

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:40 A.M. on March 7, 2007, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Michael Corrigan, Assistant Revisor, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Amy VanHouse, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Gary Musselman, Executive Director, Kansas State High School Activities Association
Reginald Robinson, President & CEO, Kansas Board of Regents
Ted Hayes, Executive Director, Kansas Sports Hall of Fame

Others attending:

See attached list.

Bill Introductions

Senator Morris moved, with a second by Senator Teichman, to introduce a bill concerning authorizing certain interlocal agreements which allow the sharing of revenue based on growth in assessed valuation of real and personal property (7rs1290). Motion carried on a voice vote.

Senator McGinn moved, with a second by Senator Schodorf, to introduce a conceptual bill concerning property taxation relating to tax exemptions or ad valorem taxes. Motion carried on a voice vote.

Copies of the Kansas Legislative Research Department Budget Analysis report for FY 2007 and FY 2008 were available to the committee.

Subcommittee reports on:

Kansas Department of Transportation (Attachment 1)

Subcommittee Chair Dwayne Umbarger reported that the subcommittee on the Kansas Department of Transportation concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation with adjustment.

Senator Teichman moved, with a second by Senator Kelly, to adopt the subcommittee budget report on the Kansas Department of Transportation in FY 2007 and FY 2008. Motion carried on a voice vote.

Kansas Department of Labor (Attachment 2)

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Subcommittee Chair David Wysong reported that the subcommittee on the Kansas Department of Labor concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation with adjustment.

Senator Wysong moved, with a second by Senator Teichman, to adopt the subcommittee budget report on the Kansas Department of Labor in FY 2007 and FY 2008. Motion carried on a voice vote.

Governmental Ethics Commission (Attachment 3)

Subcommittee Chair Carolyn McGinn reported that the subcommittee on the Governmental Ethics Commission concurs with the Governor's recommendation in FY 2007, concurs with the Governor's recommendation in FY 2008 with adjustment and concurs with the Governor's recommendation in FY 2009 with adjustment.

Senator Kelly moved, with a second by Senator Emler, to adopt the subcommittee budget report on the Governmental Ethics Commission in FY 2007, FY 2008 and FY 2009. Motion carried on a voice vote.

Chairman Umbarger opened the public hearing on:

SB 361--Funding for Kansas sports hall of fame, \$.50 ticket on high school athletic tournament events; funding for deferred maintenance for universities and community colleges, \$2 ticket on all university athletic events and \$1 ticket on community colleges

Staff briefed the committee on the bill.

Senator Umbarger explained that he appreciates all of the options that have been presented to address the deferred maintenance issues regarding the universities and community colleges. He mentioned that he has asked for **SB 361** as another option to consider. (No written testimony was submitted.)

The Chairman welcomed Gary Musselman, Executive Director, Kansas State High School Activities Association (KSHSAA), who testified in opposition to **SB 361** (Attachment 4). Mr. Musselman highlighted several points in his written testimony. Among those points, he questioned if it was sound public policy to legislatively mandate a privately incorporated and voluntary non-profit association of secondary schools, become a funding mechanism for another, unrelated and separate non-profit organization. He noted that the administrative ramifications and expense of **SB 361** would be significant for KSHSAA.

Chairman Umbarger welcomed Reginald "Reggie" Robinson, President and CEO, Kansas Board of Regents, who spoke in opposition to **SB 361** (Attachment 5). President Robinson explained that, although the Board of Regents appreciates the serious work done to address the deferred maintenance issue, **SB 361** would not be one of the funding solutions that should be pursued to address the serious issue of maintenance of facilities and capital infrastructure of universities and colleges.

The Chairman welcomed Ted Hayes, Executive Director, The State of Kansas Sports Hall of Fame, who testified as a neutral conferee on **SB 361** (Attachment 6). Mr. Hayes testified in support of legislation which would provide permanent funding assistance to operate the Kansas Sports Hall of Fame. Mr. Hayes explained that the Hall of Fame request for state funding include two vital points:

- funding must be ongoing, permanent.
- funding must be a minimum of \$500,000 per year in order to allow donated funds being raised to be used for promotions, youth outreach, traveling display, and programming.

There being no further conferees to come before the committee, the Chairman closed the public hearing on **SB 361**.

Chairman Umbarger turned the Committee's attention to discussion of:

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SB 79--Kansas sports hall of fame funding, \$500,000 from the state gaming revenues fund

Senator Schodorf moved, with a second by Senator Betts, to recommend **Senate Substitute for SB 79** favorable for passage. Committee discussion followed.

Senator McGinn moved a substitute motion, with a second by Senator Kelly, to amend **Senate Substitute for SB 79** to add a reporting mechanism that an annual report detailing expenditures of money transferred from the State Gaming Revenues Fund and additional moneys received from other sources for operating expenditures be sent to the Chairpersons of House Appropriations and Senate Ways and Means Committees. Motion carried on a voice vote.

Senator Morris moved, with a second by Senator Steineger, to amend **Senate Substitute for SB 79** to add a three-year sunset on the bill. Motion carried on a voice vote.

Senator Kelly moved, with a second by Senator Steineger, to amend **Senate Substitute for SB 79** to add that a subsidy start at \$500,000 the first year, \$400,000 the second year and \$300,000 the third year. Motion failed on a voice vote.

Senator Schodorf moved, with a second by Senator Teichman, to recommend **Senate Substitute for SB 79** favorable for passage as amended. Motion carried on a roll call vote.

The Chairman opened the public hearing on:

SB 329--Assessed valuation of certain property located in Cherokee county; gaming facilities

Staff briefed the committee on the bill.

A copy of a letter addressed to Senator Dwayne Umbarger from Theresa Kiernan, Revisor of Statutes Office, was distributed to the committee regarding the language of **SB 329** (Attachment 7).

Senator Umbarger explained that he is a proponent of **SB 329** and that it reflects the intent of the **2006 SB 481** and it puts in those stipulations. Committee questions and discussion followed.

There being no further conferees to come before the committee, the Chairman closed the public hearing on **SB 329**.

Senator Teichman moved, with a second by Senator Schodorf, to recommend **SB 329** favorable for passage. Motion carried on a roll call vote.

The meeting adjourned at 12:10 p.m. The next meeting is scheduled for March 8, 2007.