

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 23, 2004 in Room 514-S of the Capitol.

All members were present except:

Representative Clark Shultz- excused

Committee staff present:

Alan Conroy, Legislative Research
J. G. Scott, Legislative Research
Amy VanHouse, Legislative Research
Michele Alishahi, Legislative Research
Melissa Calderwood, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Peggy Hanna, State Treasurer's Office
Jim Garner, Department of Human Resources (KDHE)

Others attending:

See Attached List.

- Attachment 1 Testimony on **SB 442** by Peggy Hanna, State Treasurer's Office
- Attachment 2 Testimony on **SB 442** by Jim Garner, Department of Human Resources

Chairman Neufeld moved to introduce legislation regarding the master settlement agreement on tobacco. The motion was seconded by Representative Schwartz. Motion carried.

Hearing on SB 442 - Fees for services provided by the state treasurer's office.

Melissa Calderwood, Legislative Research Department, explained that **SB 442** would make permanent the funding mechanism approved by the 2003 Legislature through proviso to supplant State General Fund moneys with fee funds in the State Treasurer's FY 2004 budget. The State Treasurer's office would be authorized to charge cash management fees, including the processing of non-payroll paper and electronic warrants, direct deposits, fees for banking services, and fees for voucher processing. The fees will be deposited in a new fund created by the bill, the Treasurer Services Reimbursement Fund. The bill makes provisions for the Department of Human Resources to make payment for these fees from federal Reed Act moneys.

The Chair recognized Peggy Hanna, State Treasurer's office, who presented testimony in support of **SB 442** (Attachment 1).

Responding to questions from the Committee regarding banking fees, Ms. Hanna indicated that the contract for banking fees was rebid in 2002 and UMBank was the successful bidder; however, the fees are higher than in the past. Ms. Hanna stated that the SOKI system was put in place to eliminate the paper process to effectively process interfund vouchers and journal vouchers between agencies.

Chairman Neufeld recognized Jim Garner, Department of Human Resources, who presented testimony in opposition to **SB 442** (Attachment 2).

The Committee voiced concern with the authorization of this legislation enabling the State Treasurer to charge for issuing unemployment checks and these fees being taken from the Unemployment Insurance Trust Fund. Responding to a question from the Committee with regard to the ability to increase fees, Melissa Calderwood, Legislative Research Department, stated that the legislation puts the funding authority in place for the State Treasurer to recover costs. Jim Wilson, Revisor of Statutes, noted there are no rules and

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regulation authority granted in the bill; however, the bill delegates the authority to the State Treasurer to set the fee each year based on cost.

Chairman Neufeld closed the hearing on **SB 442**.

Representative Pottorff moved to recommend **SB 442** favorable for passage. The motion was seconded by Representative Howell. Division was requested. Motion failed.

Discussion and Action on SB 552 - Increase percentage of fines, penalties and forfeitures credited to the crime victims compensation fund and the crime victims assistance fund.

The Committee noted that **SB 552** is an identical bill to **HB 2927** on which the Committee heard testimony on March 18, 2004.

Representative Shriver moved to recommend **SB 552** favorable for passage. The motion was seconded by Representative Howell. Motion carried.

Discussion and Action on SB 557 - Authorizing transfers between certain funds of the attorney general.

The Committee noted that **SB 557** is an identical bill to **HB 2926** on which the Committee heard testimony on March 18, 2004.

Representative Shriver moved to recommend **SB 557** favorable for passage. The motion was seconded by Representative Howell. Motion carried.

Representative Feuerborn moved to introduce legislation regarding technical schools and repeal of **SB 7**. The motion was seconded by Representative Ballard. Motion carried.

The meeting was adjourned at 9:30 a.m. The next meeting will be held at 9:00 a.m. on March 24, 2004.

Melvin Neufeld, Chairman