemporary program for state employees by rewarding the individual employee's contribution to the agency mission and public service. As such, it also serves as an effective recruitment and retention tool and gives us a competitive edge with the private sector. This type of program is one way to provide motivation and recognition to state employees for their service and performance.

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ATTACHMENT 1



**KANSAS DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY OF TRANSPORTATION**

E. Dean Carlson
Secretary of Transportation

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Bill Graves
Governor

**TESTIMONY BEFORE
HOUSE APPROPRIATIONS**

**REGARDING SENATE BILL 429
EMPLOYEE REWARD AND RECOGNITION PROGRAM**

March 14, 2002

Mr. Chairman and Members of the Committee:

Good morning, my name is Allen Humphrey, Chief of the Bureau of Personnel Services. On behalf of the Kansas Department of Transportation (KDOT), I appreciate the opportunity to testify on Senate Bill 429.

There is no need to describe the budget issues facing the legislature this year. Yet, even in lean times, we must remember the committed employees who serve the citizens of Kansas and perform critical services that result in tangible benefits.

We at KDOT are fortunate in having a committed workforce. It is for this reason that KDOT supports Senate Bill 429. It provides a means to reward state employees and to acknowledge and demonstrate our appreciation of their efforts. The bill allows state agencies additional flexibility in developing programs that are proactive and tailored to individual agency needs. As an example the bill provides a way to reward employees for meritorious service.

In summary, KDOT supports Senate Bill 429. As we constantly seek methods to increase our effectiveness in the areas of recruitment and retention, we cannot and should not ignore the proven benefits of awards and recognition.

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KANSAS

Bill Graves
Governor

DEPARTMENT OF HUMAN RESOURCES
Personnel

Richard E. Beyer
Secretary

Testimony – SB 429 – Employee Award & Recognition

Good morning and thank you for this opportunity to speak on behalf of Senate Bill 429. My name is Janet Palmer and I am the Personnel Director for the Kansas Department of Human Resources.

KDHR, along with other state agencies, is constantly striving to recruit and then retain exceptional employees. A meaningful recognition program gives us a way to recognize the contribution employees make to the success of the agency and state government through excellence in performance and service.

By combining several programs into one umbrella program, we would have the flexibility to establish award and recognition programs that support KDHR's mission and strategic plan, within available resources. Our employees exceed expectations every day; the work they do directly affects the lives of Kansas across the state. With the current budget issues facing the State, we simply must find alternative ways to demonstrate to our employees that we value the exceptional work they do and the contributions they make.

The proposal before you would allow us to select from several award categories. In addition to the specific work-related areas, the volunteerism category would provide us with the opportunity to acknowledge and recognize the valuable contributions many of our employees make to their communities after working

hours. Other than a heartfelt “thank you”, we currently have no way to provide any tangible award in recognition of exceptional community service.

Another category that would be of particular interest to us is that of meritorious service. Occasionally, we have an employee who consistently performs the duties of his or her position at a level far above what would normally be expected. We would like to be able to reward and recognize the exemplary service that employee provides. Again, there is no current mechanism in place to be able to do that.

Your support of this bill will help us recognize the outstanding achievements of our employees and move towards becoming an employer of choice in the communities we serve.

Janet Palmer
Director of Personnel
Kansas Department of Human Resources
785-296-2667
jpalmer@hr.state.ks.us

Juvenile Justice Authority



Testimony to the House Appropriations Committee on Senate Bill 429

March 14, 2002

Albert Murray, Commissioner
Jeff Montague, Director of Human Resources

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ATTACHMENT 4

Testimony Supporting SB 429

The Juvenile Justice Authority supports passage of Senate Bill 429. The bill combines a number of employee awards and recognition programs currently available into one program. The effect of combining these programs would be to streamline their use and eliminate administrative overlap. Additionally, the bill would expand the types of activities that can be supported or rewarded through the Kansas Savings Incentive Program (KSIP). JJA is pursuing an internal initiative to create a comprehensive and flexible Employee Recognition Program. Passage of this bill will make the program much easier to administer and far more effective in motivating employees.

