

Approved:

March 2, 2012

(Date)

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30 AM on Friday, February 3, 2012 in 548-S of the Capitol.

All members were present.

Committee staff present:

Jan Lunn, Committee Assistant
Melinda Gaul, Chief of Staff, Senator McGinn's Office
Eli Johns, Intern, Senator McGinn's Office
Alan Conroy, Director, Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department
Michael Steiner, Senior Analyst, Legislative Research Department
Bobbi Mariani, Fiscal Analyst, Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
David Wiese, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes

Conferees appearing before the Committee:

Steve Grieb, General Counsel to Chief Justice Lawton Nuss, Kansas Supreme Court
Steve Anderson, Director, Division of the Budget

Others in attendance:

See attached list.

There were no bill introductions.

The Division of Budget provided follow-up information to committee members' questions and requests heard in previous meetings. This information is listed as (Attachment 1) and becomes part of this permanent record.

Continuation of hearing on **SB 311—Supplemental appropriations for FY 2012 and FY 2013 for various state agencies.**

Steve Anderson, Director, Division of the Budget, distributed a proposed amendment concerning the Department of Commerce – Airport Incentive Funding (Attachment 2). In addition, during

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the February 1, 2012 meeting, there were several other proposed revisions discussed. Chairperson McGinn indicated it was hoped all proposed amendments would be submitted at the same time. Mr. Anderson commented there were a number of adjustments excluded from Attachment 2; they would be prepared and presented at one time. Senator McGinn responded that the Airport Incentive Funding amendment as well as the technical amendment necessary for the Juvenile Justice Authority (JJA) would be discussed today.

Senator Vratil moved adoption of an amendment (Attachment 3) concerning the purchase of bottled drinking water for water dispensers in the Capitol building; Senator Masterson seconded the motion, which passed on a voice vote.

Senator Vratil moved to add \$50,000 from the state general fund (SGF) to the Department of Education for operating expenses; Senator Schodorf seconded the motion, which carried on a voice vote.

Senator Kelly moved to restore an amount of \$687,999 from SGF to the Kansas Arts Commission; Senator Francisco seconded the motion. Discussion followed in which it was noted the funding suggested would cover the remaining months in 2012, and therefore, the funding amount in the original motion exceeded the need. With the permission of the second, Senator Francisco, Senator Kelly amended her original motion to restore an amount of \$172,000 from SGF to the Kansas Arts Commission for the remaining months in FY 2012; Senator Francisco seconded the motion, which carried on a voice vote.

Senator Kelly moved to transfer \$50,000 from SGF to the Attorney General's budget to replace lost federal funding for the Court Appointed Special Advocate (CASA) program, the motion was seconded by Senator Francisco. During discussion, Senator Kelly indicated that the CASA program had lost funding from not only the federal government but also from the United Way of Topeka; she recommended the transfer to the Attorney General since that agency is accountable for other victims' advocacy funds.

Senator McGinn reported attempts have been made to locate funding for the Arts Commission as well as the Department of Education; she requested to consider Senator Kelly's motion later during discussion.

Senator Vratil moved to lapse funding in the amount of \$243,620 from the Southwest Kansas Access Fund to the SGF; Senator Huntington seconded the motion. During discussion, Senator Vratil elaborated that it is his intention to appropriate \$50,000 to the Department of Education

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and \$172,000 to the Kansas Arts Commission in fiscal year 2012. Audrey Dunkel, Senior Fiscal Analyst, Legislative Research Department, commented the suggested lapse would zero out that account assuming 2012 expenditures were made. Based on information from the Board of Regents, funds exist to cover the cost of programs in FY 2012; the effect of the motion on the floor is to sweep remaining funds for appropriations to the Kansas Arts Commission and Department of Education in fiscal year 2012. A committee member expressed concern that should additional funding be needed by Fort Hays State University, additional appropriations from the SGF through the Board of Regents budget would be required. The motion carried on a voice vote.

Senator Huntington moved to transfer \$1.5 million from the state institutions building fund for capital renovation to Rainbow Mental Health Facility through the Department of Social and Rehabilitation Services; Senator Kelly seconded the motion. Senator Huntington discussed the Rainbow Facility, and its need to increase bed capacity to 36. Currently there are 6 available beds for intake purposes. The motion carried on a voice vote.

Senator Vratil moved to delete Section 7(a), State Board of Healing Arts, from lines 24 through 30 from SB 311; Senator Francisco seconded the motion, which carried on a voice vote.

Senator Francisco moved to delete Section 8, page 3, lines 31 through 41, State Department of Credit Unions; Senator Kelly seconded the motion. During discussion, Senator Francisco clarified that this action would reinstate the Department of Credit Unions original budget and holds their full-time equivalents (FTE) complement at 12. The motion carried on a voice vote.

