

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chair Melvin Neufeld at 9:00 a.m. on January 24, 2003, in Room 514-S of the Capitol.

All members were present except: Representative Larry Campbell - excused
Representative JoAnn Pottorff - excused

Committee staff present: Alan Conroy, Legislative Research Department
J.G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Amy Deckard, Legislative Research Department
Julian Efird, Legislative Research Department
Leah Robinson, Legislative Research Department
Nicoletta Buonasera, Legislative Research Department
Melissa Calderwood, Legislative Research Department
Martha Dorsey, Legislative Research Department
Debra Hollon, Legislative Research Department
Amy VanHouse, Legislative Research Department
Audrey Nogle, Legislative Research Department
Carolyn, Rampey, Legislative Research Department
Robert Waller, Legislative Research Department
Paul West, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Sue Fowler, Committee Secretary

Conferees appearing before the committee: Pat Scalia, State Board of Indigents Defense
Sandy Praeger, Commissioner of Kansas Insurance
Don Moler, League of Kansas Municipalities
Juan Sexton, Tank Management Services
Pat Hurley, Economic Life Line
Randall Allen, Kansas Association of Counties
Woody Moses, Kansas Aggregate Producers Association and
Kansas Redi-Mix Contractors Association

Others attending: See Attached

Representative Nichols moved for the introduction of legislation for establishing the Independent Living Council. Motion was seconded by Representative Ballard. Motion carried.

Hearing on HB 2026-Appropriations for FY 2003; supplemental appropriations for various state agencies.

Alan Conroy, Legislative Research Department, presented an overview of **HB 2026** outlining proposed supplementals for FY 2003 (Attachment 1).

Pat Scalia, State Board of Indigent Defense Services, presented testimony to convey the Board's support for the FY 2003 Emergency Supplemental Funding for the State Board of Indigents' Defense Services (Attachment 2).

Sandy Praeger, Commissioner of Insurance, provided testimony in opposition of the transfer of \$7.0 million from the Insurance Department's Workers Compensation Fund to the State General Fund. (Attachment 3). Chairman Neufeld requested the General Government and Commerce Budget Committee carefully review the status of the fund with supporting documentation of the assumptions being provided by the Commissioner of Insurance.

Don Moler, Executive Director for League of Kansas Municipalities, presented testimony in opposition to

Sections 40, 41 and 42 of **HB 2026**. These sections eliminate the second half of the FY 2003 demand

CONTINUATION SHEET

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transfers to local governments which amounts to a \$48 million loss of revenue which cities and counties are unable to replace in the current budget year. Mr. Moler urged the Committee to remove these sections from this bill, and if the Committee feels compelled to enact them, to do it at the end of the session rather than at the beginning of the session ([Attachment 4](#)).

The Committee discussed that there is currently a law suit due to be heard by the Kansas Supreme Court regarding the cities and counties claiming that the governor did not have the authority to stop payments from the Local AdValorem Tax Reduction Fund (LAVTRD) and the County and City Revenue Sharing fund. By delaying the elimination of the second half of the FY 2003 demand transfers to local government until later in the session, there is the chance that the Division of Accounts and Reports would write the checks automatically and if these moneys were not budgeted, the budget passed by the Legislature would create a \$48 million deficit. Representatives Neufeld, Nichols, and Schultz discussed writing the Chief Justice of the Supreme Court asking her not to render this issue moot regardless of what action the Legislature takes.

Mr. Moler assured the Committee that only the \$48 million appropriated by the Legislature is being requested in the lawsuit. Attorney's fees and other costs are being absorbed by the cities and counties by the use of in-house counsel.

Juan Sexton, Tank Management Services, provided testimony in opposition to Sec. 21-C of **HB 2026**: which proposes the transfer \$10,000,000 from the Underground Storage Tank Release Trust Fund of the Department of Health and Environment to the State General Fund ([Attachment 5](#)).

Pat Hurley, Economic Lifelines, provided testimony in opposition to any reduction in funding of the Comprehensive Transportation Program ([Attachment 6](#)).

Randall Allen, Executive Director of the Kansas Association of Counties, provided testimony in opposition to Sections 40, 41 and 42 of the bill relating to the three demand or revenue transfers to local governments. He expressed concern about the timing of **HB 2026**, and its effect on bringing some clarity to the separation of powers question that is the crux of the legal action against various state officials ([Attachment 7](#)).

Edward R. Moses, Kansas Aggregate Producers Association and Kansas Redi-Mix Contractors Association, provided testimony in opposition to **HB 2026**, which would remove the requirement for the State General Fund to repay the \$94.6 million loan from the State Highway Fund on June 30, 2003. Approval of this bill will materially impair the ability of the Department of Transportation to complete the Comprehensive Transportation Program (CTP) overwhelmingly approved by this legislature in 1999 ([Attachment 8](#)).

Thomas M. Palace, Executive Director of the Petroleum Marketers and Convenience Store Association of Kansas, presented written opposition to **HB 2026** on behalf of over 360 independent petroleum marketers and convenience stores throughout Kansas ([Attachment 9](#)).

Chairman Neufeld closed the hearing on **HB 2026**.

Representative Nichols moved to report favorably **HB 2026** with the necessary technical amendments. Motion was seconded by Representative Schultz. Motion was carried.

The meeting was adjourned at 10:10 a.m. The next meeting is scheduled for January 28, 2003.

