

MINUTES OF THE COMMITTEE ON SENATE WAYS AND MEANS.

The meeting was called to order by Chairperson Steve Morris at 10:40 a.m. on March 13, 2001 in Room 123-S of the Capitol.

All members were present except: All Present

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department  
Debra Hollon, Kansas Legislative Research Department  
Amory Lovin, Kansas Legislative Research Department  
Kathie Sparks, Kansas Legislative Research Department  
Rae Anne Davis, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
Michael Corrigan, Assistant Revisor, Revisor of Statutes Office  
Julie Weber, Administrative Assistant to the Chairman  
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Judge Gary Rulon, Chief Judge, Kansas Court of Appeals  
Representative Mike O'Neal  
Representative Ward Loyd  
Terry Humphrey, Executive Director, Kansas Trial Lawyers  
Ed Collister, Member, Kansas Bar Association  
Tim Shallenburger, State Treasurer  
Greg Vahrenberg, Vice President, U.S. BANCORP, Piper Jaffray  
Alexander Fraser, Dir., Public Finance Ratings, Ratings Services, Dallas, TX, (written testimony)  
Todd Covault, Emporia Unified School District 253  
Michael W. Jones, Topeka Unified School District 501  
Sharon Zoellner, Deputy Superintendent, DeSoto Unified School District 232 (written testimony)  
Janet Chubb, Assistant Secretary of State

Others attending: See attached guest list

**Bill Introduction**

Senator Jordan moved, with a second by Senator Salmans, to introduce a bill (1rs1167) concerning state moneys; relating to remittance to the state treasurer. Motion carried by a voice vote.

Chairman Morris opened the public hearing on:

**HB 2297—Increase court of appeals to 14 judges, increasing by one each year to 2004**

Staff briefed the committee on the bill.

Chairman Morris welcomed Judge Gary Rulon, Kansas Court of Appeals, who spoke in support of **HB 2297 (Attachment 1)**. Judge Rulon mentioned that the Justice Initiative's recommendations buttresses their request in the last two years' budget for more Court of Appeals judges to keep up with caseloads. Judge Rulon also submitted proposed technical amendments to **HB 2297 (Attachment 2)**.

Chairman Morris welcomed Representative Mike O'Neal who spoke in support of **HB 2297 (Attachment 3)**. Representative O'Neal mentioned that recognizing the needs of the Judicial Branch and responding to those needs is the best option. A reasonable proposal to that end exists in **HB 2297**.

Chairman Morris welcomed Representative Ward Loyd who spoke in support of **HB 2297 (Attachment 4)**. Representative Loyd mentioned that the Kansas Citizens Justice Initiative, which Jill Docking and the

late former governor Robert Bennett were the co-chairs, recommended that four new positions be authorized for the Kansas Court of Appeals, with attendant staff. **HB 2297** addresses that issue. Representative Loyd noted that the state can ill afford to have the public lose confidence in the courts, and we cannot expect the impossible of our appellate judges, so positions must be authorized.

Chairman Morris welcomed Terry Humphrey, Executive Director, Kansas Trial Lawyers Association, who spoke in support of **HB 2297** (Attachment 5). Ms. Humphrey mentioned that this bill seeks to expand the number of Kansas Court of Appeals judges from 10 to 14 over a four-year period. She noted that all litigants are entitled to a timely and thoughtful decision of each matter submitted to the Court of Appeals. Expanding the Court to 14 members will help meet this objective.

Chairman Morris welcomed Ed Collister, Private Lawyer, Lawrence, who spoke in support of **HB 2297** (Attachment 6). Mr. Collister explained some feeling for what is happening to the judicial system and why this legislation is significant as detailed in his written testimony.

The Chairman thanked the conferees for appearing before the Committee. There being no further conferees, the Chairman closed the public hearing on **HB 2297**.

Chairman Morris called the Committee's attention to discussion of:

**SB 279–Birth certificate fees; increases; newborn infant protection act, public awareness advertisements**

Chairman Morris and the Revisor explained the following information regarding a proposed **Substitute for SB 279** (Attachment 7):

The **Substitute SB 279** would establish the Newborn Infant Protection Act Special Revenue Fund in the state treasury to be administered by the Secretary of Social and Rehabilitation Services who is authorized to accept money from grants, gifts, contributions, or bequests made for the purpose of providing educational materials and advertisements to increase public awareness of the Newborn Infant Protection Act. The act would take effect upon publication in the Kansas Register.

In response to a question by Chairman Morris, Janet Schalansky, Secretary, Kansas Department of Social and Rehabilitation Services, mentioned that she sees no problem in administering the fund as prescribed in the proposed substitute bill.

