

MINUTES OF THE SENATE WAYS & MEANS.

The meeting was called to order by Chairperson Dave Kerr at 9:00 a.m. on January 7, 2000 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Norman Furse, Revisor of Statutes
Michael Corrigan, Asst. Revisor of Statutes
Rae Anne Davis, KS Legislative Research Department
Debra Hollon, KS Legislative Research Department
Judy Bromich, Administrative Assistant to the Chairman
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Duane Goossen, Director of the Budget
Kyle Smith, Kansas Bureau of Investigation
Meredith Williams, Executive Secretary, Kansas Public Retirement System

Others attending: See attached list

Chairman Kerr called the meeting to order and informed members that it would be his plan to deliberate the Governor's proposed budget changes for FY 2000 which were distributed in bill draft form. (Attachment 1) Following deliberations, he would entertain motions to amend the proposed legislation and to introduce it as amended. It is noted here that a joint meeting of the House Appropriations and Senate Ways and Means Committees was held on January 6, 2000 at 10:00 a.m. in the Old Supreme Court Chambers for the purpose of reviewing the Governor's proposed budget amendments and hearing public testimony on them. The minutes for that meeting were recorded by the Appropriations Committee staff. However, because members referred to a document distributed by the Division of the Budget frequently, it is included in this document. (Attachment 2)

At the request of the Chair, Duane Goossen, Director of the Budget, appeared before the Committee to answer questions regarding the Governor's recommendations. There was some concern regarding the recommended \$850,221 adjustment in salaries and wages for the Kansas Bureau of Investigation. (Attachment 2-81) . Concern was expressed that the adjustment might affect the opening of the Wyandotte County lab. Mr. Goossen explained that the \$850,221 was made up of two parts:

- 1) KBI had identified \$215,000 associated with salaries and wages which the department wanted to shift. The Division of the Budget identified that amount as savings of SGF monies.
- 2) The balance of the \$850,221 was associated with 38 unclassified temporary positions.

Additional information regarding the 38 special project/temporary positions was distributed by Mr. Kyle Smith, KBI. (Attachment 3) It was noted that 32 of the temporary positions were funded by grants and only six of the positions were funded by the State General Fund.

There were questions and committee discussion regarding funding adjustments in the State Water Plan Fund, in the Department of Health and Environment for environmental protection and vaccines, in Wildlife and Parks regarding the possibility of creating diversion problems, in the State Fair, in the Department of Corrections regarding funding for prison staff and for community corrections, and in the Juvenile Justice Authority regarding community vendor payments and intervention/graduated sanctions grants. In answer to a question, it was stated that the nearly half million dollar reduction in community corrections grant awards (Department of Corrections - Attachment 2-62) would be replaced at the local level with carryover monies from FY 99 and that the additional \$2.5 million for purchase of services within the JJA (Attachment 2-71) will be used to purchase services for youth because of additional providers and beds.

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It was noted that the total budget for the current fiscal year with the Governor's recommendations is 4.6% above FY 99. In answer to a request, Mr. Goossen stated that he would analyze the budgets to determine if any were being asked to operate below their FY 99 budgeted amounts.

The Chairman opened the floor to amendments to the Governor's recommendations (Attachment 1). It was moved by Senator Jordan and seconded by Senator Lawrence that subsections (c), (j), and (k) of Sec. 36 be deleted from the bill draft. The effect of this motion would be to revert to current law regarding general state aid and supplemental base state aid, and that no reduction would be made in the amount of monies made available for juveniles in detention facilities. The motion carried on a voice vote.

It was moved by Senator Feleciano and seconded by Senator Gilstrap that the Governor's recommendation for the Kansas Bureau of Investigation regarding salary and wage adjustments be amended to reflect a reduction of \$444,000 from the SGF. It was noted that this amount reflects the total of \$215,000 as identified by the agency in salary savings and \$229,000 associated with salaries and wages for those 6 special project/temporary positions funded with state general funds.

There was discussion about the level of funding that would be necessary to insure the future of the Wyandotte County lab. Senator Ranson offered a substitute motion which was seconded by Senator Gilstrap to reduce the approved KBI budget for salaries and wages by \$250,000. The substitute motion failed on a voice vote.

The original motion carried on a voice vote.

The Chairman told members that the Death & Disability portion of the Kansas Public Employees Retirement System (KPERs) is actuarially overfunded by \$41 million. Though monies cannot be taken from the fund, the contribution rate could be reduced for the fourth quarter of FY 2000 by proviso which would result in a \$5 million savings from the SGF (Attachment 4), and follow-up legislation would be recommended to address the issue. Members discussed the legalities of suspending the employer contribution, and it was noted by a representative from KPERs that the language should be structured so that the money never flows through KPERs. The immediate and longterm impact of the proposed action was also discussed. It was moved by Senator Ranson and seconded by Senator Salisbury that the bill draft be amended by including language that would suspend the employer contribution rate through the balance of FY 2000. The motion carried on a voice vote.

It was moved by Senator Lawrence and seconded by Senator Jordan that a technical amendments in section 45 of the bill draft be allowed. The motion carried on a voice vote.

It was moved by Senator Salmans and seconded by Senator Lawrence that technical amendments by staff in the bill draft be allowed. The motion carried on a voice vote.

Senator Morris moved, Senator Lawrence seconded, that the bill draft as amended be introduced. Members discussed whether to give the public and agencies more time to respond to the Governor's budget adjustments to finalize the budget for FY 2000 before addressing the budget for FY 2001. It was noted that few or no agency requests for supplemental appropriations are expected. Senator Gilstrap offered a substitute motion which was seconded by Senator Petty to postpone consideration until January 14, 2000. The substitute motion failed on a voice vote.

The primary motion to introduce the bill draft as amended carried on a voice vote.

A motion was made by Senator Jordan and seconded by Senator Morris that a conceptual trailer bill be introduced to address the issue of suspending fourth quarter payments to the Death and Disability Fund within KPERs. The motion carried on a voice vote.

The Chairman adjourned the meeting at 12:05 p.m. The next meeting is scheduled for Wednesday, January 12, 2000.