Agencies would have full flexibility under this approach to manage their needs to recognize and reward their employees. Given the very tight fiscal picture for the state, it will become even more critical that agencies have maximum flexibility to recognize their employees through their own rewards program. Bonuses are an ideal way to recognize employees for their unique service or performance to state government. Bonuses would also be a good recruitment and retention tool giving the state more of a competitive edge with the private sector.

I believe the SB 429 will strengthen and enhance the award program and benefit more agencies and employees. I would appreciate your support of this bill.



KANSAS DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

915 SW HARRISON STREET, TOPEKA, KANSAS 66612

JANET SCHALANSKY, SECRETARY

March 13, 2002

The Honorable Kenny Wilk, Chairman
House Appropriations Committee
Statehouse, Room 514-S
Topeka, KS 66612

Dear Chairman Wilk:


Senate Bill No. 429 proposes the consolidation of current legislative award programs into one statewide program. Among the award programs to be consolidated are the Length of Service (Service Pin Awards) Program, the Kansas Quality Management (KQM) Program, the Employee Suggestion Program, and the bonus portion of the Kansas Savings Incentive Program. The bill would also provide a means to recognize employees for suggestions or achievements that currently do not meet the criteria for any of these four programs.

We believe this consolidation would enhance the efficiency and effectiveness of these programs and provide agencies with the flexibility to develop a reward and recognition program appropriate to their needs and resources.

The capability to award employees for their service and/or performance takes on even more importance, for both the individual employee and the employing agency, in times of reduced revenues and budgets.

We will appreciate the Committee's favorable action on SB 429.

Sincerely,


Janet Schalansky
Secretary

JKS:mrd

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ATTACHMENT 5

STATE OF KANSAS

BILL GRAVES, GOVERNOR

Jamie Clover Adams, Secretary of Agriculture

109 SW 9th Street

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KANSAS DEPARTMENT OF AGRICULTURE

House Appropriations Committee

March 14, 2002

Testimony Regarding SB 429

Kansas Department of Agriculture

Mr. Chairman and members of the committee, thank you for allowing the Kansas Department of Agriculture to submit written testimony in support of Senate Bill 429. Currently there are four employee recognition programs for state employees. Senate Bill 429 would consolidate all four programs into one, which will allow for agencies to consolidate resources to this one program.

Recent studies show that employees value recognition for a job well done. Avenues that allow us to recognize our employees' accomplishments go a long way toward improving morale and motivating them to meet our mission and goals — to provide a safe, wholesome food supply, accurate weighing and measuring devices, judicious use of pesticides and fertilizers, protection of native and cultivated plant resources, and responsible water resource management.

It goes without saying that state employees are the lifeblood of state government. Our employees work to benefit the taxpayers of Kansas. One example of benefits the citizens of Kansas, is our employees in the Meat and Poultry Inspection program who work with individual meat producers. They may be in the slaughter facility at the crack of dawn and not leave for the day until the sun sets. These men and women stay in the facility to ensure a safe, wholesome meat supply for the people of Kansas.

Another example of innovative employees benefitting the people of Kansas occurred in our Plant Protection and Weed Control program. We needed traps for the Japanese beetle, a very destructive pest that destroys everything from fruit and grass to soybeans and corn. Our employees came up with a plan to make traps using old, non-functional traps and two-liter plastic soda bottles. The plastic soda bottle traps cost about \$1, where commercial versions would have cost between \$15 and \$20. This trap-making project was expanded to include a local Boy Scouts group to help them learn about bugs in Kansas. Due to our expanded trapping program, USDA began contributing to our trapping efforts.

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These two examples are ways our state employees have come up with innovative and creative ideas. Senate Bill 429 will allow the agency an avenue to publicly recognize these employees.

