

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Steve Morris at 10:35 a.m. on January 16, 2001 in Room 123-S of the Capitol.

All members were present except: Senator David Adkins - excused

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor, Revisor of Statutes Office
Bruce Kinzie, Revisor of Statutes Office
Julie Weber, Administrative Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

The Honorable Kay McFarland, Chief Justice, Kansas Supreme Court
Jerry Sloan, Office of Judicial Administration
The Honorable Judge John White, Iola
Kathy Porter, Office of Judicial Administration
Derl Treff, Director of Investments, Pooled Money Investment Board

Others attending: See attached guest list

Bill Introductions

Senator Feleciano made a motion, with a second by Senator Schodorf, to introduce a bill (1rs0163) concerning motor vehicle fuels relating to tax credits. Motion passed.

Chairman Morris welcomed The Honorable Kay McFarland, Chief Justice, Kansas Supreme Court, who gave an overview of the Kansas Judicial Branch, including budget issues and the Nonjudicial Salary Initiative (NJSI) Plan Implementation and progress. Chief Justice McFarland noted that a problem occurred at the time of court unification because, prior to unification, the Judicial Branch submitted their budget with requests and needs directly to the Legislature. When the greatly-expanded budget requirements came up with unification the Judicial Branch went from a small, relatively simple budget, to a much bigger budget. She noted the Judicial Branch is treated the same as an Executive Branch agency now. To show that effect, they have two budgets coming every year in that they have the Judicial Branch proposed budget and they have the budget that has been altered by the Executive Branch. She noted that it is fine for the Executive Branch to have the Division of the Budget supervise all of the many budgets that are coming in from the executive agencies, but they are a separate branch of the government. Chief Justice McFarland noted that the high priority for the Judicial Branch this year is a statutory change that their budget be sent directly to the Legislature.

Committee questions and discussion followed. Chairman Morris thanked Chief Justice McFarland for appearing before the Committee.

Chairman Morris welcomed Jerry Sloan, Office of Judicial Administration, who distributed the following information to the Committee and explained several attachments:

- Attachments accompanying Chief Justice Kay McFarland's remarks, "Overview of the Kansas Judicial Branch, Including budget issues and Nonjudicial Salary Initiative (NJSI) Plan Implementation and Progress" (Attachment 1)
- Kansas Judicial Branch, State General Fund Overview (Attachment 2)

Committee questions and discussion followed.

CONTINUATION SHEET

Chairman Morris welcomed The Honorable Judge John White, Iola. (No written testimony was submitted). Judge White spoke about what he felt would make the Judicial Branch nonjudicial employee pay plan a little more successful and reviewed what was done last year with regard to the Nonjudicial Salary Initiative Plan (NJSI). The plan was implemented July 23, 2000. The Judicial Branch is now wanting to go into phase two in funding a pay for performance component. Committee questions and discussion followed. Chairman Morris thanked Judge White for speaking before the Committee.

Chairman Morris welcomed Kathy Porter, Office of Judicial Administration. Ms. Porter spoke regarding the implementation of the Nonjudicial Salary Initiative (NJSI) Plan, and Proposed Docket Fee Increases (Attachment 3). Ms. Porter distributed and explained the following information:

- Judicial Council Docket Fee Recommendations (Attachment 4)
- Fee Increase Analysis (Attachment 5)

Ms. Porter noted that the Nonjudicial Salary Initiative Plan was implemented as planned, but there was a difference in that the plan became effective on July 23, 2000 and employees first saw increases from the nonjudicial salary initiative plan in their paychecks on August 18, 2000. That was approximately a six-week delay in implementation because the first day of the first pay period of the fiscal year is in mid-June. The Judicial Branch proposed that delay because the mechanics of the plan took some time in making sure nonjudicial employees were placed in the correct place on the new pay plan and was done correctly. The second point is that the pay plan raised what they think will be about \$4 million dollars per fiscal year. The docket fees that they raise every year will pay for maintenance of that first year salary increase. The delay helped to keep more monies in the fund to insure that the fund won't go in the red and will help them in years to come.

Ms. Porter mentioned that the Judicial Branch requests introduction of a bill to implement the docket fee increases to pay for the performance component of the nonjudicial salary initiative plan. Committee questions and discussion followed. Senator Barone requested information on the Permission to Fill chart regarding if they have the same data going back several years. Mr. Sloan mentioned that he would try to reconstruct data, but he was not sure there is comparable data.

Chairman Morris thanked Chief Justice McFarland and her Staff for their presentations before the Committee.

Chairman Morris opened the public hearing on:

SB 15 – Remittance of state moneys to the state treasurer

Bruce Kinsey, Revisor of Statutes Office, briefed the Committee on the bill.

Chairman Morris mentioned that when the Committee works this bill, if amendments were needed, the Committee could introduce a trailer bill.

Proponent:

Chairman Morris welcomed Derl Treff, Director of Investments, Pooled Money Investment Board, who mentioned that the bill ensures cash flows as quickly as possible into the State treasury so they can be invested in a higher rate of interest than the agencies can invest. Mr. Treff distributed copies of a list of agencies with Special Deposit Allowances (Attachment 6). Committee questions and discussion followed.

Opponent:

Chairman Morris welcomed Kathy Porter, Office of Judicial Administration, who spoke regarding the bill and mentioned that she feels that **SB 15** makes good sense for state government, but feels that the Committee needs to look at the additional cost and the loss in accuracy if the courts were required to do this on a daily basis (Attachment 7). Committee questions and discussion followed.

CONTINUATION SHEET

Chairman Morris closed the public hearing on **SB 15** and thanked the conferees for appearing before the Committee. The meeting was adjourned at 12:05 p.m. The next meeting is scheduled for January 17, 2001.

