

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 10:30 a.m. on February 12, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator Carolyn McGinn - excused
Senator Ruth Teichman - excused

Committee staff present:

J. G. Scott, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Gordon Self, 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:

Russ Jennings, Commissioner, Juvenile Justice Authority (JJA)
Roger Werholtz, Secretary, Department of Corrections
Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERS)

Others attending:

See attached list.

Introduction of Legislation

Senator Schmidt moved to introduce legislation concerning voter identification (9rs0813). The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Senator Lee moved to introduce legislation concerning a scenic country roads program (9rs0778). The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Senator Apple appeared before the Committee to request the introduction of legislation concerning a comprehensive energy plan.

Senator Lee moved to introduce legislation concerning a comprehensive energy plan. The motion was seconded by Senator Taddiken. Motion carried on a voice vote.

Senator Bruce appeared before the Committee to request the introduction of legislation concerning a cap on mill levies for community colleges.

Senator Umbarger moved to introduce legislation concerning a cap on mill levies for community colleges (9rs0175). The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Abrams appeared before the Committee to request the introduction of legislation concerning certification of the tax levy to county clerks.

Senator Taddiken moved to introduce legislation concerning certification of tax levy to county clerks (9rs0673). The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Referral of Bill

SB 259 is referred to the KPERS Issues Subcommittee.

Juvenile Justice Authority and Juvenile Correctional Facilities

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 12, 2009, in Room 545-N of the Capitol.

Senator Schmidt, Chair of the Public Safety Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Juvenile Justice Authority (JJA), Atchison Juvenile Correctional Facility, Beloit Juvenile Correctional Facility, Kansas Juvenile Correctional Complex and Larned Correctional Facility for FY 2010 and moved for the adoption of the Subcommittee recommendation on the Juvenile Justice Authority, Atchison Juvenile Correctional Facility, Beloit Juvenile Correctional Facility, Kansas Juvenile Correctional Facility and Larned Correctional Facility for FY 2010 (Attachment 1). The motion was seconded by Senator Masterson. Motion carried on a voice vote. Senator Lee requested to be recorded as voting "no".

Senator Schmidt noted that the Subcommittee made the total adjustments to the JJA budget and allowed the Commissioner the discretion of where to apply the reductions.

Senator Lee presented a minority report on the Juvenile Justice Authority and all Juvenile Correctional Facilities (Attachment 2). Senator Lee opposed the 10.0 percent across the board reduction in the budget and the proposed closing of the Beloit Juvenile Correctional Facility.

Russ Jennings, Commissioner, JJA, responded to questions from the Committee concerning the closing of the Beloit facility. The Commissioner stated that renovation is under way at the former Topeka Juvenile Correctional Facility to house the girls from the Beloit facility in case the closing moves forward. It is estimated that the total cost of the renovation would be approximately \$2,000 - \$3,000. It was noted that it is necessary to make the facility secure and insure the separation of the girls' and boys' populations. Commissioner Jennings stated that it may be necessary to build a new more cost-efficient facility for the girls in the future at an estimated cost of \$4 million.

The Committee expressed a concern that several years ago the former Topeka Juvenile Correctional Facility was deemed unsatisfactory for the boys' population and now is being renovated into a facility for the girls' population. The Committee also noted that the Topeka Juvenile Correctional Facility is adjacent to the Kansas Juvenile Correctional Complex and the fence has been removed between the two facilities.

Department of Corrections and all Correctional Facilities

Senator Taddiken, Chair of the Corrections Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Department of Corrections, El Dorado Correctional Facility, Ellsworth Correctional Facility, Hutchinson Correctional Facility, Lansing Correctional Facility, Larned Correctional Mental Health Facility, Norton Correctional Facility, Topeka Correctional Facility and Winfield Correctional Facility for FY 2010 and moved for the adoption of the Subcommittee recommendation on the Department of Corrections, Department of Corrections, El Dorado Correctional Facility, Ellsworth Correctional Facility, Hutchinson Correctional Facility, Lansing Correctional Facility, Larned Correctional Mental Health Facility, Norton Correctional Facility, Topeka Correctional Facility and Winfield Correctional Facility for FY 2010 (Attachment 3). The motion was seconded by Senator Lee. Motion carried on a voice vote.

The Subcommittee noted that they have made recommendations for reductions to the total DOC budget and given the Secretary the discretion of applying the reductions where he deems more satisfactory. The Subcommittee also stated there may be a need to revisit the Department of Corrections FY 2010 budget after final action by the Senate on the Conference Committee report on the FY 2009 budget (**House Sub for Senate Sub for SB 23**).

Roger Werholtz, Secretary, Department of Corrections (DOC), responded to questions from the Committee, stating that the long-term effect of the budget reductions could result in increased recidivism and affect public safety. Mr. Werholtz noted that the surplus of minimum security beds and particularly surplus male beds has been depleted as DOC works to reduce expenditures, close facilities and make facilities more cost-efficient.

The Committee voiced their appreciation to the Juvenile Justice Authority and the Department of Corrections in taking the steps necessary to work with the Legislature in providing prioritized lists of budget reductions at this time of limited state revenues and the economic downturn.

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 12, 2009, in Room 545-N of the Capitol.

Hearing on SB 219 - Moratorium on employer contributions for death and disability benefits under KPERS.

Gordon Self, Office of the Revisor of Statutes, explained that **SB 219** would implement the Governor's recommendation for a nine-month moratorium on both state and local employer contributions to the Kansas Public Employees Retirement System (KPERS) Death and Disability Group Insurance Fund during FY 2010. Mr. Self provided a copy of the amended bill, if full action by the Senate approves the FY 2009 Conference Committee report on the FY 2009 budget (Attachment 4). The amendment would advance the date of the moratorium from July 1, 2009, as proposed by the Governor, to March 1, 2009, and conclude the moratorium on November 30, 2009.

Glenn Deck, Executive Director, KPERS, provided testimony on **SB 219** (Attachment 5). Mr. Deck stated it will be necessary to act quickly if the Conference Committee report is approved by the full Senate and the moratorium date is advanced to March 1, 2009, in order to give school districts and other agencies adequate time to put the moratorium in place and avoid the necessity of making refunds at a later date.

Responding to questions from the Committee, Mr. Deck stated that the Death and Disability Benefit fund presently has a balance of approximately \$32.9 million. With the moratorium, it is anticipated that the balance will be drawn down to approximately \$4 million. Mr. Deck feels that the balance in the fund is adequate to handle the moratorium but will place the fund in a cautious state, depending on the number of claims and number of deaths of those receiving benefits at this time. If necessary to sustain the fund, a loan could be procured from the Pooled Money Investment Board (PMIB).

The hearing on SB 219 was closed.

The next meeting is scheduled for February 16, 2009.

The meeting was adjourned at 11:50 a.m.