Recognizing the economy we are in, it is more important than ever to ensure that our employees feel appreciated for the work they do. Creative, innovative employees who work hard every day helps our agency succeed in its mission. Recognition must come in many forms, in order to be effective. Senate Bill 429 is a step in the right direction toward this goal. Thank you for the opportunity to express our support for Senate Bill 429.

**HOUSE BILL 3009 - TESTIMONY BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE**

March 14, 2002, 9:00 a.m., Room 514-S

Presented by Dale Brunton, Director of Accounts and Reports

Chairman, Members of the Committee:

I am providing testimony today on behalf of the Department of Administration in support of House Bill 3009. The bill is proposed to eliminate obsolete language regarding eligibility in certain voluntary payroll deduction programs and to align state statutes with favorable amendments to the federal laws governing the State of Kansas deferred compensation plan. House Bill 3009 amends the following statutes and repeals the existing sections: (1) K.S.A. 75-5521, 75-5523, and 2001 Supplement 75-5525, concerning deferred compensation for retirement; (2) K.S.A. 75-5530, concerning the purchase of U.S. savings bonds; and (3) K.S.A. 75-5531, concerning United Way contributions.

References to seasonal or temporary employees and the 1,000-hour work requirement for eligibility are proposed to be eliminated. All positions are eligible for general deductions, including savings bonds, United Way contributions, and deferred compensation, even if a position is ineligible for benefits. Participation is not expected to increase in any of these programs, unless a state agency has disallowed participation by certain employees due to this statutory language. In those cases, the three programs would benefit from removing the eligibility restrictions and maximizing participation. The amendments should clarify and simplify eligibility for these programs.

House Bill 3009 also amends the statutes governing the State of Kansas deferred compensation plan to allow for changes concerning portability of retirement accounts which were enacted by the federal *Economic Growth and Tax Relief Reconciliation Act of 2001*, referred to as "EGTRRA". The State of Kansas deferred compensation plan is currently defined in statute based upon participation by employees who defer salary amounts and contribute to the plan through voluntary payroll deduction. Before EGTRRA, this was the only allowable participation method. However, EGTRRA expands the opportunity to participate in the deferred compensation plan by allowing rollover of qualified monies to and from it. Accordingly, amendments to HB 3009 authorize participation in the State of Kansas deferred compensation plan in broader terms.

State agencies will benefit from the retirement account portability opportunities when recruiting employees and the State will be more competitive in attracting candidates.

Thank you for the opportunity to provide testimony to the Committee and for your consideration of House Bill 3009. Mr. Chairman, I stand for questions.

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HOUSE BILL No. 2982

By Committee on Judiciary

2-15

AN ACT concerning the affixing of cigarette tax stamps and meter im-
pressions and payment of tax on roll-your-own tobacco.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) No person may affix, or cause to be affixed, tax stamps
or meter impressions to individual packages of cigarettes or pay the re-
quired tax on roll-your-own tobacco in accordance with K.S.A. 79-3371,
and amendments thereto, unless the tobacco product manufacturer that
makes or sells such cigarettes or roll-your-own tobacco has:

- (1) Become a participating manufacturer; or
- (2) made all required escrow payments.

(b) Not later than ~~May 15, 2002~~, the attorney general shall develop
a list, to be posted on the attorney general's website, of all tobacco product
manufacturers that have become participating manufacturers or made all
required escrow payments. This list shall include the brand families iden-
tified by each such tobacco product manufacturer under subsection (c).
The list shall be updated as necessary. A person may rely upon the attor-
ney general's list in affixing or causing to be affixed stamps or meter
impressions to individual packages of cigarettes or paying the tax on roll-
your-own tobacco as required by K.S.A. 79-3371, and amendments
thereto, of any brand family included on the list.

July 1, 2002

(c) In order to be included on the list developed by the attorney
general under subsection (b), a tobacco product manufacturer shall sub-
mit to the attorney general a list of brand families whose cigarettes are
to be counted in calculating the participating manufacturer's annual pay-
ments under the master settlement agreement or required escrow pay-
ments whichever is applicable. A tobacco product manufacturer may up-
date the list to reflect changes.

