Approved: March 31, 2025

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Rick Billinger at 8:30 am on Friday, March 07, 2025, in room 548-S of the Capitol.

All members were present except:

Senator Mike Petersen – Excused

Substitute members:

Senator Ty Masterson, appointed substitute member to the committee

Committee staff present:

David Wiese, Office of Revisor of Statutes Dylan Dear, Legislative Research Department Jessie Pringle, Office of Revisor of Statutes Kyle Anderson, Legislative Research Department Nancy Fontaine, Kansas Legislative Committee Assistant Nicole Hrenchir, Legislative Research Department

Conferees appearing before the Committee:

Scott Schultz, Kansas Sentencing Commission Keith Bradshaw, Kansas Department of Corrections

Others in attendance:

No list available

Request for bill introductions

There were no requests for bill introductions.

Budget Hearings

<u>Kansas Sentencing Commission</u>: Nicole Hrenchir, Kansas Legislative Research Department (KLRD) provided an overview of the budget and distributed a document displaying the Governor's differences from the Legislative Budget Committee recommendation. (<u>Attachment 1</u>)

Scott Shultz, Executive Director, indicated that the main budget priority is to provide funding due to an increase in the projected prison population and expansion of the Substance Abuse Treatment Program. Kansas has fallen behind on reimbursement rates to providers and it hasn't been adjusted since 2003. The second item is to provide funds for salaries of legislators that are on their board due to the salary increase that took effect last year. Additionally, the 1.5 % cut is problematic and the Commission would not be able to do planned cybersecurity upgrades. Mr. Shultz responded to questions from Committee members. (Attachment 2)

Written only comments were submitted by Stuart Little, Behavioral Health Association of Kansas.

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(Attachment 3)

<u>Kansas Department of Corrections System</u>: Nicole Hrenchir, KLRD, provided an overview of the budget and distributed a document displaying the Governor's differences from the Legislative Budget Committee recommendation and a document displaying the Expenditures and FTE positions by facility for FY 2024--FY 2026. (Attachment 4) (Attachment 5)

Keith Bradshaw, Executive Director of Contracts and Finance, stated that the prison population is the biggest challenge. House Appropriations did deal with several issues such as the health care and food service contracts, as well as some of capital improvements issues. There are concerns with the lapsed funding that would require cuts in existing programs and operations if not restored. The Evidence-Based programs would also be short of funds to support the juveniles directly. The vacant position funding sweep is also an issue. While the correctional facilities are exempt, other critical positions are not, such as parole officers. Mr. Bradshaw responded to questions from Committee members. (Attachment 6)

Mr. Bradshaw also distributed a document regarding the impact of reappropriation lapses included in the budget and a document regarding the impact of the evidence-based programs funds. (Attachment 7) (Attachment 8)

Written only comments were submitted by:

Bonnie Lowe, Lawrence Chamber of Commerce (Attachment 9)

Gina Meier-Hummel, O'Connell Children's Shelter (Attachment 10)

Stuart Little, Kansas Community Corrections Association (Attachment 11)

<u>Final action on: HB2007 — Substitute for HB2007 by Committee on Appropriations - Making and concerning supplemental appropriations for fiscal year 2025 and appropriations for fiscal years 2026 and 2027 for various state agencies.</u>

Chairperson Billinger opened final action on **Sub. for HB 2007**.

Adjutant General:

Senator Owens distributed a proviso concerning disaster relief and discussed the proposed change. (Attachment 12)

Senator Owens moved, Senator Pettey seconded, adoption of the proviso. The motion carried.

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Senator Owens distributed a proviso concerning operating expenditures and discussed the proposed change. (Attachment 13)

Senator Owens moved, Senator Fagg seconded, adoption of the proviso. The motion carried.

Board of Barbering: No adjustments were made.

Board of Cosmetology: No adjustments were made.

Kansas State Treasurer:

Chairperson Billinger distributed a proviso and discussed the proposed change. (Attachment 14)

Chairperson Billinger moved, Senator Claeys seconded, adoption of the proviso. The motion carried.

Senator Claeys distributed a proviso concerning the pregnancy compassion awareness program and discussed the proposed changes. (Attachment 15)

Senator Claeys, Senator Fagg seconded, adoption of the proviso. The motion carried.

Senator Claeys distributed a proviso concerning the aviation jobs fund and discussed the proposed changes. (Attachment 16)

Senator Claeys moved, Senator Erickson seconded, adoption of the proviso. Discussion ensued.

<u>Senator Claeys made a substitute motion, Senator Erickson seconded, adoption of the proviso and to require a personal guarantee for the funds and that there be a report from the Treasurer to the Legislature annually on the use of the funds. The motion carried.</u>

Senator Claeys moved, Senator Owens seconded, that, beginning May 1, 2025, all interest accrued in the previous month on ARPA funds will be calculated monthly and will be deposited in the State General Fund for FY 2025 and FY 2026. The motion carried.

Senator Claeys moved, Senator Peck seconded, to remove the portion of the bill that would change the name of the Docking State Office Building to the Dole State Office Building. The motion carried.

