

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE
SPECIAL LEGISLATIVE SESSION - 2005

The meeting was called to order by Chairman Dwayne Umbarger at 10:20 A.M. on June 27, 2005, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Norman Furse, Revisor of Statutes
Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Michelle Alishahi, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Julian Efirid, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Becky Krahl, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Amy VanHouse, Kansas Legislative Research Department
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

None

Others attending:

See attached list.

Chairman Umbarger called the Committee's attention to consideration of:

SB 9 – Appropriations for FY 2006 and FY 2007 for state agencies, prescribing reductions

The Chairman acknowledged Alan Conroy, Director, Kansas Legislative Research Department, who presented an overview of the following information:

- 2005 Special Session **Senate Bill No. 9** (Attachment 1)
- Impact by Agency of Potential Across the Board Reductions to Approved FY 2006 State General Fund Expenditures (Attachment 2)

The Committee discussed the implications of including STAR Bonds in **SB 9** and decisions the Committee and the Legislature will need to consider.

Senator Morris moved, with a second by Senator Emler, that **SB 9** be passed without recommendation. Chairman Umbarger encouraged State Agencies, if they will be impacted by this legislation, to get in touch with the Legislators. Motion carried on a roll call vote. Senator Wysong changed his vote from "Pass" to "No". Senator McGinn changed her vote from "Pass" to "Aye" and explained her vote because she felt it was very important to have the debate on the Senate floor, and that she is really not a "yes" vote, but it is necessary to look at a long term vision. Senator Betts changed his vote from "Pass" to "No". Senator Kelly changed her vote from "Pass" to "Aye". Senator Schmidt changed her vote from "Pass" to "No".

The Attorney General's Office came before the committee regarding different subject matter. The representative noted that \$320,000. has been allocated to the Board of Indigent's Defense Services fund and

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:20 A.M. on June 27, 2005, in Room 123-S of the Capitol.

\$80,000. earmarked in the Attorney General's budget for the BTK case. Senator Wysong requested allocating the \$200,000 to \$300,000 from the BTK case to the State General Fund toward other agency requests.

Senator Morris thanked the Committee for "stepping up to the plate" both during the regular 2005 Legislative Session and the 2005 Special Legislative Session. He noted that the Committee has been very responsible.

The meeting adjourned at 10:50 a.m. The next meeting was scheduled for the afternoon of June 27, 2005.

SENATE WAYS AND MEANS
GUEST LIST

Date June 27, 2005

NAME	REPRESENTING
Heather Mangum	DOB
Julia Thomas	DOB
CK Deaton	Budget
Tanya Dorf	KACIL
Bernie Koch	Wichita Area Chamber
Mike Huttles	KGC
Joe Fund	KWO
Max Foster	KDA
TERRY FORSYTH	KWEA
Eric Stafford	AGC & KS
Kyle May	Little Bart. Relations
Stuart Little	Little Goat Relations
RONALD RICHEY	ME
Kim Fowler	Judicial Branch
Marsha Strubm	CWA
Judy Shaw	Kennedy & Associates Inc.
LEW EBERT	Kansas Chamber
MIKE MUMMY	SPMUT
MARIE CAMPBELL	KCC
Rae Sechen	Kimberly Fire
Glenn Thompson	Stand Up For KS.
Debra Prideaux	FHSU
Bill Pomato	PSCU

**SENATE WAYS AND MEANS
GUEST LIST**

Date 6/27/05

NAME	REPRESENTING
Jenni Rose	KACCT
Mawty Kennedy	KDOA
Jimmie Spahn	KDOA
Dodie Wellshear Johnson	Patrick Hurley & Co.
Lois Weeks	SRS
Dore Wilson	KAC
Aaran Dunkel	KDHE
Dick Kverth	KDWP
Jim Conant	KDOR
Elaine Frisbie	Div. of the Budget
Duane Gossen	DOB
Jim Sullinger	KC STAR
Tara White	Capital-Journal
Barbara Belcher	Merck
Marcie Ferrill	KDOT

2005 SPECIAL SESSION SENATE BILL NO. 9

Senate Bill No. 9 makes adjustments to FY 2006 currently approved expenditures for all agencies funded from the State General Fund with the exception of the Department of Education. The bill also adjusts certain transfers impacting the State General Fund in FY 2006. The expenditure reduction and transfer adjustments are expected to generate savings totaling \$160.8 million in FY 2006.

