

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 10:35 a.m. on March 23, 2004, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Julian Efird, Kansas Legislative Research Department  
Debra Hollon, Kansas Legislative Research Department  
Susan Kannarr, Kansas Legislative Research Department  
Robert Waller, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
Jill Wolters, Senior Assistant, Revisor of Statutes  
Judy Bromich, Administrative Analyst  
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Dale Brunton, Director, Accounts and Reports, Kansas Department of Administration  
Duane Goossen, Director, Division of the Budget

Others attending:

See Attached List.

Senator Jordan moved, with a second by Senator Downey, that the committee reconsider it's action on SCR 1622 (3rs1708) which was introduced in committee on March 22, 2004, because the number 1622 had already been used for another resolution. Motion carried on a voice vote.

Chairman Morris opened the public hearing on:

**HB 2673--Increased payment authority for prior year claims for services or purchases by state agencies**

Staff briefed the committee on the bill.

Chairman Morris welcomed Dale Brunton, Director, Division of Accounts and Reports, Kansas Department of Administration, who testified in support of **HB 2673 (Attachment 1)**. Mr. Brunton explained that the bill was proposed by the Department of Administration. The bill would allow the Director of Accounts and Reports to pay, from current fiscal year funds, a valid claim up to \$5,000 for goods or services purchased in the prior fiscal year. The current limit is \$500. Mr. Brunten explained that the \$5,000 limit is in accordance with other authority limits for state agencies, such as delegated audit, purchasing and asset capitalization.

There being no further conferees to come before the committee, the Chairman closed the public hearing on **HB 2673**.

The Chairman opened the public hearing on:

**HB 2675--Claims against the state**

Dr. Bill Wolff, Associate Director, Kansas Legislative Research Department, presented a briefing on the bill.

Senator Jackson moved, with a second by Senator Helgerson, a balloon amendment regarding HB 2675 concerning the Board of Nursing, Section 9 of the bill (Attachment 2). Motion carried on a voice vote.

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 10:35 a.m. on March 23, 2004, in Room 123-S of the Capitol.

Senator Downey moved, with a second by Senator Jordan, a balloon amendment drafted by the Revisor regarding **HB 2675** concerning the Attorney General's Office, Section 10 of the bill (Attachment 3). Motion carried on a voice vote.

The Chairman closed the public hearing on **HB 2675**.

Chairman Morris called the committee's attention to discussion of:

**HB 2673--Increased payment authority for prior year claims for services or purchases by state agencies**

Senator Jackson moved, with a second by Senator Downey, to recommend **HB 2673** favorable for passage. Motion carried on a roll call vote.

**HB 2675--Claims against the state**

Senator Jackson moved, with a second by Senator Schodorf, to recommend **HB 2675** favorable for passage as amended. Motion carried on a roll call vote.

Chairman Morris opened the public hearing on:

**HB 2706--State finance council, voting procedures**

Staff briefed the committee on the bill.

The Chairman welcomed Duane Goossen, Director, Division of the Budget, who spoke in favor of the bill. Director Goossen explained that the reason for the bill is the difficulty in getting all nine members of the State Finance Council hooked up either in person or by telephone to make decisions so emergency dollars can be released. The bill allows an absentee vote. (No written testimony was submitted.)

There being no further conferees to come before the committee, the Chairman Morris closed the public hearing on **HB 2706**.

Senator Downey moved, with a second by Senator Jackson, to recommend **HB 2706** favorable for passage. Motion carried on a roll call vote.

Chairman Morris called the committee's attention to discussion of:

**SB 351--Emergency medical services providers; grants for training and education expenses**

Chairman Morris recognized Senator Jay Emler who explained a proposed substitute bill for **SB 351** and noted that the fiscal note had been parred down to \$200,000. The Chairman recognized David Lake, Administrator, Board of Emergency Medical Services, provided additional comments regarding the proposed substitute bill for **SB 351**.

Senator Downey moved, with a second by Senator Helgerson, to amend **SB 351** with a **Senate Substitute for SB 351**. Motion carried on a voice vote.

Senator Downey moved, with a second by Senator Jackson, to recommend **Senate Substitute for SB 351** favorable for passage as amended. Motion carried on a roll call vote.

Chairman Morris called the committee's attention to discussion of **HB 2886**.

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 10:35 a.m. on March 23, 2004, in Room 123-S of the Capitol.

The Chairman recognized Barb Hinton, Legislative Post Auditor, Legislative Division of Post Audit who explained a proposed balloon amendment regarding **SB 365**.

