

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson David Adkins at 9:05 a.m. on March 16, 2000 in Room 514-S of the Capitol.

All members were present except: Representative Landwehr - excused
 Representative Peterson - excused
 Representative Reinhardt - excused

Committee staff present: Alan Conroy, Kansas Legislative Research Department
 Stuart Little, Kansas Legislative Research Department
 Robert Waller, Kansas Legislative Research Department
 Tom Severn, Kansas Legislative Research Department
 Reed Holwenger, Kansas Legislative Research Department
 Jim Wilson, Revisor of Statutes Office
 Mike Corrigan, Revisor of Statutes Office
 Dave Stallings, Assistant to the Chairman
 Mary Shaw, Committee Secretary

Conferees appearing before the committee:
 Randy Allen, Executive Director, Kansas Association of Counties
 Don Moler, Executive Director, League of Kansas Municipalities
 Mayor Ron Shaffer, City of Prairie Village
 Commissioner Ellen Schirmer, Jackson County
 Mayor Erv Hodges, City of Lawrence
 Commissioner Don Hanson, Ellsworth County

Others attending: See attached list

Chairman Adkins explained that the Committee will hear a briefing on a major aspect of the Governor's budget that raised concerns among elected officials who represent counties and municipalities throughout the State. As a result of the Governor's recommendations, there have been some concerns expressed among these local government officials with regard to the ways in which demand transfers will be funded.

Briefing on Demand Transfers

Chairman Adkins introduced Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department, who explained information regarding Demand Transfers from the State General Fund and information regard to the Demand Transfer Program. (Attachment 1)

Chairman Adkins introduced Randy Allen, Executive Director, Kansas Association of Counties. One of the points mentioned in Mr. Allen's testimony was that the Governor's recommendation concerning demand transfers merely shifts a state budget problem to the local level; ultimately, local government cannot take similar action in shifting the problem to another level of government. (Attachment 2)

Chairman Adkins introduced Don Moler, Executive Director, League of Kansas Municipalities. Mr. Moler mentioned in his testimony that the situation is much graver this year because the FY 2001 proposal would mark the first time in the last decade that demand transfers would actually be cut below the previous year's transfers. He also noted that local governments would absorb a disproportionate shares of the pain in balancing the state's FY 2001 budget. (Attachment 3)

Chairman Adkins introduced Ron Shaffer, Mayor, City of Prairie Village, Kansas. Mayor Shaffer mentioned that because the State budget year begins on July 1, 2000 and City budgets began on January 1, 2000, the reductions in demand transfers being proposed would force cities to make mid-year adjustments to their 2000 budgets. It would require cities to either amend their budgets, a cumbersome and complex

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process, dip into reserves, if available, which are designed to help cities through local emergency situations, or to make mid-year cuts to existing programs. In closing, Mayor Shaffer asked to recognize the impact of decisions made will have on local governments. He also mentioned that the solution to this statewide problem should not have the effect of shifting the financial burden from the State to local government. ([Attachment 4](#))

Chairman Adkins introduced Ellen Schirmer, Commissioner, Jackson County. Commissioner Schirmer mentioned that the projected loss to Jackson County, a small county, would mean that they will have to raise the mill levy and ad valorem tax. It would require an additional raise in taxes to local farmers, people on fixed incomes as well as young families. She urged the Kansas Legislature and Governor Graves to fully fund its commitments to the demand transfer programs. ([Attachment 5](#))

Chairman Adkins introduced Erv Hodges, Mayor of the City of Lawrence. Mayor Hodges mentioned that reducing State demand transfers increases the burden on property taxes to fund essential municipal services. The proposed cuts may very well impact the City's local mill levy when the next City budget is prepared. He noted that reduced demand transfers can be viewed as a tax shift. ([Attachment 6](#))

Chairman Adkins introduced Don Hanson, Commissioner, Ellsworth County. Commissioner Hanson mentioned that their local government does not feel comfortable in raising their levy even a little, but will find it necessary to do so to maintain levels of service. He mentioned that it is within the power of the Legislature to fully fund all promises without adding to the burden born by local county and city governments. ([Attachment 7](#))

Written testimony was received by Donald R. Seifert, Director of Management Services, City of Olathe. ([Attachment 8](#))

Committee questions and discussion followed the conferee testimony. The Chairman thanked the panel for their service to their local areas and for their time in appearing before the committee on this important topic to Kansans.

Agriculture and Natural Resources Budget Committee reports on:

Kansas State Fair

Representative Schwartz presented the Agriculture and Natural Resources Budget Committee report on the Governor's recommendations on the Kansas State Fair FY 2001 budget. ([Attachment 9](#))

Representative Schwartz made a motion, seconded by Representative Mollenkamp, to adopt the Agriculture and Natural Resources Budget Committee budget report recommendations regarding the Kansas State Fair. Committee questions and discussion followed.

