

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 10:30 a.m. on March 19, 2009, in Room 545-N of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Michael Steiner, Kansas Legislative Research Department  
Estelle Montgomery, Kansas Legislative Research Department  
Christina Butler, Kansas Legislative Research Department  
Reagan Cussimanio, Kansas Legislative Research Department  
Dylan Dear, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Cody Gorges, Kansas Legislative Research Department  
Aaron Klaassen, Kansas Legislative Research Department  
Heather O'Hara, Kansas Legislative Research Department  
Jonathan Tang, Kansas Legislative Research Department  
Jarod Waltner, Kansas Legislative Research Department  
Jill Wolters, Office of the Revisor of Statutes  
Daniel Yoza, Office of the Revisor of Statutes  
Melinda Gaul, Chief of Staff  
Shirley Jepson, Committee Assistant

Conferees appearing before the Committee:

Others attending:

See attached list.

### **Introduction of proposed legislation**

Senator Schodorf moved to introduce legislation concerning repeal of the home inspector law (9rs1018). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

### **Hearing on SB 304 - Appropriations for FY 2009 through FY 2013 for various state agencies and SB 309 - Appropriations for FY2010 and FY2011 for capital improvements for various state agencies.**

Written testimony from the following was distributed to the Committee:

Jerry Slaughter, Kansas Medical Society (Attachment 1)  
Doug Wareham, Kansas Bankers Association (Attachment 2)

Senator McGinn moved to amend subcommittee reports on all state agencies into SB 304 and SB 309. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

J. G. Scott, Legislative Research Department, presented the following information:

- Summary of Major State General Fund Budget Recommendations for FY 2010 (Attachment 3).
- Comparison of FY 2010 Recommended Expenditures; Governor's Recommendation and Senate Committee Recommendation (Attachment 4).

Amy Deckard, Legislative Research Department, presented the following information:

- Children's Initiatives Fund (CIF), FY 2009 - FY 2010 (Attachment 5).

Michael Steiner, Legislative Research Department, presented the following information:

- Economic Development Initiatives Fund (EDIF), FY 2009 - FY 2010 (Attachment 6).

Heather O'Hara, Legislative Research Department, presented the following information:

- State Water Plan Fund (Attachment 7).

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Alan Conroy, Legislative Research Department, presented the following information:

- Status of the State General Fund, FY 2009-FY 2012 (Attachment 8).

Copies of an Attorney General's opinion, as requested by the Subcommittee on the Parole Board, was distributed to the Committee (Attachment 9). The opinion concerned the assessment of a \$100 application fee to an offender submitting an application for clemency. It also pertained to the authority under K.S.A. 22-3722 to assess a \$50 application fee for early discharge from parole.

The Committee made the following amendments to **SB 304** and **SB 309**:

Senator Vratil moved to make the transfer of \$10.1 million to the Special City and County Highway Fund for FY 2010. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Vratil moved to suspend payment of 50.0 percent of the Business and Machinery Tax Slider for FY 2010. The motion was seconded by Senator Taddiken.

Senator Kelly made a substitute motion to accept the Governor's recommendation to suspend the Business and Machinery Tax Slider for FY 2010. The motion was seconded by Senator Kultala. Motion carried on a vote of 6-4.

Senator Lee moved to reduce the Juvenile Justice Authority (JJA) budget by 1.25 percent, approximately \$5.99 million State General Fund (SGF), rather than the 10.0 percent reduction, to allow JJA facilities to remain open until a review by the Facilities Closure and Realignment Commission. The motion was seconded by Senator Schmidt. Motion carried on a voice vote. Senators Vratil and Taddiken requested to be recorded as voting "no".

Senator Umbarger moved to restore funding of approximately \$6.8 million SGF to the Department of Corrections budget to keep facilities open that are scheduled for closing until the Facilities Closure and Realignment Commission have met and reviewed the possible closures relating to Osawatomie, Toronto, Stockton and Labette. The motion was seconded by Senator Lee. Motion failed on a voice vote.

Senator Schmidt moved to accept the Governor's Budget Amendment (GBA) on the Juvenile Justice Authority of approximately \$600,000. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator McGinn moved for the longevity bonuses to be funded within agencies' budgets which would add approximately \$6.2 million to the ending balance in the SGF. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Taddiken moved to restore funding in the Department of Agriculture budget in the amount of \$56,463 SGF for the statutory required Swine Nutrient Implementation Plan program for the Department of Agriculture. The motion was seconded by Senator Lee. Motion failed on a voice vote.