Senator Adkins moved, with a second by Senator Jackson, to remove the provisions contained in **HB 2886**, amend **HB 2886** by adding the provisions contained in **SB 365** including a balloon amendment (Attachment 4) regarding public utilities and the provisions contained in **SB 306** regarding certain separate audits of Kansas racing and gaming commission, and recommend a **Senate Substitute for HB 2886** favorable for passage as amended. Motion carried on a roll call vote.

The meeting adjourned at 11:35 a.m. The next meeting is scheduled for March 24, 2004.

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE March 23, 2004

NAME	REPRESENTING
Haran Dunkel	DOB
Julie Thomas	DOB
SHERYL WELER	DEPT OF ADMINISTRATION
Charlie Keller	Hein Law Firm
Garnie Ann Lower	KAAP
Cheryl Dillard	Country Health Care
Barb Hinton	Post Audit
Jackie Aubert	SRS
David Lake	KBEMS
Diane Blynn	KSNB
Pat Lehman	KFSA

**Kansas Department of Administration**  
**Howard Fricke, Secretary**

1000 SW Jackson, Suite 500  
Topeka, Kansas 66612-1268  
(785) 296-3011

**Senate Ways & Means Committee**  
**HB 2673 – Authority to Pay Prior Year Claims**

**Dale Brunton, Director**  
**Division of Accounts and Reports**

**March 23, 2004**

Good morning Mr. Chairman and members of the Committee. I appreciate the opportunity to discuss with you House Bill 2673 proposed by the Department of Administration.

House Bill 2673 allows the Director of Accounts and Reports to pay, from current fiscal year funds, a valid claim up to \$5,000 for goods or services purchased in the prior fiscal year. The current limit is \$500. Generally, a state agency must either pay for goods and services within the fiscal year incurred, or encumber funds to allow payment in the subsequent fiscal year. Otherwise, state vendors must file a claim through the annual legislative claims process, even if the vendor was at no fault in the process.

In 1980, K.S.A. 46-923 was enacted to avoid placing an unnecessary burden on state vendors or the Joint Committee on Special Claims Against the State for small dollar claims not presented in the proper fiscal year. House Bill 2673 recognizes a need to increase this threshold after 24 years and align it more closely with other established limits. The \$5,000 limit is in accordance with other authority limits for state agencies, such as delegated audit, purchasing, and asset capitalization. The amendment primarily benefits vendors and state agencies by allowing a quicker payment process with less bureaucracy.

Again, thank you for allowing me to appear before you today and for considering House Bill 2673. I welcome the opportunity to respond to any questions that you may have.

Senate Ways and Means  
3-23-04  
Attachment 1

Proposed amendment for consideration  
by Senate Committee on Ways and Means

1 Jackie L. Phillips, #57104  
 2 815 SE Rice Rd.  
 3 Topeka, KS 66607 ..... \$9.41

4 (e) The department of corrections is hereby authorized and directed  
 5 to pay the following amount from the Hutchinson correctional facility—  
 6 facilities operations account of the state general fund for loss of claimant's  
 7 personal property while claimant was in the care, custody and control of  
 8 the personnel at the Hutchinson correctional facility, to the following  
 9 claimant:

10 Alan E. White, #6011666  
 11 PO Box 1568  
 12 Hutchinson, KS 67504-1568..... \$9.19

13 (f) The department of corrections is hereby authorized and directed  
 14 to pay the following amount from the supervision fees fund as reimburse-  
 15 ment for post-release supervision fees erroneously deducted ~~from~~ from  
 16 claimant's account, to the following claimant:

17 Charles Earl Simmons  
 18 1331 Rowland  
 19 Kansas City, KS 66104..... \$118.00

20 **Sec. 7. The department of administration is hereby authorized**  
 21 **and directed to pay the following amounts from the canceled war-**  
 22 **rants payment fund for payment of expired warrants, to the fol-**  
 23 **lowing claimants:**

24 American United Life Ins. Co.  
 25 P.O. Box 5207  
 26 Topeka, KS 66605-0207..... \$11,203.33

27 The Travelers  
 28 P.O. Box 2928  
 29 Overland Park, KS 66201-1328..... \$48,949.62

30 [Sec. 8. The department of revenue is hereby authorized and  
 31 directed to pay the following amount from the sales tax refund as  
 32 reimbursement for overpayment of sales tax, which was not sub-  
 33 mitted in the proper fiscal year, to the following claimant:

34 [Rick Tutac  
 35 [2620 Oxbow  
 36 [Great Bend, KS 67530..... \$4,866.83]

37 **Sec. 7-8 [9].** (a) Except as otherwise provided by this act, the di-  
 38 rector of accounts and reports is hereby authorized and directed to draw  
 39 warrants on the state treasurer in favor of the claimants specified in this  
 40 act, upon vouchers duly executed by the state agencies directed to pay  
 41 the amounts specified in such sections to the claimants or their legal  
 42 representatives or duly authorized agents, as provided by law.