In general, the bill imposes an 8.3 percent reduction on currently approved State General Fund expenditures for FY 2006. The reduction would apply to all State General Fund expenditures with the following exceptions:

- Expenditures for the **State Department of Education**, including expenditures for employer contributions for KPERS – school payments for eligible employers. These currently approved expenditures total \$2.438 billion.
- Expenditures totaling \$35.9 million for **debt service payments** pursuant to contractual bond obligations.
- Expenditures of \$704.6 million for **consensus caseload estimates** for the Department on Aging, the Department of Social and Rehabilitation Services and the Department of Administration.

The expenditure reductions would reduce currently approved FY 2006 State General Fund expenditures from \$5.001 billion to \$4.850 billion (not including expenditures authorized by other bills during the 2005 Special Session). Although the overall reduction to approved expenditures is 3.0 percent, the exceptions noted above reduce the expenditures on which the reductions are based to \$1.822 billion, resulting in the 8.3 percent reduction for most agencies.

The bill also modifies four currently approved **State General Fund revenue transfers** by reducing them by 8.3 percent:

- The State General Fund transfer to the **Special City-County Highway Fund**, currently approved at \$10.1 million, is reduced to \$9.2 million.
- The transfer to the **State Water Plan Fund** (currently \$6.0 million) is reduced to \$5.5 million.
- The transfer to the **Board of Regents Faculty of Distinction Fund** is reduced from \$894,000 to \$819,762.
- The transfer to the **State Fair Capital Improvements Fund** is reduced from \$300,000 to \$275,088.

Finally, the bill transfers \$8.0 million from the **State Highway Fund** to the State General Fund. The transfer is designed to capture 8.3 percent of the estimated \$96.5 million sales tax transfer to the State Highway Fund.

Senate Ways and Means
2005 Special Session
6-27-05
Attachment 1

**IMPACT BY AGENCY OF POTENTIAL ACROSS THE BOARD REDUCTIONS TO APPROVED FY 2006 STATE
GENERAL FUND EXPENDITURES**

	FY 2006 Approved	8.3 Percent for Full Year	
		Reduction	Change From Approved
Governmental Ethics Commission	\$ 492,430	\$ (40,892)	(8.3) %
Legislative Coordinating Council	750,032	(62,283)	(8.3)
Legislative Research Department	3,039,683	(252,417)	(8.3)
Revisor of Statutes	2,694,885	(223,785)	(8.3)
Legislature	15,535,830	(1,290,104)	(8.3)
Division of Post Audit	2,540,146	(210,935)	(8.3)
Office of the Governor	2,303,136	(191,254)	(8.3)
Lieutenant Governor	174,008	(14,450)	(8.3)
Attorney General	5,615,123	(466,283)	(8.3)
Board of Indigents' Defense Services	17,963,617	(1,491,709)	(8.3)
Judicial Branch	97,384,189	(8,086,839)	(8.3)
Kansas Public Employers Retirement System	3,211,692	-	-
Commission on Human Rights	1,647,800	(136,834)	(8.3)
Department of Administration	458,430,256	(3,462,521)	(0.8)
Board of Tax Appeals	1,355,563	(112,567)	(8.3)
Department of Revenue	20,487,097	(1,701,260)	(8.3)
Department of Commerce	229,602	(19,066)	(8.3)
Subtotal - General Government	\$ 633,855,089	\$ (17,763,199)	(2.8) %
Department of Labor	\$ 342,448	\$ (28,437)	(8.3) %
Commission on Veterans Affairs	7,511,078	(623,724)	(8.3)
Dept. of Health and Environment - Health	18,506,241	(1,536,769)	(8.3)
Department on Aging	171,096,825	(3,138,072)	(1.8)
Social and Rehabilitation Services	492,285,287	(26,416,421)	(5.4)
Kansas Neurological Institute	12,089,114	(1,003,887)	(8.3)
Larned State Hospital	34,171,938	(2,837,657)	(8.3)
Osawatomie State Hospital	8,916,789	(740,455)	(8.3)
Parsons State Hospital	8,403,787	(697,855)	(8.3)
Rainbow Mental Health Facility	3,825,760	(317,693)	(8.3)
<i>Subtotal - SRS and Hospitals</i>	<i>559,692,675</i>	<i>(32,013,970)</i>	<i>(5.7)</i>
Kansas Guardianship Program	1,045,507	(86,820)	(8.3)
Health Policy Authority	1,450,000	(120,409)	(8.3)
Subtotal - Human Resources	\$ 759,644,774	\$ (37,548,200)	(4.9) %
Department of Education	\$ 2,438,111,945	\$ -	- %
State Library	5,014,996	(416,448)	(8.3)
Kansas Arts Commission	1,530,723	(127,112)	(8.3)
School for the Blind	5,025,381	(417,311)	(8.3)
School for the Deaf	8,180,339	(671,555)	(8.2)
State Historical Society	6,121,056	(508,296)	(8.3)
Fort Hays State University	31,879,264	(2,647,272)	(8.3)
Kansas State University	104,668,061	(8,675,964)	(8.3)
KSU - Ext. Systems and Ag. Research Programs	48,660,568	(4,040,802)	(8.3)
KSU - Veterinary Medical Center	9,988,928	(829,486)	(8.3)
Emporia State University	31,006,452	(2,574,794)	(8.3)
Pittsburg State University	33,570,974	(2,764,169)	(8.2)
University of Kansas	136,646,183	(11,221,510)	(8.2)
University of Kansas Medical Center	104,414,508	(8,670,641)	(8.3)
Wichita State University	68,810,586	(5,605,412)	(8.1)
Board of Regents	178,153,972	(14,794,008)	(8.3)
<i>Subtotal - Regents</i>	<i>747,799,496</i>	<i>(61,824,059)</i>	<i>(8.3)</i>
Subtotal - Education	\$ 3,211,783,936	\$ (63,964,781)	(2.0) %