Senator Kelly made a substitute motion to move the Swine Nutrient Implementation Plan program to Kansas Department of Health and Environment (KDHE). The motion was seconded by Senator Teichman. Motion failed on a voice vote. The Chairman returned to the original motion for action.

Senator McGinn moved to direct Kansas Health Policy Authority (KHPA) to appropriate \$6.5 of the federal stimulus funding to the Wichita Center for Graduate Medical Education (WCGME), encourage KHPA, University of Kansas Medical Center and WCGME to continue working together to find a long-term solution for WCGME funding and report back to the Committee before Omnibus. The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

The meeting was recessed at 12:00 and reconvened at 12:25 p.m.

Senator Vratil moved to reduce the transfer of gaming revenue to the SGF from \$56.7 million to \$6.7 million.

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The motion was seconded by Senator Masterson. Motion carried on a vote of 5-4.

Senator Emler moved to extend the loan repayment date for the Racing and Gaming Commission from June 30, 2010 to June 30, 2012. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Vratil moved to recommend not making a 13 percent reduction in special revenue funds from the Department of Transportation (KDOT) in the amount of \$87 million (Attachment 10). The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Senator Vratil moved to eliminate debt restructuring in FY 2010 as recommended by the Governor. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Emler moved to accept the Governor's Budget Amendment (GBA) on Higher Education. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Taddiken moved to accept the GBA on stimulus funding of approximately \$40.5 million for Department of Corrections. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Kelly moved to eliminate 50.0 percent of the slider payment of \$26 million to be made on June 30, 2009. The motion was seconded by Senator Lee. Motion carried on a vote of 7-4.

Senator McGinn moved to add language with reference to (a) SGF appropriations and (b) legislature special revenue fund, stating "provided, that no expenditures shall be made from this fund for payment of any amounts under K.S.A. 46-137c, and amendments thereto, to any member who is not physically present in the chambers for at least a portion of any day when the legislature is in session and such member's house is meeting pro forma during fiscal year 2010: Provided further, that expenditures may be made from this fund to pay such amounts only if the member is individually excused and approved by the presiding officer of such member's house of the legislature: And provided further, that such verification and approval shall be in writing which designates the reason for such absence. The motion was seconded by Senator Lee. Motion carried on a voice vote. Senator Masterson requested to be recorded as voting "no".

Senator McGinn moved to revisit items contained in a Subcommittee minority report on Larned State Hospital and Parsons State Hospital and Training Center at Omnibus. The motion was seconded by Senator Teichman. Motion carried on a voice vote. Senator Lee requested to be recorded as voting "no".

Senator Vratil moved to delete the Governor's budget recommendation of a self-funded 1.0 percent base salary adjustment. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Vratil moved to delete all funding for programs as identified in a report of the Division of Legislative Post Audit on the Kansas Department of Education (Attachment 11). The motion was seconded by Senator Wysong. Motion failed on a 5-6 vote.

Senator Masterson moved to approve a request from the Highway Patrol, requesting authority to spread the 10 percent reduction between operations and capital expenditures (Attachment 12). The motion was seconded by Senator Kultala. Motion carried on a voice vote.

The meeting was recessed at 1:25 p.m. and reconvened at 5:10 p.m.

Senator Vratil moved to delete \$240,000 SGF from Item No. 12 for the funding of the National Board Certification for teachers in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Taddiken. Motion carried on a voice vote.

Senator Vratil moved to delete \$400,000 SGF from Item No. 13 for the funding of the After School Programs for Middle School Students in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Vratil moved to delete \$375,000 SGF for Item No. 14 for the funding of the After School

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Enhancement Grant in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Masterson. The motion failed on a vote of 4-8.

Senator Kelly moved to reconsider prior Committee action with regard to the funding for the After School Programs for middle school students in Item No. 13 (Attachment 11). The motion was seconded by Senator Kultala. Motion carried on a vote of 7-5.

Senator Kelly moved to restore the \$400,000 SGF on Item No. 13 for the After School Programs for middle school students in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Teichman. Motion carried on a vote of 7-5.

