

Journal of the Senate

FORTY-NINTH DAY

SENATE CHAMBER, TOPEKA, KANSAS
Wednesday, March 21, 2018, 2:30 p.m.

The Senate was called to order by Vice President Jeff Longbine.

The roll was called with 39 senators present.

Senator Suellentrop was excused.

Vice President Longbine introduced guest chaplain Fr. David Hodges, Saint Francis Foundation, to deliver the invocation:

Loving God, we are grateful for this moment when we can be mindful of Your presence. As the gifted men and women of this body come together today to do their work on behalf of the people of Kansas, I ask Your blessing on them, their families, and all who support them. Continue to guide and direct them as they carry out their duties and responsibilities. Give them wisdom, courage, strength, and foresight in their deliberations and decisions. O God, *be in their heads and in their understanding; in their eyes and in their looking; in their mouths and in their speaking; in their hearts and in their thinking* (Sarum rite). Help them as they attempt to provide for the needs of all our people and fulfill our obligations to the citizens of this state. Renew in them, and in all of us, the gifts of your mercy; increase our faith, strengthen our hope, enlighten our understanding, widen our charity and compassion, that we may remember all those whom it would be easy for us to forget. May Your peace that passes all understanding be in our hearts and minds today and in the days to come. In Your holy and life-giving Name we pray, Amen.

The Pledge of Allegiance was led by Vice President Longbine.

POINT OF PERSONAL PRIVILEGE

Senator Lynn rose on a Point of Personal Privilege to recognize Foreign Exchange students serving as Pages in the Senate. The students are attending high schools in the Kansas City area on American Field Service scholarships. Students introduced were: Mohammad Abu Ajwa, from Gaza, Leija Coko, from Bosnia Herzegovina, Emma Driesner, from Germany, Arbaz Khan, from Pakistan, Ayca Senbakan, from Turkey and Vesa Sherifi, from Macedonia. The senate honored the students with a standing ovation..

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were introduced and read by title:

SB 453, AN ACT concerning income taxation; relating to Kansas itemized deductions of an individual; amending K.S.A. 2017 Supp. 79-32,120 and repealing the

existing section, by Committee on Assessment and Taxation.

SB 454, AN ACT concerning school districts; creating the Kansas staff as first emergency responders (SAFER) act; exempting certain records from the open records act; closed or executive meetings of boards of education for certain purposes; amending K.S.A. 2017 Supp. 45-221, 72-6143, 75-7c03, 75-7c04, 75-7c05, 75-7c08, 75-7c10 and 75-4319 and repealing the existing sections, by Committee on Federal and State Affairs.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were referred to Committees as indicated:

Agriculture and Natural Resources: **SB 452**.

Public Health and Welfare: **SB 451**.

Senate Select Committee on Education Finance: **SB 450**.

MESSAGE FROM THE HOUSE

Announcing passage of **Sub HB 2103**; **HB 2625**; **SB 398**, **SB 375**.

INTRODUCTION OF HOUSE BILLS AND CONCURRENT RESOLUTIONS

Sub HB 2103, **HB 2625** were thereupon introduced and read by title.

INTRODUCTION OF ORIGINAL MOTIONS AND SENATE RESOLUTIONS

Senator McGinn introduced the following Senate resolution, which was read:

SENATE RESOLUTION No. 1779—

A RESOLUTION recognizing the members of the Kansas Forest Service's Fire Management Program for the incredible steps they take to ensure that Kansas is adequately prepared to combat wildfires and protect its citizens.