Representative McKechnie made a substitute motion, seconded by Representative Dean, to amend the report and add a Paragraph 5 to the Agriculture and Natural Resources Budget Committee report that the subcommittee report back to the full committee at omnibus on their further study of the master plan concerning state fair facilities proposed and any financing alternatives that might be considered to pay for steps in funding the master plan for the State Fair. Motion carried.

The Chairman ruled and called to the Committee's attention the renewed motion by Representative Schwartz, seconded by Representative Mollenkamp, to adopt the Agriculture and Natural Resources Budget Committee report recommendations regarding the Kansas State Fair as amended. Motion carried.

Kansas Water Office

Representative Feuerborn presented the Agriculture and Natural Resources Budget Committee report on the Governor's recommendations on the Kansas Water Office FY 2001 budget. ([Attachment 10](#))

Representative Feuerborn made a motion, seconded by Representative Mollenkamp, to adopt the

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Agriculture and Natural Resources Budget Committee budget report recommendations regarding the Kansas Water Office. Committee questions and discussion followed.

Representative Feuerborn made a substitute motion, seconded by Representative Schwartz, to amend the Agriculture and Natural Resources Budget Committee report and add a proviso authorizing the Water Office to transfer money from the sub-accounts of the Water Supply Storage Assurance District Fund to the Water Marketing Fund detailed on the attached proposed amendment to the Budget Committee Report on the Kansas Water Office. (Attachment 11) Committee questions and discussion followed. Motion carried.

Representative Shriver made a motion, seconded by Representative Reardon, to amend the Agriculture and Natural Resources Budget Committee report and 1) fund the Kansas Water Office request of \$136,000 to the one federal matching program for the U.S. Department of Interior, 2) fund the Kansas Water Office Water Resource Education Program to work with the Kansas Center for Agriculture Resources and Environment (K-CARE program at Kansas State University) in developing adult continuing educations program for both awareness and appreciation for TMDL, 3) to fund the Kansas Water Office request for \$100,000 to be distributed to the Kansas Forest Service for the five river basins, Basin Advisory Committee and the 2000 Kansas Water Plan to help enforce projects for repairing forest and straight bank stabilization. Representative Shriver explained it is a total of \$286,000 for his amendment that would come out of the \$653,350 that the Senate has identified in the Water Marketing Fund and would leave a balance of \$367,350 to the State General Fund. Committee questions and discussion followed. Representative Shriver closed. Motion failed.

Representative McKechnie made a motion, seconded by Representative Feuerborn, to amend the Agriculture and Natural Resources Budget Committee report to 1) strike Number 1 in the report which would cancel the proposed demand transfer reduction and put the money proposed to be transferred to the state general fund back into the state water plan fund and 2) direct the budget subcommittee to report at omnibus on appropriate usages for such money or that money could simply remain in the fund and could be spent by the Governor next year in the budget cycle. Committee questions and discussion followed. Representative McKechnie closed. Motion carried.

The Chairman ruled and called to the Committee's attention the renewed motion by Representative Feuerborn, seconded by Representative Mollenkamp, to adopt the Agriculture and Natural Resources Budget Committee Report for the Kansas Water Office as amended. Motion carried.

Animal Health Department

Representative Schwartz presented the Agriculture and Natural Resources Budget Committee report on the Governor's recommendations on the Animal Health Department FY 2001 budget. (Attachment 12)

Representative Schwartz made a motion, seconded by Representative Mollenkamp, to adopt the Agriculture and Natural Resources Budget Committee budget report recommendations regarding the Animal Health Department. Committee questions and discussion followed. Motion carried.

State Corporation Commission

Representative Mollenkamp presented the Agriculture and Natural Resources Budget Committee report on the Governor's recommendations on the State Corporation Commission FY 2001 budget. (Attachment 13)

Representative Mollenkamp made a motion, seconded by Representative Feuerborn, to adopt the Agriculture and Natural Resources Budget Committee budget report recommendations regarding the State Corporation Commission. Motion carried.

Citizens' Utility Ratepayer Board

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Representative Schwartz presented the Agriculture and Natural Resources Budget Committee report on the Governor's recommendations on the Citizens' Utility Ratepayer Board FY 2001 budget. (Attachment 14)

Representative Schwartz made a motion, seconded by Representative Mollenkamp, to adopt the Agriculture and Natural Resources Budget Committee budget report regarding the Citizens' Utility Ratepayer Board. Motion carried.

Chairman Adkins referred the intergovernmental program bill, with a bill number to be assigned, to the Social Services Budget Committee.

The meeting was adjourned at 10:55 a.m. The next meeting is scheduled for March 17, 2000.