Senator Vratil moved to delete \$50,000 SGF for Item No. 15 relating to the Kansas Historical Society in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Wysong. Motion carried on a vote of 7-5.

Senator Vratil moved to delete \$35,000 SGF for Item No. 17 relating to the Kansas Association for Conservation and Environmental Education in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Vratil moved to delete \$35,000 SGF for Item No. 18 relating to the Communities in Schools in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Taddiken. Motion failed on a vote of 5-7.

Senator Vratil moved to delete \$35,000 SGF for Item No. 20 relating to the Agriculture in the Classroom in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Vratil moved to delete \$50,000 SGF for Item No. 22 relating to Declining Enrollment in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Wysong. Motion carried on a voice vote.

Responding to a request from the Committee for an update on the state of the FY 2010 budget as a result of prior Committee actions, J. G. Scott, Legislative Research Department, stated that the Committee has increased expenditures by \$33.4 million, decreased revenues by \$65.1 million for total adjustments of \$98.5 million creating a deficit of approximately \$50 million.

Senator Kelly moved to reconsider prior Committee action and suspend the transfer of \$10.1 to the Special City and County Highway Fund. The motion was seconded by Senator Kultala. Motion failed on a voice vote.

Senator Lee moved to reconsider prior Committee action and increase gaming revenue by \$25 million. The motion was seconded by Senator Kultala. Motion withdrawn with permission from the second.

Senator Lee moved to require a 10.0 percent reduction in all fee-funded agencies' FY 2010 budgets if **SB 308** does not become law during the 2009 legislative session. The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Vratil moved to delete funding of \$1.2 million for expansion of the State Children's Health Insurance Program (SCHIP) program. The motion was seconded by Senator Masterson. Motion carried on a 7-6 vote.

Senator Vratil moved to delete \$8.5 million in the FY 2010 budget for the state employee undermarket pay. The motion was seconded by Senator Wysong.

Senator Vratil amended the motion, with approval of the second, to reduce the funding of \$8.5 million for state employee undermarket pay by 75.0 percent. Motion carried on a voice vote. Senators Kelly, Lee, Schmidt and Kultala requested to be recorded as voting "no".

Senator Wysong moved to recommend a 12-day furlough for all state employees during FY 2010. The motion

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was seconded by Senator Vratil. Motion failed on a voice vote.

Senator Schodorf made a substitute motion to accept the original position of the Committee as a result of the Subcommittee's recommendations. The motion was seconded by Senator Kelly. Motion failed on a 6-7 vote.

A copy of proposed reductions from base budget for FY 2010 for the Department of Corrections was distributed to the Committee (Attachment 13).

Senator Taddiken moved to reduce the budget of the Department of Corrections by reductions in priority numbers 20 through 31 for a total of \$10 million (Attachment 13). The motion was seconded by Senator Vratil. Motion failed on a voice vote.

Senator Wysong moved to recommend a 8-day furlough for all state employees during FY 2010, including legislators, legislative staff and excluding teachers, to be determined by heads of each state agency. The motion was seconded by Senator Vratil. Motion failed on a 6-7 vote.

Senator Umbarger moved to reconsider prior Committee action and accept the Governor's recommendation on debt restructuring, adding \$34.1 million. The motion was seconded by Senator Lee. Motion carried on a voice vote. Senators Vratil, Taddiken, Wysong and McGinn requested to be recorded as voting "no".

Senator Schmidt moved to stop the transfer of \$5 million from the SGF to the Disaster Relief Fund. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

J. G. Scott, Legislative Research Department, stated that Committee actions, as of this time, on the FY 2010 budget, leaves a positive ending balance of \$5 million.

The hearing on **SB 304** and **SB 309** was closed.

**Action on SB 304 - Appropriations for FY 2009 through FY 2013 for various state agencies; SB 309 - Appropriations for FY2010 and FY2011 for capital improvements for various state agencies and HB 2354 - Claims against the state.**

Senator Vratil moved to roll **SB 304** as amended and **SB 309** as amended into **HB 2354** as amended for **Senate Substitute for HB 2354** and allow for technical adjustments as needed. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Teichman moved to recommend **Senate Substitute for HB 2354** favorable for passage. The motion was seconded by Senator Vratil. Motion carried on a roll call vote of 13-0.

### **Adjournment**

The next meeting is scheduled for March 23, 2009.

The meeting was adjourned at 7:30 p.m.