WHEREAS, The Kansas Forest Service's Fire Management Program is a department within the College of Agriculture at Kansas State University; and

WHEREAS, The program employs six full-time staff, including: A fire management program coordinator; a training specialist; a protection specialist; an excess property manager; and two mechanics; and

WHEREAS, About 85% of firefighters in Kansas are volunteers from every profession, from church pastor to farmer to teacher, and every occupation in between; and

WHEREAS, The Kansas Forest Service hires about 30 temporary employees each spring who remain in their regular jobs until they are called upon to participate in federal incidents. The employment of these individuals puts a complex and costly burden on the Kansas Forest Service's fire staff, accountant and human resource specialist to ensure they are equipped with the gear, training and transportation necessary to get them from their homes in Kansas to incidents elsewhere in the United States; and

WHEREAS, The Kansas Forest Service bears that burden because it is part of an interchange between state and federal firefighters that can benefit Kansas during times of need; and

WHEREAS, Last spring during the Starbuck and Highland fires, federal resources were brought to Kansas to help. The assistance included 25 fire engines, five water tenders and four supervisory personnel to the Starbuck fire, and part of a federally qualified incident management team, whose expertise is wildland fire, to the Highland fire. Those resources could only be brought to Kansas because of the relationship the Kansas Forest Service has with the U.S. Forest Service and the U.S. Department of the Interior; and

WHEREAS, Another tool the Kansas Forest Service uses to add to their capacity to suppress and control wildland fire is the Great Plains Interagency Fire Compact, an agreement that gives them the capability to bring in resources on very short notice from other states without going through the federal emergency management system, when time is of the utmost importance; and

WHEREAS, The Fire Management Program provides wildland fire training to Kansas fire departments, prescribed burn training to landowners, and defensible space training to homeowners; and

WHEREAS, The program administers the Volunteer Fire Assistance Grant, which provides additional financial assistance to fire departments throughout Kansas; and

WHEREAS, Fire specialists are deployed to out-of-state incidents to fill roles in logistical and operational sections, and also as division supervisors, task force leaders and incident commanders; and

WHEREAS, During recent wildland fires in Kansas, the program filled roles in the State Emergency Center, where they assisted the Division of Emergency Management with tracking and moving resources, gathering information about current fires and filling resource requests in the individual incidents; and

WHEREAS, Over the past three years, Kansas firefighters have fought fires that have burned over 1 million acres across the state, including the Anderson Creek and Starbuck fires, two of the largest wildfires in state history; and

WHEREAS, Most of the funding for this program is provided by grants from the United States Forest Service: Now, therefore,

Be it resolved by the Senate of the State of Kansas: That we recognize the members of the Kansas Forest Service's Fire Management Program for the incredible steps they take to ensure that Kansas is adequately prepared to combat wildfires and protect its citizens; and

Be it further resolved: That the Secretary of the Senate shall send five enrolled copies of this resolution to Senator McGinn.

On emergency motion of Senator McGinn **SR 1779** was adopted unanimously.

Guests introduced were Larry Biles, Jason Hartman, Rodney Redinger, Ross Hauck, Aimee Hawkes, Darci Paull, Kylie Rethman and Jennifer Williams.

The senate honored the guests with a standing ovation.

Senators Kelly, Hensley and V. Schmidt introduced the following Senate resolution, which was read:

SENATE RESOLUTION No. 1780—

A RESOLUTION honoring and thanking the members of the
Statehouse Custodial Team for their efforts to keep
the Kansas statehouse clean and welcoming.

WHEREAS, The Kansas statehouse is the home of the legislative and executive branches of the Kansas state government; and

WHEREAS, Construction on the capitol began in 1866 and was completed in 1903, with a 14-year renovation initiated in 2000; and

WHEREAS, The statehouse welcomed more than 72,000 visitors who took a guided tour or used one of the spaces in the visitor's center during fiscal year 2017; and

WHEREAS, The statehouse is roughly 355,000 square feet, with about 500 different rooms; and

WHEREAS, The cleanliness of the statehouse creates one of the first impressions that visitors form of the capitol complex, and impacts visitors' view of the state; and

WHEREAS, The Statehouse Custodial Team has a combined work experience at the statehouse of more than 144 years, led by Senior Custodial Supervisor Laura Smith, who, next week, will have worked at the statehouse for 39 years; and

