

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Rhoades called the meeting to order at on March 29, 2011, in Room 346-S of the Capitol.

All members were present except:

Representative Gordon – Excused

Representative Shultz - Excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes

Jason Long, Office of the Revisor of Statutes

Alan Conroy, Kansas Legislative Research Department

J.G. Scott, Kansas Legislative Research Department

Jarod Waltner, Kansas Legislative Research Department

Shirley Morrow, Kansas Legislative Research Department

Cindy O'Neal, Administrative Assistant, Appropriations Committee

Kathy Holscher, Committee Assistant, Appropriations Committee

Conferees:

Mark Tallman, Kansas Association of School Boards

Joseph Molina, Kansas Bar Association

Helen Pedigo, Supreme Court of Kansas

Richard Hayse, Kansas Judicial Commission

Judge Larry McClain, Judicial Commission

Whitney Damron, Kansas Bar Association

Callie Denton, Kansas Association for Justice

Doug Wareham, Kansas Bankers Association

Luke Bell, Kansas Association of Realtors

Others attending: See attached list.

HB 2395: Concerning school districts; relating to the use of moneys by school districts

SB 97: Concerning courts; relating to court fees and costs, judicial branch surcharge fund requirement

HB 2396: Abolishing the commission on judicial performance

SB 229: fee agencies, implementing a 10% transfer for FY 2012 then repealing the the 20% transfer requirement

Chairman Rhoades welcomed committee members and reviewed the meeting agenda.

Chairman Rhoades made a motion to introduce legislation to reintroduce **HB 2193**. The motion was seconded by Representative Brown. Motion carried.

Chairman Rhoades made a motion to introduce legislation regarding the Kansas Bureau of Investigation direct fund issue. The motion was seconded by Representative Kelley. Motion carried.

HB 2395: Concerning school districts; relating to the use of moneys by school districts

Jason Long, Office of the Revisor of Statutes, provided an overview of **HB 2395**. He stated that this bill would allow school districts the flexibility to use unencumbered balances in specified funds for general operating expenditures.

Speaker of the House, Mike O'Neal, stated the bill would put the flexibility into statute form to assist the school districts in a couple of difficult years. He reviewed the Kansas State Department of Education cash balances (Attachment 1). With this legislation, \$357.7 million would be available in unencumbered funds to allow the school districts to get back to the base state aid per pupil (BSAPP) of \$4,012, which would be

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the combination of this year's and next year's reductions, he noted. He suggested that to the extent that districts are encouraged to spend encumbered funds but it suggested that the funds should be targeted. Some districts have not used all of their local option budget authority and that could be a funding option, for those districts that may fall short of weighted cash balances, he noted

Speaker O'Neal responded to questions from committee members. He discussed discretionary funds that are accumulating balances and contingency reserve funds that have a cap.

Dale Dennis, Deputy Commissioner of Education, discussed legislative restrictions for use of money placed in specific funds. He stated that when there is an environment of a uniform system of accounts, the need for silos may no longer be necessary or caps on specific funds. This bill encourages districts to use balances in funds to address budgeting shortfalls, he added. For districts with a small amount in unencumbered funds with this legislation they would be able to get some help to get to the BSAPP of \$4012.

Mark Tallman, Associate Executive Director/Advocacy, Kansas Association of School Boards, provided testimony as a proponent of **HB 2395** (Attachment 2). He stated that this bill would allow school districts to access certain funds to help make up the difference between the actual BSAPP and the base budget of \$4012. He expressed concerns regarding textbook fees which are in large collected by student fees and local maintenance of effort requirements for Special Education, and he reviewed various reasons why districts carry cash balances and increased cash balances.

Mark Tallman responded to questions from committee members. He stated that the weighted enrollment resulted when stated aid was replaced with American Recovery and Reinvestment Act (ARRA) for Special Education. The Governor's recommendation of \$60 million was to meet maintenance of effort requirements in FY 2012, he noted.

Chairman Rhoades closed the hearing on **HB 2395**.

Jim Wilson, Office of the Revisor of Statutes, provided an overview of **HB 2395**, which would abolish the commission on judicial performance.

Jim Wilson responded to questions from committee members. He stated part of the docket fees would be removed as dedicated under current law, and any remaining balance would be credited to the State General Fund (SGF).