43 (b) The director of accounts and reports shall secure prior to the

[Sec. 9. The board of nursing is hereby authorized and directed to pay the following amount from the board of nursing fee fund as reimbursement for attorney's fees and other related expenses incurred in application for a nursing license, to the following claimant: Elizabeth Tiszavary, 704 South 29<sup>th</sup>, Lincoln, NE, 68510 .....\$609.80

[Renumber sections accordingly

Sen. Dave Jackson

Senate Ways and Means  
 3-23-04  
 Attachment 2

[As Amended by House Committee of the Whole]

As Amended by House Committee

Session of 2004

**HOUSE BILL No. 2675**

By Joint Committee on Special Claims Against the State

2-2

Proposed Amendment for Consideration  
By Committee on Ways and Means

Senate Ways and Means  
3-23-04  
Attachment 3

12 AN ACT concerning certain claims against the state, making appropri-  
13 ations, authorizing certain transfers, imposing certain restrictions and  
14 limitations, and directing or authorizing certain disbursements, proced-  
15 ures and acts incidental to the foregoing.

16  
17 *Be it enacted by the Legislature of the State of Kansas:*

18 Section 1. For the fiscal year ending June 30, 2004, appropriations  
19 are hereby made, restrictions and limitations are hereby imposed, and  
20 transfers, disbursements, procedures and acts incidental to the foregoing  
21 are hereby directed or authorized as provided in this act.

22 Sec. 2. The department of revenue is hereby authorized and directed  
23 to pay the following amounts from the motor-vehicle fuel tax refund fund,  
24 for claims not filed within the statutory filing period prescribed in K.S.A.  
25 79-345S and amendments thereto, to the following claimants:

26 Ascher Farm	
27 6221 Barr Rd.	
28 Junction City, KS 66441 .....	\$37.50
29 Averie Acres Inc.	
30 10727 25Sth Rd.	
31 Effingham, KS 66023.....	\$18.18
32 B P Enterprises of Ks Inc.	
33 1820 W 6th St.	
34 El Dorado, KS 67042.....	\$66.65
35 Barnes, Donald	
36 115S 150th St.	
37 Hiawatha, KS 66434 .....	\$91.26
38 Barten, Neal	
39 987 Fair Rd.	
40 Abilene, KS 67410.....	\$234.13
41 Beswick, George	
2S42 Thunder Rd.	
Green, KS 67447.....	\$12.51

1 Jackie L. Phillips, #57104  
 2 815 SE Rice Rd.  
 3 Topeka, KS 66607 ..... \$9.41

4 (e) The department of corrections is hereby authorized and directed  
 5 to pay the following amount from the Hutchinson correctional facility —  
 6 facilities operations account of the state general fund for loss of claimant's  
 7 personal property while claimant was in the care, custody and control of  
 8 the personnel at the Hutchinson correctional facility, to the following  
 9 claimant:

10 Alan E. White, #6011666  
 11 PO Box 1568  
 12 Hutchinson, KS 67504-1568..... \$9.19

13 (f) The department of corrections is hereby authorized and directed  
 14 to pay the following amount from the supervision fees fund as reimburse-  
 15 ment for post-release supervision fees erroneously deducted from from  
 16 claimant's account, to the following claimant:

17 Charles Earl Simmons  
 18 1331 Rowland  
 19 Kansas City, KS 66104 ..... \$118.00

20 Sec. 7. The department of administration is hereby authorized  
 21 and directed to pay the following amounts from the canceled war-  
 22 rants payment fund for payment of expired warrants, to the fol-  
 23 lowing claimants:

24 American United Life Ins. Co.  
 25 P.O. Box 5207  
 26 Topeka, KS 66605-0207 ..... \$11,203.33  
 27 The Travelers  
 28 P.O. Box 2928  
 29 Overland Park, KS 66201-1328 ..... \$48,949.62

30 [Sec. 8. The department of revenue is hereby authorized and  
 31 directed to pay the following amount from the sales tax refund as  
 32 reimbursement for overpayment of sales tax, which was not sub-  
 33 mitted in the proper fiscal year, to the following claimant:

34 [Rick Tutac  
 35 [2620 Oxbow  
 36 [Great Bend, KS 67530 ..... \$4,866.83]

37 Sec. 8. (a) Except as otherwise provided by this act, the di-  
 38 rector of accounts and reports is hereby authorized and directed to draw  
 39 warrants on the state treasurer in favor of the claimants specified in this  
 40 act, upon vouchers duly executed by the state agencies directed to pay  
 41 the amounts specified in such sections to the claimants or their legal  
 42 representatives or duly authorized agents, as provided by law.