WHEREAS, In addition to Laura Smith, the Statehouse Custodial Team is made up of Labor Supervisor Wes Coen and custodial specialists Jacob Wright, Mike Bronson, Verence Chavez, Dustin Pederzani, Mark Helton, Gloria Pineda, Christopher Ross, Yun Knight, Sheryl Rath, Kevin King, Tod Anderson, Mary Alcala, Mathew Gamez, Karyna Kennedy, Eric Steele, Delores Sharp and Sarah Meraz; and

WHEREAS, It is through the hard work of these employees that the statehouse remains an attractive building and one of the best visitor attractions in the state: Now, therefore,

Be it resolved by the Senate of the State of Kansas: That we honor and thank the members of the Statehouse Custodial Team for their efforts to keep the Kansas statehouse clean and welcoming; and

Be it further resolved: That the Secretary of the Senate shall send 20 enrolled copies of this resolution to Senator Kelly.

On emergency motion of Senator Kelly **SR 1780** was adopted unanimously.

Members of the Statehouse custodial staff introduced were: Laura Smith, Wes Coen, Jacob Wright, Mike Bronson, Verence Chavez, Dustin Pederzani, Mark Helton, Gloria Pineda, Christopher Ross, Yun Knight, Sheryl Rath, Kevin King, Tod Anderson, Mary Alcala, Mathew Gamez, Karyna Kennedy, Eric Steele, Delores Sharp, Sarah Meraz, Sarah Shipman, Frank Burnam and Chris Simons.

The senate honored the guests with a standing ovation.

COMMITTEE OF THE WHOLE

On motion of Senator Denning, the Senate resolved itself into Committee of the Whole, for consideration of bills on the calendar under the heading of General Orders with Senator Kerschen in the chair.

On motion of Senator Kerschen the following report was adopted:

SB 433; HB 2571, HB 2579 be amended by the adoption of the committee amendments, and the bills be passed as amended.

SCR 1612 be adopted.

CHANGE OF REFERENCE

Under the authority of the President, the Vice President withdrew **Sub HB 2572** from the Committee on **Assessment and Taxation**, and referred the bill to the Committee on **Commerce**.

CONSIDERATION OF MOTIONS TO CONCUR AND NONCONCUR

On motion of Senator Petersen the Senate nonconcurred in the House amendments to **SB 375** and requested a conference committee be appointed.

The Vice President appointed Senators Petersen, Goddard and Pettey as a conference committee on the part of the Senate.

REPORTS OF STANDING COMMITTEES

Committee on **Agriculture and Natural Resources** recommends **HB 2477**, as amended by House Committee of the Whole, be amended on page 5, by striking all in lines 10 through 43;

By striking all on page 6;

On page 7, by striking all in line 1;

On page 10, in line 29, by striking all after the second comma; in line 30, by striking "1709,";

And by renumbering sections accordingly;

On page 1, in the title, in line 3, by striking all after the second comma; in line 4, by striking "1709,"; and the bill be passed as amended.

Committee on **Transportation** recommends **HB 2606**, as amended by House Committee, be amended on page 5, in line 28, by striking "18" and inserting "21"; in line 29, after the period by inserting "The ophthalmologist or optometrist shall have four business days to confirm or deny the vision and medical information of the applicant. If no response is received by the division, the division shall accept the vision and medical information provided for processing the renewal application."; in line 32, by striking "may" and inserting "shall"; in line 39, by striking "committee" and inserting "and senate committees";

On page 1, in the title, in line 2, before "amending" by inserting "reports to legislature,"; and the bill be passed as amended.

Committee on **Ways and Means** recommends **HB 2419**, as amended by House Committee of the Whole, be amended on page 1, in line 10, by striking "actual estimated" and inserting "individual income"; in line 11, by striking "estimated" and inserting "individual income"; in line 18, by striking all after "the"; by striking all in lines 19 through 20; in line 21, by striking all before the period and inserting "pooled money investment portfolio to pay in full or in part the amounts to be transferred pursuant to K.S.A. 75-4209(m)(2) and (m)(4), and amendments thereto. Any moneys transferred to the pooled money investment portfolio pursuant to this section shall be credited to the payment to be made in the current fiscal year, and each next ensuing fiscal year thereafter as moneys are available. Upon the payment in full of all transfers authorized by K.S.A. 75-4209(m)(2) and (m)(4), and amendments thereto, 100% of such certified excess amount, if any, shall be transferred from the state general fund to the budget stabilization fund";