(1)

;(2) appoint a registered agent for service of
process in the state and identify such registered
agent to the attorney general; and (3) certify,
under penalty of perjury, that all escrow payments
have been made by all other tobacco product manu-
facturers that previously made or sold brand families
identified under this subsection or brand style
included within such brand families; provided, that
if the brand family or brand style was made or sold
by the manufacturer before the effective date of
this statute, such manufacturer shall be required
only to identify such predecessor manufacturer or
manufacturers.

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1 upon a finding of a violation of subsection (a) or any rules and regulations
2 adopted pursuant thereto. Such fine shall be imposed in the manner
3 provided by K.S.A. 79-3391, and amendments thereto.

4 (e) Any cigarettes or roll-your-own tobacco that are stamped, to
5 which a meter impression is affixed or for which tax is paid as required
6 by K.S.A. 79-3371, and amendments thereto, in violation of subsection
7 (a) shall be deemed contraband under K.S.A. 79-3323, and amendments
8 thereto, and shall be subject to seizure and forfeiture as provided therein
9 and in K.S.A. 79-3324a, and amendments thereto. All such cigarettes and
10 roll-your-own tobacco seized and forfeited shall be destroyed. Such cig-
11 arettes and roll-your-own tobacco shall be deemed contraband whether
12 the violation of subsection (a) is knowing or otherwise.

13 (f) (1) The director may require wholesale dealers and distributors to
14 submit such information as is necessary to enable the attorney general to
15 determine whether a nonparticipating manufacturer has made the re-
16 quired escrow payments.

17 (2) The attorney general may require nonparticipating manufacturers
18 to submit such information as the attorney general may determine is
19 necessary to enable the attorney general to determine whether a non-
20 participating manufacturer has made the required escrow payments.

21 (g) ~~(To promote compliance with subsection (b)(1) of K.S.A. 2001~~ (delete)
22 ~~Supp. 50-6a03, and amendments thereto,~~ the attorney general shall re- may
23 quire ~~each~~ nonparticipating manufacturer ~~to~~ a

24 (1) ~~Make the required escrow payments in quarterly installments dur-~~ in order to be placed on the list developed by
25 ~~ing the year in which the sales covered by such payments are made (and~~ the attorney general under subsection (b) 6
26 (2) ~~appoint a registered agent for service of process in the state and~~ (delete)
27 ~~identify such registered agent to the attorney general.)~~

28 (h) (1) It shall be unlawful for a nonparticipating manufacturer to , directly or indirectly,
29 falsely represent to any person; _____ in Kansas

30 (A) Any information about a brand family pursuant to the list sub-
31 mitted pursuant to subsection (b);

32 (B) that it is a participating manufacturer;

33 (C) that it has made all required escrow payments; or

34 (D) that it has ~~(made the installment payments or appointed the reg-~~ (delete)
35 ~~istered agent required by subsection (g).)~~ satisfied any other requirements imposed pursuant
to this statute 7

36 (2) Violation of this section is a class A, nonperson misdemeanor.

37 (i) The director and the attorney general may enter into a written
38 agreement authorizing the exchange of information reasonably necessary
39 to the enforcement and administration of this section.

40 (j) As used in this section:

41 (1) "Participating manufacturer" has the meaning ascribed thereto in
42 subsection (a) of K.S.A. 2001 Supp. 50-6a03, and amendments thereto.

43 (2) "Required escrow payments" means the amounts described in

8-3

1 subsection (b)(1) of K.S.A. 2001 Supp. 50-6a03, and amendments thereto.
2 (3) "Director" means the director of taxation.
3 Sec. 2. This act shall take effect and be in force from and after its
4 publication in the Kansas register.
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MEMORANDUM

March 7, 2002

TO: CHAIRMAN KENNY WILK AND MEMBERS OF
THE HOUSE APPROPRIATIONS COMMITTEE

FROM: PAUL DAVIS, LEGISLATIVE COUNSEL

RE: HOUSE BILL 2179

Mr. Chairman and Members of the Committee:

Several months ago, Kansas Bar Association leaders met with Governor Graves regarding House Bill 2179. Governor Graves indicated to us that he was not opposed to the enactment of House Bill 2179 so long as an amendment could be attached to the bill that would clarify that submission of the judicial budget directly to the Legislature would not impact the governor's requirement to submit a budget with 7.5% ending balance. The Kansas Bar Association is comfortable with such an amendment and indicated so when a hearing was held on this bill several weeks ago.

