

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 10:30 a.m. on January 29, 2009, in Room 545-N of the Capitol.

All members were present.

Committee staff present:

Michael Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Melinda Gaul, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Steve Irsik, Chairman, Kansas Water Authority
Tracy Streeter, Executive Director, Kansas Water Office
Russ Jennings, Commissioner, Juvenile Justice Authority (JJA)

Others attending:

See attached list.

Introduction of Legislation

Senator Kelly moved to introduce legislation concerning the state water plan fund and increasing fees (9rs0598). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator McGinn moved to introduce legislation concerning donation of assets to charitable organizations (9rs0455). The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Vratil moved to introduce legislation concerning furloughs for state employees (9rs0508). The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Referral of Bills

SB 96 and SB 124 were referred to the KPERS Issues Sub-Committee.

Overview of the Kansas Water Authority

Steve Irsik, Chairman, Kansas Water Authority, provided an overview of the Kansas Water Authority. A copy of the Kansas Water Authority 2009 Annual Report to the Governor and Legislature was distributed to the Committee (copy available from the Kansas Water Office, 901 S. Kansas Avenue, Topeka, Kansas 66612). Mr. Irsik also distributed a map showing the Basin Advisory Committee members and where they are located across the state (Attachment 1).

Mr. Irsik noted that the Kansas Water Authority works with the Kansas Water Office on water issues affecting the state. Mr. Irsik indicated that Kansas has a total reservoir investment of \$3 billion. A dedicated funding resource is needed to maintain the reservoirs. Because funding from the State General Fund (SGF) is not an option, the Kansas Water Authority is proposing a 50 percent across-the-board fee increase to fund the Kansas Water Authority.

Responding to questions from the Committee, Mr. Irsik stated that the original mission of the reservoir across Kansas was to provide flood control. As the population has increased, the reservoirs have become a primary water source for 60 percent of the state's population. The depth of water in the reservoirs is a concern as they become prematurely impacted with sedimentation.

Tracy Streeter, Executive Director, Kansas Water Office, reported that additional funding is needed to carry

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on the work of the Kansas Water Office and supports the fee increase to fill the funding gap, noting that the fee increase will generate approximately \$4.7 million. Without the fee increase, there will be a need to reduce programs. In developing the budget for FY 2010, the Kansas Water Authority proposed that 10 percent of funds deposited in the Expanded Lottery Act Revenues Fund (ELARF) be directed to the Kansas Water Office for maintaining the reservoirs. Mr. Streeter explained that the statute on ELARF allocates a portion of the monies deposited be used for the improvement of the state's infrastructure and felt that water resources are a vital component of the state's infrastructure.

Responding to a question from the Committee, Mr. Streeter explained that the state has a debt to the federal government for "future use storage" at the 5 reservoirs in the state - Perry, Milford, Hillsdale, Big Hill and a small portion of Clinton. The federal contract will expire in the next 25 years, necessitating a payment of approximately \$85 million to the federal government. If the payment is not made, the state will need to renegotiate the contract or risk the loss of water to purchasers downstream. The present contract allows the state to purchase water at the reservoir's construction-day prices. A new contract would be at current-day construction prices and would be much more costly to the state.

Update on the Atchison and Beloit Juvenile Correctional Facilities

Russ Jennings, Commissioner, Juvenile Justice Authority (JJA), provided an update on the Atchison Juvenile Correctional Facility and the Beloit Juvenile Correctional Facility (Attachment 2). A copy of a report concerning the operations of the Beloit Juvenile Correctional Facility was also presented to the Committee (Attachment 3).

The Commissioner stated that the agency has worked to comply with the Governor's budget reductions and make cuts in the budget that were the least disruptive to the system. The suspension of operations at the Atchison facility has a projected savings of approximately \$1.9 million for FY 2009 and projected savings of \$3.7 for FY 2010. The facility is being repurposed for use as a residential care home for juveniles placed in the custody of the commissioner through a contract with a private contractor. Proposals are being accepted with a closing date of February 16, 2009. Commissioner Jennings noted that there is no intent to restore the Atchison space to a juvenile correctional facility because they do not need the space.

Commissioner Jennings noted that the Beloit Juvenile facility is the only juvenile correctional facility in the state for placement of female offenders. There are currently 17 residents with a budget of \$4.2 million. The population at the Beloit facility has been declining in recent years because of the success of treatment programs. In addition, many of the female offenders in the state are receiving services in their homes or communities. JJA is looking into other possible long-term alternatives to address the declining population at the Beloit facility and still address the needs of the offenders.

Responding to questions from the Committee, the Commissioner stated that a request has been made to the State Advisory Group on Juvenile Justice Delinquency and Prevention to review the Beloit facility and make recommendations on staffing and ways to increase efficiencies. In making further budget cuts, Commissioner Jennings stated that the cuts will probably be made to the Prevention and Intervention program, cap the amount of time that youth are placed in group homes, as well as limit funds for community supervision and case management.

- The Committee requested Staff to provide details of the Governor's Executive Order No. 0901.

The next meeting is scheduled for February 2, 2009.

The meeting was adjourned at 12:00 p.m.