Also on page 1, in line 24, after "fund" by inserting "or pooled money investment portfolio"; in line 25, by striking "actual"; in line 26, by striking the first "estimated" and inserting "individual income"; also in line 26, by striking the second "estimated" and inserting "individual income"; in line 28, by striking "actual estimated" and inserting "individual income"; in line 30, by striking "actual estimated" and inserting "individual income"; in line 32, by striking all after "legislation"; in line 33, by striking "governor" and inserting "passed by the legislature and enacted into law"; in line 34, by

striking "actual estimated" and inserting "individual income";

On page 2, in line 3, by striking all after "(1)"; by striking all in line 4 and inserting ""Individual income tax revenue receipts" means individual estimated tax payments received pursuant to K.S.A. 79-32,101(a)(1), and amendments thereto, and individual tax payments due pursuant to K.S.A. 79-3225, and amendments thereto. Actual individual income tax payments shall not include refunds or withholding taxes pursuant to K.S.A. 79-3294 et seq., and amendments thereto; and";

Also on page 2 in line 9, by striking "; and"; , by striking all in lines 10 through 15; in line 16, by striking all before the period;

On page 3, following line 25, by inserting:

"Sec. 2. K.S.A. 2017 Supp. 75-4209 is hereby amended to read as follows: 75-4209. (a) The director of investments may invest and reinvest state moneys eligible for investment which are not invested in accordance with K.S.A. 75-4237, and amendments thereto, in the following investments:

(1) Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of the United States sponsored enterprises which under federal law may be accepted as security for public funds, on and after the effective date of this act moneys available for investment under this subsection shall not be invested in mortgage-backed securities of such enterprises and of the government national mortgage association, except that any such mortgage-backed securities held prior to the effective date of this act may be held to maturity;

(2) repurchase agreements with a bank or a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government sponsored enterprises which under federal law may be accepted as security for public funds;

(3) commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm; and

(4) corporate bonds which have received one of the two highest ratings by a nationally recognized investment rating firm.

(b) When moneys are available for deposit or investments, the director of investments may invest in SKILL act projects and bonds pursuant to K.S.A. 74-8920, and amendments thereto, and in state agency bonds and bond projects.

(c) When moneys are available for deposits or investments, the director of investments may invest in preferred stock of Kansas venture capital, inc., under terms and conditions prescribed by K.S.A. 74-8203, and amendments thereto, but such investments shall not in the aggregate exceed a total amount of \$10,000,000.

(d) When moneys are available for deposits or investments, the director of investments may invest in loans pursuant to legislative mandates, except that not more than the greater of 10% or \$140,000,000 of the state moneys shall be invested. The provisions of this subsection shall not apply to the provisions of subsection (m).

(e) Interest on investment accounts in banks is to be paid at maturity, but not less than annually.

(f) Investments made by the director of investments under the provisions of this

section shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

(g) Investments under subsection (a) or (b) or under K.S.A. 75-4237, and amendments thereto, shall be for a period not to exceed four years, except that linked deposits authorized under the provisions of K.S.A. 2-3703 through 2-3707, and amendments thereto, shall not exceed a period of 10 years; agricultural production loan deposits authorized under the provisions of K.S.A. 2017 Supp. 75-4268 through 75-4274, and amendments thereto, shall not exceed a period of eight years and housing loan deposits authorized under K.S.A. 2017 Supp. 75-4276 through 75-4282, and amendments thereto, shall not exceed a period of five years or 20 years, as applicable pursuant to K.S.A. 2017 Supp. 75-4279, and amendments thereto.

(h) Investments in securities under subsection (a)(1) shall be limited to securities which do not have any more interest rate risk than do direct United States government obligations of similar maturities. For purposes of this subsection, "interest rate risk" means market value changes due to changes in current interest rates.