43 (b) The director of accounts and reports shall secure prior to the

Sec. 9. (a) The office of attorney  
 general is hereby authorized and directed to  
 pay the following amount from the operating  
 expenditures account of the state general  
 fund for payment of a bill for production of  
 records services, the invoice for which was  
 submitted or processed in an untimely manner,  
 to the following claimant:  
 Bank of America  
 800 Market St.  
 St. Louis, MO 63101.....\$68.20  
 (b) The office of attorney general is  
 hereby authorized and directed to pay the  
 following amount from the operating  
 expenditures account of the state general  
 fund of the above agency, the amount of  
 \$288.99, from the court cost fund the amount  
 of \$145.81 for payment for copier services  
 rendered, the invoice for which was submitted  
 or processed in an untimely manner, to the  
 following claimant:  
 Century United Companies, Inc.  
 401 SW 30th  
 Topeka, KS 66611.....\$434.80

10



SENATE BILL No. 365

By Committee on Ways and Means

1-26

10 AN ACT concerning legislative post audit; relating to persons subject to  
11 audits; amending K.S.A. 46-1114 and repealing the existing section.  
12

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

14 Section 1. K.S.A. 46-1114 is hereby amended to read as follows: 46-  
15 1114. (a) The legislative post audit committee is hereby authorized to  
16 direct the post auditor and the division of post audit to make an audit of  
17 any type described in K.S.A. 46-1106 or 46-1108, and amendments to  
18 these sections, of any records or matters of any person specified in this  
19 section, and may direct the object in detail of any such audit.

20 (b) Upon receiving any such direction, the post auditor with the di-  
21 vision of post audit, shall make such audit and shall have access to all  
22 books, accounts, records, files, documents and correspondence, confi-  
23 dential or otherwise, to the same extent permitted under subsection (g)  
24 of K.S.A. 46-1106 and amendments thereto, except that such access shall  
25 be subject to the limitations established under subsection (d) of this  
26 section.

27 (c) Audits authorized by this section are the following:

28 (1) Audit of any local subdivision of government or agency or instru-  
29 mentality thereof which receives any distribution of moneys from or  
30 through the state.

31 (2) Audit of any person who receives any grant or gift from or through  
32 the state.

33 (3) Audit of the contract relationships and the fiscal records related  
34 thereto of any person who contracts with the state.

35 (4) Audit of any person who is regulated or licensed by any state  
36 agency or who operates or functions for the benefit of any state institution;  
37 ~~except that this subsection (c)(4) shall not include audit of any person~~  
38 ~~regulated by the state corporation commission~~ **except that any audit of**  
39 **any person regulated by the state corporation commission shall ad-**  
40 **dress only compliance with laws or regulations, collection or re-**  
41 **mittance of taxes or fees, or other matters related directly to state**  
42 **government programs or functions. Any such audit authorized un-**  
43 **der this subsection shall not address corporate governance or fi-**

Senate Ways and Means  
3-23-04  
Attachment 4

1 *nancial issues except as they may relate directly to state government*  
2 *programs or functions.*

3 (d) (1) Access to all books, accounts, records, files, documents and  
4 correspondence, confidential or otherwise, as authorized under subsec-  
5 tion (b) of this section of any nongovernmental person audited under  
6 authority of subsection (c)(2) of this section shall be limited to those  
7 books, accounts, records, files, documents and correspondence, confi-  
8 dential or otherwise, of such person to which the state governmental  
9 agency which administers the grant or gift and provides for the disburse-  
10 ment thereof is authorized under law to have access.

11 (2) Access to all books, accounts, records, files, documents and cor-  
12 respondence, confidential or otherwise, as authorized under subsection  
13 (b) of this section of any nongovernmental person audited under authority  
14 of subsection (c)(3) of this section shall be limited to those books, ac-  
15 counts, records, files, documents and correspondence, confidential or  
16 otherwise, of such person to which the state governmental agency which  
17 contracts with such person is authorized under law to have access.

18 (3) Access to all books, accounts, records, files, documents and cor-  
19 respondence, confidential or otherwise, as authorized under subsection  
20 (b) of this section of any nongovernmental person audited under authority  
21 of subsection (c)(4) of this section shall be limited to those books, ac-  
22 counts, records, files, documents and correspondence, confidential or  
23 otherwise, of such person to which the state governmental agency which  
24 regulates or licenses such person or the state institution on whose behalf  
25 such person operates or functions is authorized under law to have access.

26 Sec. 2. K.S.A. 46-1114 is hereby repealed.

27 Sec. 3. This act shall take effect and be in force from and after its  
28 publication in the statute book.

This sub-section shall not apply to public utilities  
as defined in K. S. A. 66-1, 187 (1).