We have submitted the attached proposed amendments to Governor Graves and Budget Director Goossen. We realize that this language may need to be tweaked to satisfy the Governor's concerns. Hopefully we can have a discussion today about the exact language that is necessary and reach a consensus.

We urge you to adopt the necessary amendments and report the bill favorably. Thank you!

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ATTACHMENT 9

HOUSE BILL No. 2179

By Committee on Judiciary

1-25

9 AN ACT concerning the judicial branch of state government; relating to
10 the budget therefor; amending K.S.A. 75-3718 and 75-3721 and K.S.A.
11 2000 Supp. 20-158 and repealing the existing sections.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2000 Supp. 20-158 is hereby amended to read as
15 follows: 20-158. The chief justice of the supreme court shall be respon-
16 sible for the preparation of the budget for the judicial branch of state
17 government, with such assistance as the chief justice may require from
18 the judicial administrator, the chief judge of the court of appeals and the
19 chief judge of each judicial district. Each district court and the court of
20 appeals shall submit their budget requests to the chief justice in such
21 form and at such time as the chief justice may require. The chief justice
22 shall submit to the director of the budget the annual budget request for
23 the judicial branch of state government for inclusion in the annual budget
24 document for appropriations for the judiciary. Such budget shall be pre-
25 pared and submitted in the manner provided by K.S.A. 75-3716 and 75-
26 3717 and amendments thereto. Such budget shall include the request for
27 expenditures for retired justices and judges performing judicial services
28 or duties under K.S.A. 20-2616 and amendments thereto as a separate
29 item therein. ~~The director of the budget shall review and may make such~~
30 ~~recommendations to the legislature for proposed changes in such budget~~
31 ~~as the director deems necessary and appropriate.~~

32 Sec. 2. K.S.A. 75-3718 is hereby amended to read as follows: 75-
33 3718. (a) The director of the budget shall have in continuous process and
34 revision a tentative budget for the coming years, in the light of direct
35 studies of the operations, plans and needs of the state agencies and of the
36 existing and prospective sources of revenue. *Except as otherwise provided*
37 *by this section*, after summarizing estimates of funds which may be avail-
38 able and the estimated requirements for the several state agencies, the
39 director shall cause them to be reviewed in relation to the general finan-
40 cial condition and needs of the state and shall cause to be made such
41 further inquiries and investigations, and such revision of the tentative
42 budget, as the director may deem necessary.

43 (b) Not later than November ~~tenth~~ 10 of each year, the director of

9-2

1 the budget shall notify each state agency in writing of any revision of ~~its~~
 2 ~~the agency's~~ requests and the agency affected may request a hearing
 3 ~~thereon on such revision~~ which request may be filed within ~~ten (10)~~ 10
 4 days after receipt of notice but, in any case, not later than November
 5 ~~twentieth~~ 20 of such year. If requested, the secretary of administration
 6 shall hold hearings on the tentative budget at which the administrative
 7 head of each state agency or the representative of such administrative
 8 head shall be entitled to be heard. The hearings provided for ~~herein in~~
 9 ~~this section~~ shall be concluded not later than December 15 of such year.

10 (c) ~~The director of the budget shall not revise the budget estimate for~~
 11 ~~the judicial branch of state government that is submitted pursuant to~~
 12 ~~K.S.A. 20-158, and amendments thereto.~~

13 Sec. 3. K.S.A. 75-3721 is hereby amended to read as follows: 75-
 14 3721. (a) On or before the eighth calendar day of each regular legislative
 15 session, the governor shall submit the budget report to the legislature,
 16 except that in the case of the regular legislative session immediately fol-
 17 lowing the election of a governor who was elected to the office of governor
 18 for the first time, that governor shall submit the budget report to the
 19 legislature on or before the 21st calendar day of that regular legislative
 20 session.