(i) The director of investments shall not invest state moneys eligible for investment under subsection (a), in the municipal investment pool fund, created under K.S.A. 12-1677a, and amendments thereto.

(j) The director of investments shall not invest moneys in the pooled money investment portfolio in derivatives. As used in this subsection, "derivatives" means a financial contract whose value depends on the value of an underlying asset or index of asset values.

(k) Moneys and investments in the pooled money investment portfolio shall be invested and reinvested by the director of investments in accordance with investment policies developed, approved, published and updated on an annual basis by the board. Such investment policies shall include at a minimum guidelines which identify credit standards, eligible instruments, allowable maturity ranges, methods for valuing the portfolio, calculating earnings and yields and limits on portfolio concentration for each type of investment. Any changes in such investment policies shall be approved by the pooled money investment board. Such investment policies may specify the contents of reports, methods of crediting funds and accounts and other operating procedures.

(l) The board shall adopt rules and regulations to establish an overall percentage limitation on the investment of moneys in investments authorized under subsection (a) (3), and within such authorized investment, the board shall establish a percentage limitation on the investment in any single business entity.

(m) (1) During the fiscal year ending June 30, 2017, the director of the budget shall estimate on or before June 27, 2017, the amount of the unencumbered ending balance in the state general fund for fiscal year 2017. If the amount of such unencumbered ending balance in the state general fund is less than \$50,000,000, the director of the budget shall certify the difference between \$50,000,000, and the amount of such unencumbered ending balance to the pooled money investment board. Upon the liquidation of all investments and reinvestments of state moneys pursuant to K.S.A. 2017 Supp. 75-2263(j), and amendments thereto, and upon receipt of such certification by the director of the budget, during the fiscal year ending June 30, 2017, the pooled money investment board shall authorize the director of accounts and reports to transfer an amount equal to

the amount certified by the director of the budget pursuant to this subsection from the pooled money investment portfolio to the state general fund. Upon receipt of such authorization, the director of accounts and reports shall make such transfer. The chairperson of the pooled money investment board shall transmit a copy of such authorization to the director of legislative research and the director of the budget.

(2) On or before June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, the director of accounts and reports shall transfer an amount equal to 1/6 of the amount transferred pursuant to subsection (m)(1) from the state general fund to the pooled money investment portfolio. Any transfer made pursuant to this paragraph shall be reduced by the amount of moneys credited to any fiscal year payment pursuant to section 1, and amendments thereto.

(3) During the fiscal year ending June 30, 2018, after any transfer made pursuant to subsection (m)(1), the pooled money investment board shall authorize the director of accounts and reports to transfer the remaining amount of all investments and reinvestments of state moneys liquidated pursuant to K.S.A. 2017 Supp. 75-2263(j), and amendments thereto, from the pooled money investment portfolio to the state general fund. Upon receipt of such authorization, the director of accounts and reports shall make such transfer. The chairperson of the pooled money investment board shall transmit a copy of such authorization to the director of legislative research and the director of the budget.

(4) On or before June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, the director of accounts and reports shall transfer an amount equal to 1/6 of the amount transferred pursuant to subsection (m)(3) from the state general fund to the pooled money investment portfolio. Any transfer made pursuant to this paragraph shall be reduced by the amount of moneys credited to any fiscal year payment pursuant to section 1, and amendments thereto.;

On page 4, in line 38, after "Supp." by inserting "75-4209 and"; also in line 38, by striking "is" and inserting "are";

And by renumbering sections accordingly;

On page 1, in the title, in line 2, by striking all after "the"; in line 3, by striking all before semicolon and inserting "pooled money investment portfolio"; also in line 3, after "Supp." by inserting "75-4209 and"; in line 4, by striking "section" and inserting "sections"; and the bill be passed as amended.

On motion of Senator Denning, the Senate adjourned until 2:30 p.m., Thursday, March 22, 2018.

CHARLENE BAILEY, CINDY SHEPARD, *Journal Clerks.*

COREY CARNAHAN, *Secretary of the Senate.*

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