	FY 2006 Approved	8.3 Percent for Full Year	
		Reduction	Change From Approved
Department of Corrections	\$ 100,308,147	\$ (7,916,079)	(7.9) %
Topeka Correctional Facility	11,034,013	(916,271)	(8.3)
Hutchinson Correctional Facility	25,967,928	(2,128,936)	(8.2)
Lansing Correctional Facility	34,255,570	(2,808,626)	(8.2)
Ellsworth Correctional Facility	11,235,979	(933,042)	(8.3)
Larned Correctional Mental Health Facility	8,695,027	(722,040)	(8.3)
Winfield Correctional Facility	10,617,672	(867,523)	(8.2)
Norton Correctional Facility	13,020,893	(1,064,333)	(8.2)
El Dorado Correctional Facility	21,994,267	(1,804,841)	(8.2)
<i>Subtotal - Corrections</i>	237,129,496	(19,161,691)	(8.1)
Juvenile Justice Authority	29,788,792	(2,473,678)	(8.3)
Atchison Juvenile Correctional Facility	6,031,363	(500,848)	(8.3)
Beloit Juvenile Correctional Facility	4,570,242	(379,516)	(8.3)
Larned Juvenile Correctional Facility	7,943,219	(659,609)	(8.3)
Kansas Juvenile Correctional Complex	15,395,739	(1,278,471)	(8.3)
<i>Subtotal - Juvenile Justice</i>	63,729,355	(5,292,122)	(8.3)
Adjutant General	10,090,756	(713,855)	(7.1)
Kansas Parole Board	452,988	(37,616)	(8.3)
Highway Patrol	35,294,183	(2,930,849)	(8.3)
Kansas Bureau of Investigation	14,288,995	(1,160,329)	(8.1)
Sentencing Commission	6,601,104	(548,159)	(8.3)
Subtotal - Public Safety	\$ 367,586,877	\$ (29,844,623)	(8.1) %
Dept. of Health and Environment - Environment	\$ 9,818,618	\$ (815,344)	(8.3) %
Department of Agriculture	10,399,625	(863,591)	(8.3)
Animal Health Department	774,801	(64,340)	(8.3)
Kansas State Fair Board	1,550,044	-	-
State Conservation Commission	634,112	(52,657)	(8.3)
Kansas Water Office	1,433,384	(119,029)	(8.3)
Department of Wildlife and Parks	3,562,447	(295,828)	(8.3)
Subtotal - Agriculture and Natural Resources	\$ 28,173,031	\$ (2,210,788)	(7.8) %
FY 2006 Total Expenditures	\$ 5,001,043,707	\$ (151,331,592)	(3.0) %
FY 2006 Transfers Impacted			
Special City County Highway Fund Transfer	\$ 10,063,664	\$ (835,692)	(8.3) %
State Water Plan Fund Transfer	6,000,000	(498,243)	(8.3)
State Fair Capital Improvements Fund	300,000	(24,912)	(8.3)
Regents' Faculty of Distinction Transfer	894,000	(74,238)	(8.3)
Sales Tax Transfer to State Highway Fund	96,535,000	(8,016,322)	(8.3)
Total - State General Fund Transfers	\$ 113,792,664	\$ (9,449,408)	(8.3) %
Grand Total	\$ 5,114,836,371	\$ (160,781,000)	(3.1) %

Exempts K-12 expenditures, debt service, and SRS/Aging/Administration caseloads