Senator Schodorf moved, with a second by Senator Jackson, to adopt the Substitute for SB 279 as favorable for passage, and make the bill effective with the Kansas Register. Motion carried by a roll call vote.

Chairman Morris opened the public hearing on:

**SB 353–School district bond payment guarantee fund**

Staff briefed the committee on the bill.

Chairman Morris welcomed Tim Shallenburger, State Treasurer, who spoke as a neutral conferee on **SB 353** (Attachment 8). Treasurer Shallenburger brought concerns about **SB 353** to the Committee's attention. In his written testimony, he detailed the information regarding these concerns.

Chairman Morris welcomed Greg Vahrenberg, Vice President, U.S. Bancorp Piper Jaffray, who spoke in support of **SB 353** (Attachment 9). Mr. Vahrenberg spoke regarding the school bond issue credit enhancement program that would be created under **SB 353** that would create savings for the taxpayers of the State of Kansas by reducing the interest expense and bond insurance cost on general obligation bonds issued by school districts. He explained benefits associated with a school bond credit enhancement program in his written testimony.

Chairman Morris welcomed Todd Covault, Assistant Superintendent for Business, Emporia United

School District 253, who spoke in support of **SB 353** (Attachment 10). Mr. Covault mentioned that **SB 353** would assist districts like Emporia with acquiring and maintaining high bond ratings. He also noted that since high bond ratings are associated with lower interest rates, ultimately SB 353 would save communities and the state money. Mr. Covault distributed a letter addressed to him, dated December 12, 2000, from Moody's Investors Service (Attachment 11) and a report regarding Total Assessed Valuation 1995 to 1999, percent of change 1995 to 1999, Total Assessed Per Pupil 1995 to 1999 and 1999 General Fund Assessed Valuation by city in Kansas (Attachment 12).

Chairman Morris welcomed Michael W. Jones, Topeka Unified School District 501, who spoke in support of **SB 353** (Attachment 13). Mr. Jones mentioned that SB 353 is not a cure all for the funding problems that face K-12 education in Kansas. He noted, however, that it is a no cost way to assist school districts in meeting some of the financial challenges that face them today, as they try to deal with enrollment changes and the rapid expansion of technology, in an effort to improve the educational system in Kansas. Mr. Jones mentioned that SB 353 simply enacts a school bond guarantee program, similar to those in other states, that he believes will benefit all taxpayers of Kansas while improving the educational environment for children.

Written testimony was received from Alexander Fraser, Director of Public Finance Ratings, Ratings Services of Dallas, Texas, regarding **SB 353** (Attachment 14).

Written testimony was received from Dr. Sharon Zoellner, Deputy Superintendent, DeSoto Unified School District 232 in support of **SB 353** (Attachment 15).

The Chairman thanked the conferees for appearing before the Committee. There being no further conferees, the Chairman closed the public hearing on **SB 353**.

Chairman Morris called the Committee's attention to the:

Confirmation Hearing of Michael Braude, Member, KPERS Board of Trustees, held the day before, March 12, 2001. Senator Kerr mentioned that Mr. Braude appeared to be exactly the person to be on the KPERS Board of Trustees.

Senator Kerr moved, with a second by Senator Schodorf, to recommend Michael Braude, as Member, Kansas Public Employees Retirement System (KPERS) Board of Trustees. Motion carried by a roll call vote.

Chairman Morris opened the public hearing on:

### **SB 350—Establishing the electronic transactions registration fee fund**

Staff briefed the committee on the bill.

Chairman Morris welcomed Janet Chubb, Assistant Secretary of State, who spoke in support of **SB 350** (Attachment 16). She noted that the Secretary of State expects only a few certification authorities to register with the office in the first few years until the use of digital signatures becomes a more common business practice.

The Chairman thanked Assistant Secretary Chubb for her appearance before the Committee. There being no further conferees, the Chairman closed the public hearing on **SB 350**.

Senator Adkins moved, with a second by Senator Downey, to pass SB 350 favorable for passage and be placed on the Consent Calendar. Motion carried by a roll call vote.

### **Bill Introduction**

Senator Jordan moved, with a second by Senator Adkins, to introduce a bill (1rs1132) concerning unified school district No. 512, Johnson county, Kansas, relating to elections on closure of school buildings; authorizing the levy of an ad valorem tax for operation of school buildings not closed; providing for

extraordinary school facilities weighting. Motion carried by a voice vote.

The meeting was adjourned at 11:55 a.m. The next meeting is scheduled for March 14, 2001.