

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 9:05 a.m. on February 6, 2001, in Room 514-S of the Capitol.

All members were present except: Representative Spangler

Committee staff present: Alan Conroy, Legislative Research
Rae Anne Davis, Legislative Research
Debra Hollon, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Attorney General Carla Stovall
Kathy Porter, Office of Judicial Administration
Derl Treff, Pooled Money Investment Board
Richard Kline, Juvenile Justice Authority

Others attending: See Attached

Representative Stone moved for the introduction of legislation which would extend the consumer protection law regarding certain motor vehicles. Motion was seconded by Representative Feuerborn. Motion carried.

Representative Kline moved for the introduction of legislation which would amend the statute regarding architectural fees on state projects. Motion was seconded by Representative Neufeld. Motion carried.

Representative Campbell moved for the introduction of legislation which would increase the spending limit for school districts and certain other municipalities from \$10,000 or the current threshold to \$20,000 before they would have to seek bids for an item. Motion was seconded by Representative Minor. Motion carried.

Representative Campbell moved for the introduction of legislation which would require full disclosure of special assessments by realtors at the time of closing. Motion was seconded by Representative Peterson. Motion carried.

Representative Nichols moved for the introduction of legislation which would authorize an ad hoc 1.5 % COLA retirement benefit increase for public employees. Motion was seconded by Representative Stone. Motion carried.

Representative Nichols moved for the introduction of legislation which would authorize a policy establishing sales tax credit for social services offered by faith-based organizations. Motion was seconded by Representative Landwehr. Motion carried.

Attorney General Carla Stovall provided an update on the status of the tobacco money receipts. To date Kansas has received \$86.475 million with \$18.25 million coming in January and another \$33 million is expected in April. Kansas should receive \$1.6 billion in the next 20 years. Possible threats to the delivery of these monies are:

- Medicaid recipient law suits
- Litigation at the national level. Star Tobacco, which is currently distributing tobacco products and has direct connections with the large tobacco companies which were sued, was not a part of the original lawsuit.
- The federal government may withhold payments from the tobacco companies if the states are found to be using the tobacco money for other purposes than promoting smoking prevention marketing to children, i.e. bridges, highways, the funding of other state programs.
- Enforcement provisions for non-participating manufacturers
- Potential bankruptcy of tobacco companies due to punitive damages awarded in the billions in a Florida case.

Attorney General Stovall presented a general update and review of the water litigation cases with Colorado and

Nebraska. The Special Master has indicated that he wants to push the Nebraska case forward rather than it taking the usual length of 12 to 15 years. This will require more money being appropriated in a shorter time frame than had been expected.

Representative Neufeld moved that the open meeting of the House Committee on Appropriations be recessed for a closed, executive meeting pursuant to subsection (b)(2) of K.S.A. 2000 Supp. 75-4319 for the purpose of consulting with the Attorney General and members of the staff of the Attorney General relating to certain litigation regarding interstate water rights, which are matters which would be deemed privileged in the attorney-client relationship, that the House Committee on Appropriations resume the open meeting in this room, Room 515-S of the Statehouse, at 10:00 a.m., and that this motion if adopted be recorded in the minutes of the House Committee on Appropriations and be maintained as a part of the permanent records of the committee. Motion was seconded by Representative Nichols. Adopted at 9:35 on February 6, 2001.

The Committee recessed for the closed, executive meeting. The Committee resumed the open meeting at 10:00 a.m.

Chairman Wilk announced that **HB 2121** had been assigned to the Budget Committee on Education. **HB 2202** has been assigned to the Budget Committee on Social Services.

Hearing on SB 15 – Remittance of state moneys to the state treasurer

Alan Conroy, Legislative Research Department, explained that this bill was a recommendation from the Legislative Budget Committee as a clean-up bill. The agencies which are exempted from making the daily deposits with the State Treasurer are listed according to the Division of Budget, there would be no fiscal impact.

Kathy Porter, Office of Judicial Administration, presented testimony in support of the bill but with the exception that the district court system be allowed to continue their remittance system of once a month (Attachment 1). She explained the difficulties for their system in that they are required to balance out each day and the larger counties would have to close out the day by noon to meet the proposed remittance system. The Senate has suggested running a trailer bill to make this exception as **SB 15** is very costly to reprint. The Pooled Money Investment Board currently has approved to the exception for the Judicial Branch, but the OJA would like to have it put in the statutes as PMIB members change.

Derl S. Treff, Director of Investments of the Pooled Money Investment Board, reminded the Committee of the 550 references which were changed in this bill (Attachment 2). The OJA and 21 other exceptions to the requirement for daily deposits to the state treasurer have been granted by the PMIB. Exceptions are granted through a formal request and the approval of the request in the minutes.

The hearing on **SB 15** was declared closed by the Chair.

Hearing on SB 18 – Grants from the juvenile justice authority for juvenile justice programs may be for a two-year cycle beginning fiscal year 2003

Debra Hollon explained that the bill would allow grants to be based on a two-year program but would contain the same amount of appropriated money. There was no fiscal note on the bill.

Richard Kline, Assistant Secretary of the Juvenile Justice Authority, said the grants are now offered on an annual budget. This causes difficulty for community-based agencies to budget for their yearly programs. Enhancement for existing programs could be submitted on a separate budget.

The Committee agreed that the programs could be more effective and accountable if the grants were on a two-year cycle.

Chairman Wilk declared the hearing closed on **SB 18**.

Alan Conroy, Legislative Research Department, distributed a memo regarding the State General Fund Receipts July through January, FY 2001 (Attachment 3).

The meeting was adjourned at 10:30 a.m. The next meeting is scheduled for February 7, 2001.