HB 2396: Abolishing the commission on judicial performance

Richard Hayse, Member, Kansas Judicial Commission, presented testimony as an opponent of **HB 2396**, (Attachment 3). He stated that the commission provides a valuable service to the judiciary, voters and citizens of the State.

Richard Hayse responded to questions from committee members. He stated that the commission was established in FY 2006. A performance evaluation of appellate and trial judges is conducted and recommendation to voters where or not they should be retained by the commission.

Judge Larry McClain, Member, Kansas Judicial Commission, presented testimony as an opponent of **HB 2396** (Attachment 4). He stated that the commission provides objective information regarding the judges for the voting public, assists the Chief Judges with the performance of judges and has improved and refined the process through an evaluation survey.

Whitney Damron provided testimony in opposition of **HB 2396** on behalf of the Kansas Bar Association (Attachment 5). He stated that the commission provides meaningful, nonpartisan information to the public regarding the performance of district judges, magistrate judges, Court of Appeals judges and Justices of the Kansas Supreme Court.

Whitney Damron responded to questions from committee members. It was noted that approximately 75 evaluations are conducted each year, and there are 266 judges. He stated that survey results may be found on county websites.

Callie Denton, Director of Public Affairs, presented testimony in opposition of **HB 2396** (Attachment 6).

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She provided an overview of the organization and stated that the importance of the commission, which provides a vital, nonpartisan source of information on Kansas judges and justices to Kansas citizens. In response to a committee members question she stated the surveys were never intended to target judges, but was intended to inform voters and target judicial resources. Without this resource, information would be received by word of mouth and we would be recreating a gap, she added.

Chairman Rhoades stated that copies of written testimony as an opponent of **HB 2396** from Judge Nancy Parrish ([Attachment 7](#)) has been distributed to members.

Chairman Rhoades closed the hearing on **HB 2396**.

SB 97: Concerning courts; relating to court fees and costs, judicial branch surcharge fund requirement

Matt Sterling, Office of Revisor of Statutes, provided an overview of **SB 97**. He stated that this bill would extend the judicial surcharge for one year and would delay the expansion of the Court of Appeals from 13 to 14 judges for one year.

Helen Pedigo, Special Council to the Chief Justice, Supreme Court of Kansas, provided testimony as a proponent of **SB 97** ([Attachment 8](#)). She also reviewed the types of cases filed in the court system and the docket fees for these cases with the proposed surcharge. These funds are used for non-judicial salaries in the Judicial Branch budget and would also help to avoid furloughs, she added.

Joseph Molina provided testimony as a proponent of **SB 97** on behalf of the Kansas Bar Association ([Attachment 9](#)). He responded to a question from a committee member and noted that if the fee goes to high the courts may see fewer civil cases and Chapter 60 cases resulting in limited access to courts.

Chairman Rhoades closed the hearing on **SB 97**.

SB 229: fee agencies, implementing a 10% transfer for FY 2012 then repealing the the 20% transfer requirement

Daniel Yoza, Office of Revisor of Statutes, provided an overview of **SB 229**. He stated the bill would request the preparation and presentation of a report on costs of all services provided to fee agencies, reduces the credit to SGF from 20% to 10% and reduces the maximum amount to the fee agency from \$200,000 to \$100,000.

Doug Wareham, Senior Vice President – Government Relations, Kansas Bankers Association, provided testimony as a proponent of **SB 229** ([Attachment 10](#)). He stated that this bill significantly reduces what fee funded agencies have to transfer to the SGF. And, requires the Department of Administration to provide a report to the committee on what government services could or should not be charged which would be determined by the committee and not the department, he added.

Luke Bell, Vice President of Governmental Affairs, Kansas Association of Realtors, provided testimony as a proponent of **SB 229** ([Attachment 11](#)). He stated that this bill would provide the committee with the necessary data to make decisions. This is a step in the right direction and the commission is intent on paying for actual legitimate costs of services, which is an attractive alternative for not increasing fees for services members have been receiving.

Chairman Rhoades stated that information on the State Fair Board Bond Payment was requested and has been distributed ([Attachment 12](#)), and he reviewed the agenda for tomorrow's meeting.

The meeting adjourned at: 1:55 p.m.

Marc Rhoades, Chairman