

Approved: March 8, 2005
Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on February 9, 2005 in Room 123-S of the Capitol.

All members were present except:
Senator Donald Betts- excused

Committee staff present:
Norman Furse, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:
Peggy Hanna, Deputy Assistant State Treasurer
Jim Garner, Secretary, Kansas Department of Labor
Reginald Robinson, President and CEO, Kansas Board of Regents (written)

Others attending:
See attached list.

Bill Introductions

Senator Morris moved, with a second by Senator Steineger, to introduced a bill concerning school districts; establishing the 2010 commission (5rs0797). Motion carried on a voice vote.

Senator Schodorf moved, with a second by Senator Teichman, to introduce two bills, the first bill concerning school districts; relating to school finance (5rs0935) and the second bill concerning school districts; concerning audits by the division of legislative post audit (5rs0937). Motion carried on a voice vote.

Chairman Umbarger explained two bills requested by Senator Derek Schmidt regarding private prisons. Senator Umbarger moved, with a second by Senator Barone, to introduce a bill concerning correctional facilities; relating to construction by private companies (5rs0738) and the second bill concerning the placement of inmates; prohibiting contracts with private contract prisons outside of Kansas (5rs0694). Motion carried on a voice vote.

Chairman Umbarger opened the public hearing on:

SB 123--State treasurer authorized to charge certain fees

Staff briefed the committee on the bill.

The Chairman welcomed Peggy Hanna, Deputy Assistant State Treasurer, who testified in support of the bill (Attachment 1). Ms. Hanna explained that two years ago after the Governor eliminated the State General Fund as a funding source for the Treasurer's office budget, they worked with the Senate Ways and Means committee to arrive at a compromise to their funding situation. The solution was to have the Treasurer's office bill state agencies for cash management services provided by their office. Committee discussion followed.

Chairman Umbarger welcomed Jim Garner, Secretary, Kansas Department of Labor, who spoke in opposition to **SB 123** (Attachment 2). Secretary Garner explained that the bill would create a new law imposing fees on

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on February 9, 2005 in Room 123-S of the Capitol.

state agencies to fund the State Treasurer's Office. He noted that fees would be imposed on each voucher, warrant, or direct deposit issued by the agency. Secretary Garner mentioned that the FY 2005 Budget authorizes the Kansas Department of Labor to transfer \$451,000 to the State Treasurer to pay for fees in FY 2004 on the 1,454,839 unemployment insurance payments that the Kansas Department of Labor issued on an average of \$.31 per warrant. He explained that the Unemployment Insurance Trust Funds were never intended to fund the operations of the State Treasurer's Office. Committee questions and discussion followed.

Written testimony was submitted by Reginald Robinson, President and CEO, Kansas Board of Regents, expressing the Boards opposition to **SB 123** (Attachment 3).

There being no further conferees to appear before the committee, the Chairman closed the public hearing on **SB 123**.

Chairman Umbarger opened the public hearing on:

SB 125--Unclaimed property, effect when interest bearing

Staff briefed the committee on the bill.

Chairman Umbarger welcomed Peggy Hanna, Deputy Assistant State Treasurer, who testified in support of **SB 125** (Attachment 4). Ms. Hanna explained that the bill would amend the Unclaimed Property Act to allow the Treasurer's office to pay interest on property claimed that was originally reported to their office as an interest-bearing account, such as a savings account or a certificate of deposit. She noted that Treasurer Jenkins believes strongly that both the principal and interest should be returned to the owners, or their heirs. Committee questions and discussion followed.

There being no further conferees to appear before the committee, the Chairman closed the public hearing on **SB 125**.

The meeting adjourned at 11:30 a.m. The next meeting is scheduled for February 10, 2005.