



Date: March 29, 2011
To: House Appropriations Committee
From: Doug Wareham, Senior Vice President-Government Relations
Re: Support for Senate Bill 229

Chairman Rhoades and members of the House Appropriations Committee, I am Doug Wareham appearing on behalf of the Kansas Bankers Association (KBA). KBA's membership includes 310 Kansas banks, which represents 99% of the state and federally chartered banks headquartered in Kansas.

Thank you for the opportunity to appear in support of S.B. 229, which reduces the percentage of fees annually deposited into the State General Fund from fee-funded agencies from 20% to 10%. S.B. 229 also reduces the maximum amount of fees transferred from \$200,000 annually to \$100,000 annually. While it is our understanding the original purpose of the 20% assessment was to reimburse the state for services provided to fee-funded agencies, we understand the department is actually billed for many of the services they receive from other state agencies.

Charges assessed to the Office of the State Bank Commissioner (for example) by other state agencies include, but are not limited to, rental fees, state building fees/surcharges, database access fees and accounting software maintenance fees. Some of these fees are significant. This year (2011), the monumental building fee/surcharge alone totaled \$66,967. We believe all fee-funded agencies should be required to provide reasonable compensation for services provided, but we object to the current process, which appears to serve as a funding source for the State General Fund.

In addition to providing immediate financial relief to fee-funded agencies, S.B. 229 also requires the Department of Administration to provide the legislature with a complete accounting and legal basis for each charge currently assessed to fee-funded agencies. We look forward to the department's findings and support that provision being included in S.B. 229.

Once again, thank you for the opportunity to submit comments in support of S.B. 229. I would be happy to stand for questions now or at the appropriate time.

For more information contact Doug Wareham at (785) 220-5820 or at dwareham@ksbankers.com.