Concern was expressed regarding the Governor's recommended budget decreases for the Boards of Accountancy, Examiners in Fitting and Dispensing of Hearing Instruments, Real Estate Appraisal as well as the Kansas Real Estate Commission. These agencies are small and to decrease fee funds by 5 percent this late in fiscal year 2012 could negatively impact agency operation.

Senator Schmidt moved to delete Section 3, Board of Accountancy; Section 10, Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments; Section 14, Real Estate Appraisal Board; and Section 15, Kansas Real Estate Commission to reinstate the 5 percent reduction recommended by the Governor; Senator Umbarger seconded the motion, which carried on a voice vote.

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Senator Schmidt moved to reinstate the sum of \$9,175, to the Governmental Ethics Commission, Section 19, on line 7 page 7, of SB 311; the bill was seconded by Senator Huntington. Senator Schmidt commented that a bill has passed out of committee; however, as yet has not been heard on the Senate floor. The effect of the bill would increase the agency's fees and thereby increase its revenue stream. *The motion carried on a voice vote.*

Senator Vratil summarized the testimony recently heard concerning the Judicial Branch, and the reduction in revenue due to reduced case filings. The result is a deficit of \$1.4 million designated for employee salaries. Senator Vratil moved to delete the supplemental appropriation of \$1.2 million from the SGF for the Department of Wildlife, Parks, and Tourism and to increase the appropriation to the Judicial Branch in the amount of \$1.2 million; Senator Kelly seconded the motion. Following considerable discussion regarding the potential impact and whether alternative actions exist, the motion carried on a voice vote.

Gary Haulmark, Social and Rehabilitation Services (SRS), was in the audience; he was recognized to provide clarity concerning an anticipated \$160,000 shortfall for in funding to the contract for overflow beds at Via Christi, Cushing and Prairie View, which provide census management for Larned, Osawatomie, and Rainbow. Mr. Haulmark indicated he had spoken with the Interim Acting Secretary, and the decision was made to cover any shortfall with existing SRS funding.

A committee member inquired regarding the solution to a mental health issue discussed in the February 1 meeting. Mr. Haulmark commented that issue arose when mental health providers were assured a certain amount during budget discussions; when the actual budget was published, the amount was lower than the expected dollar amount. Mr. Haulmark indicated the issue was created when a negotiated, at-risk contract reflected inaccurate actuarial estimates, which caused the provider payment to be less than expected. In December, SRS renegotiated the contract, which moved the payment to a mid-range; this action is anticipated to make-up one-half of the difference.

Mr. Haulmark responded to a question by announcing Phyllis Gilmore has been named the Secretary of Social and Rehabilitation Services.

Senator Schmidt moved to adopt the Governor's adjustment concerning the Juvenile Justice Authority funding for estimated caseload levels for FY 2012 and the appropriation from the economic development initiatives fund for the air service incentive fund; Senator Francisco seconded the motion, which carried on a voice vote.

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Senator Francisco moved to delete section 9(b), 12(a) (b), 13, 16, 17(a) (b), and 18(a) (b); Senator Umbarger seconded the motion. Senator Francisco explained that as a subcommittee participant, it is more appropriate to deal with reductions in the 2013 budget than taking action during the waning months of fiscal year 2012. *Following discussion, Senator Umbarger withdrew his second. The motion failed for lack of a second.*

Vice-Chairman Vratil indicated final action on **SB 311** would be scheduled next week.

Presentation on Blue Ribbon Commission

Steve Grieb, Chief Counsel to Chief Justice Lawton Nuss, was present to discuss the Judicial Branch's Project Pegasus (Attachment 4). This project was begun during the summer of 2010; the project resulted in a Weighted Caseload Study report presented in November 2011 to the Kansas Supreme Court and to the Blue Ribbon Commission. Mr. Grieb discussed the recommendations which included:

- The total number of judges (statewide) is appropriate; in some instances, statutes require judges to be assigned in locations where the volume of court business does not warrant a permanent assignment. The recommendation is to provide the court with management responsibility for the placement of judges in Kansas.
- The number of district magistrate judges should increase in relation to the number of district court judges, and authority of the district magistrate judge should be expanded.
- Expand available technologies to include funding for an E-filing system and to appropriate funding for other technologies that will increase efficiencies (E-courts).
- Establish uniform standards for waiving or deferring fees for those who require access to the courts but do not have the necessary financial resources as well as to improve the collections processes throughout the state.
- Reinforce strategies that include self-assessment and improvement opportunities to increase efficiencies such as best practices, implementation strategies for change, etc.

Responding to committee members' questions, Mr. Grieb commented:

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- With regard to the prioritization of cases, many are prioritized by statute; these types of processes are built into each judicial district. In many instances, the judge determines priority when not dictated by statute.
- The legislature has the power to repeal statutes (for e-filing capability), which is the required to implement some of the recommendations discussed.
- There were no recommendations to revise the Judicial District Map.

The meeting was adjourned at 11:52 a.m.

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