21 (b) The budget report of the governor shall be set up in three parts,
 22 the nature and contents of which shall include the following:

23 (1) Part one shall consist of a budget message by such governor, in-
 24 cluding the governor's recommendations with reference to the fiscal poli-
 25 cy of the state government for the current fiscal year and the ensuing
 26 fiscal year, describing the important features of the budget plan for each
 27 of the fiscal years included, embracing a general budget summary setting
 28 forth the aggregate figures of the budget so as to show the balanced
 29 relation between the total proposed expenditures and the total anticipated
 30 income for the current fiscal year and the ensuing fiscal year, with the
 31 basis and factors upon which the estimates were made, and the means of
 32 financing the budget plan for the each of the fiscal years included, com-
 33 pared with the corresponding figures for at least the last completed fiscal
 34 year, and the director of the budget shall prepare the figures for the
 35 governor for such comparisons.

36 (A) The budget plan shall not include (i) any proposed expenditures
 37 of anticipated income attributable to proposed legislation that would pro-
 38 vide additional revenues from either current or new sources of revenue,
 39 or (ii) any proposed expenditures of moneys in the ending balance in the
 40 state general fund required by K.S.A. 75-6702, and amendments thereto.

41 (B) The general budget summary may be supported by explanatory
 42 schedules or statements, classifying the expenditures contained therein
 43 by state agencies, objects, and funds, and the income by state agencies,

, or (iii) the budget for the judicial branch that is
 submitted pursuant to K.S.A. 2001 Supp. 20-158
 and amendments thereto.

9-4

1 funds, sources and types. The general budget summary shall include all
2 special or fee funds as well as the state general fund, and shall include
3 the estimated amounts of federal aids, for whatever purpose provided,
4 together with estimated expenditures therefrom.

5 (2) Part two shall embrace the detailed budget estimates for each of
6 the fiscal years included, both of expenditures and revenues, showing the
7 requests of the state agencies, if any, and the incoming governor's rec-
8 ommendations thereon. It shall also include statements of the bonded
9 indebtedness of the state, showing the actual amount of the debt service
10 for at least the last completed fiscal year, and the estimated amount for
11 the current fiscal year and for each of the ensuing fiscal years included,
12 the debt authorized and unissued, and the condition of the sinking funds.

13 (3) Part three shall consist of a draft of a legislative measure or meas-
14 ures reflecting the incoming governor's budget for all of the fiscal years
15 included in the budget report.

16 (c) The division of the budget shall compile a children's budget doc-
17 ument consisting of the information contained in agency budget estimates
18 regarding programs that provide services for children and their families.
19 Such document shall be provided to the ~~joint committee on children and~~
20 ~~families; the Kansas commission on children, youth and families, estab-~~
21 ~~lished by the governor's executive order number 91-145; and other per-~~
22 ~~sons or entities on request.~~

23 (d) The division of the budget, upon request, shall furnish the gov-
24 ernor or the legislature with any further information required concerning
25 the budget.

26 (e) Nothing in this section shall be construed to restrict or limit the
27 privilege of the governor to present supplemental budget messages or
28 amendments to previous budget messages, which may include proposals
29 for expenditure of new or increased sources of revenue derived from
30 proposed legislation.

31 ~~(f) The budget estimate for the judicial branch of state government as~~
32 ~~submitted to the director of the budget pursuant to K.S.A. 20-158, and~~
33 ~~amendments thereto, shall be included in the governor's budget report.~~

34 Sec. 4. K.S.A. 75-3718 and 75-3721 and K.S.A. 2000 Supp. 20-158
35 are hereby repealed.

36 Sec. 5. This act shall take effect and be in force from and after its
37 publication in the statute book.