Office of the Governor: No adjustments were made.

Kansas Bureau of Investigation:

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Senator Owens distributed a proviso concerning bonding authority for a new Kansas Bureau of Investigation headquarters building and discussed the proposed changes. (Attachment 17)

<u>Senator Owens moved, Senator Claeys seconded, adoption of the proviso</u>. Discussion ensued.

Senator Claeys made a substitute motion, Senator Owens seconded, to adopt the proviso including language to structure the bonding authority in such a way that the principal could be paid using any remaining ARPA dollars and to include a \$100 million cap for the bonding authority. The motion carried.

Senator Alley distributed a proviso concerning forensic DNA analysis and discussed the proposed change. (Attachment 18)

Senator Alley moved, Senator Claeys seconded, adoption of the proviso. The motion carried.

Kansas Office of Veterans Services:

<u>Senator Pettey moved, Senator Holscher seconded, to remove the Kansas Office of Veterans Services</u> <u>from the 1.5 percent reduction. The motion failed.</u>

State Fire Marshal: No adjustments were made.

Kansas Highway Patrol:

Senator Claeys moved, Senator Peck seconded, to authorize the Kansas Highway Patrol to lease a build-to-suit facility on Jabara airport and to authorize a \$250,000 first payment from the State Highway Fund for FY 2026. The motion carried.

Senator Claeys moved, Senator Kloos seconded, to authorize \$55.5 million in bonding authority from the State Highway Fund and the first payment in FY 2026 for the relocation of the Troop C headquarters and Central Dispatch and authorization for a memorandum of understanding for a shared facility firing range for the training academy. Discussion ensued.

<u>Senator Fagg made a substitute motion, Senator Claeys seconded, to fund this project from the State</u>
<u>Highway Fund instead of using bonding authority. The motion carried.</u>

Higher Education:

<u>Senator Claeys, moved, Senator Masterson seconded, to add \$21 million SGF for the regional stabilization fund for the regional institutions. The motion carried.</u>

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Senator Claeys moved, Senator Masterson seconded, to reinsert funding for community and technical colleges including Student Success at \$10.5 million, Tech College Operating Grant at \$10.5 million, Capital Outlay at \$12,419,311, Excel and CTE at \$47 million, Tiered at \$66,453,525, and Non-tiered at \$88,361,538 all contingent on passage of **SB** 293 or similar legislation enacted into law and a review of ending balances at conference. Discussion ensued.

<u>Senator Alley made a substitute motion, Senator Claeys seconded, to add language to the original motion that any legislation must be enacted without amendments by a committee or conference committee.</u>

Senator Alley withdrew his motion.

<u>Senator Fagg made a substitute motion, Senator Alley seconded, to restore the funding for community and technical colleges.</u> Discussion ensued.

Senator Fagg withdrew his motion.

<u>Senator Fagg made a substitute motion, Senator Alley seconded, to mirror the House position minus one dollar on each program. The motion carried.</u>

Senator Fagg distributed a proviso concerning the Campus Restoration Act and discussed the proposed changes. (Attachment 19)

Senator Fagg moved, Chairperson Billinger seconded, adoption of the proviso. The motion carried.

Senator Owens distributed a proviso concerning Kansas State University and discussed the proposed changes. (Attachment 20)

Senator Owens moved, Senator Erickson seconded, adoption of the proviso. The motion carried.

Senator Erickson distributed a proviso concerning Wichita State University and discussed the proposed change. (Attachment 21)

Senator Erickson moved, Senator Owens seconded, adoption of the proviso. The motion carried.

Senator Erickson distributed a proviso concerning aviation research at Wichita State University and discussed the proposed changes. (Attachment 22)

Senator Erickson moved, Senator Owens seconded, adoption of the proviso. The motion carried.

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<u>Senator Erickson moved, Senator Billinger seconded, to approve \$750,000 for a feasibility study for a dental school that would be a collaboration between Wichita State and Fort Hays State. The motion carried.</u>

Senator Pettey distributed a proviso concerning the Kansas Promise Scholarship and discussed the proposed changes including amending it to include language that it is contingent on the passage of <u>SB</u> <u>44</u>. (Attachment 23)

Senator Pettey moved, Senator Holscher seconded, adoption of the proviso. The motion failed.

Senator Claeys distributed a proviso concerning bonding authority for Kansas State University and discussed the proposed changes. (Attachment 24)

Senator Claeys moved, Senator Owens seconded, adoption of the proviso. The motion carried.

Senator Fagg distributed a proviso and discussed the proposed changes. (Attachment 25)

Senator Fagg moved, Senator Peck seconded, adoption of the proviso. The motion carried.

<u>Senator Claeys moved, Senator Fagg seconded, to authorize refinancing of the Wisconsin bonds for the central district and \$100 million in bonding authority for housing both at the University of Kansas.</u>

The motion carried.

Chairperson Billinger adjourned the meeting at 12:50 pm. The next meeting is March 10. 2025.