

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 10:35 a.m. on March 2, 2004, in Room 123-S of the Capitol.

All members were present except:

Senator Christine Downey- excused
Senator Nick Jordan- excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Amy Vanhouse, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Jill Wolters, Senior Assistant, Revisor of Statutes
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Reginald Robinson, President and CEO, Kansas Board of Regents
Robert Hemenway, Chancellor, University of Kansas
Ken Grotewiel, Assistant Director, Kansas Water Office
Michael Hayden, Secretary, Kansas Department of Wildlife and Parks
David Pope, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture
Tracy Streeter, Executive Director, State Conservation Commission
Robin Jennison, Governmental Services, Representing Pawnee Watershed
Steve Swaffar, Director, Natural Resources, Kansas Farm Bureau
Doug Wareham, Kansas Grain & Feed Association and the Kansas Agribusiness Retailers Association
Michael Herrmann, Mayor, City of Kinsley, Kansas
Darrel Pettay, businessman, Kinsley, Kansas
Todd Johnson, Governmental Affairs Staff, Kansas Livestock Association
Senator Henry Helgerson, Jr.
Representative Joe Shriver
Sharon Bird, Creative Community Living
Kathy Hall, former Unit Director, Winfield State Hospital and Training Center
Virginia Hicks, former Office Administrator to the Unit Director, Winfield State Hospital
Amy McCart, Ph.D., University of Kansas

Others attending:

See Attached List.

Chairman Morris opened the public hearing on:

SB 490--State educational institutions, crediting interest earned on special revenue funds

Staff briefed the committee on the bill and distributed a copy of Funds Listed in **SB 490** Regents Universities (**Attachment 1**).

Chairman Morris welcomed Reggie Robinson, President & CEO, Kansas Board of Regents, who testified in support of **HB 490** (**Attachment 2**). Mr. Robinson explained that **SB 490** makes provision for the crediting of interest savings to state university funds. He also noted that they project that the provisions of **SB 490** would result in approximately \$2.7 million of additional interest earnings credited to state university funds, which otherwise would be credited to the State General Fund.

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The Chairman welcomed Chancellor Robert Hemenway, University of Kansas, who spoke in support of **SB 490** (Attachment 3). Chancellor Hemenway explained that the bill would establish the policy that interest on tuition-like funds at state colleges and universities should accrue to the benefit of the colleges and universities.

There being no further conferees to come before the committee, the Chairman closed the public hearing on **SB 490**.

Chairman Morris opened the public hearing on:

SB 539--Authority of certain state agencies to issue bonds to finance capital improvements for water-related infrastructure projects

Staff briefed the committee on the bill.

The Chairman welcomed the following conferees on the bill:

Ken Grotewiel, Assistant Director, Kansas Water Office, spoke in support of **SB 539**. Mr. Grotewiel explained that the bill embodies the legislative recommendation of the Kansas Water Authority to the Governor and the Legislature to expand the bonding authority of the State of Kansas for water infrastructure development (Attachment 4).

Michael Hayden, Secretary, Kansas Department of Wildlife and Parks, testified in support of **SB 539**. Secretary Hayden mentioned that **SB 539** represents an important step in increasing fiscal efficiency when meeting the critical needs of Kansas and its citizens. He noted that in today's economic times where revenues are strained, but demand continues, bonding is a tool that allows state agencies to accomplish more with existing revenues (Attachment 5).

David Pope, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture, spoke in support of **SB 539**. Mr. Pope explained that the Division of Water Resources administers laws related to the regulation of dams, channel modifications and levees. Some of these structures can pose a serious threat to the public safety or welfare, yet costs to correct structural problems can be prohibitive. As an example, bonding authority could help pay for emergency remediation actions, or help finance corrective actions over a longer period of time (Attachment 6).

Tracy Streeter, Executive Director, State Conservation Commission, testified in support of **SB 539**. Mr. Streeter mentioned that the bill modifies current bonding authority to expand the number of agencies authorized to issue bonds and expands the purposes for which bonds may be issued (Attachment 7).

Robin Jennison, representing Pawnee Watershed and their project Horse Thief Reservoir, spoke in support of **SB 539**. Mr. Jennison explained that **SB 539** recognizes the need for a funding process to make capital improvements that benefit the state in a variety of areas. He noted that it would be their recommendation that there be some percentage limitation on how much of the Water Plan Fund could be dedicated to bond payments in a single year (Attachment 8).

Steve Swaffer, Director, Natural Resources, Kansas Farm Bureau, testified in opposition to **SB 539**. Mr. Swaffer expressed concern that **SB 539** proposes to allow State water agencies to go well beyond the purchase of reservoir storage space. He also listed in his written testimony several concerns about the types of projects these funds might be used for, current congressional authorization for federal reservoir uses other than flood control and storage for water supplies, state oversight and approval for these types of projects, impacts on administration of water rights above federal reservoirs and the water users who might be expected to pay for capital improvements (Attachment 9).

Doug Wareham, representing the Kansas Grain and Feed Association (KFGA) and the Kansas Agribusiness Retailers Association (KARA), spoke in opposition to **SB 539**. Mr. Wareham listed specific comments and concerns of the agribusiness industry in relation to the bill. He explained that KFGA and KARA strongly

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oppose the issuance of bonds that will enable State agencies, such as the Kansas Wildlife and Parks or Kansas Conservation Commission, to purchase and retire water rights or purchase land that will be retired from production of agriculture (Attachment 10).

Michael Herrmann, Mayor, City of Kinsley, Kansas, testified in opposition to **SB 539**. Mayor Herrmann explained that the City of Kinsley has a vital interest in the disposition of the Circle K Ranch and particularly the loss of irrigated acres, water rights and \$2,300,000.00 in annual farm production and commerce. He noted that the City of Kinsley opposes the adoption of **SB 539** as the mechanism whereby the State acquires Circle K Ranch. Mayor Herrmann provided examples of more comprehensive planning with safeguards for their local community in his written testimony ([Attachment 11](#)).

Darrel Pettay, businessman who operates a grain elevator and agriculture input facility in Kinsley, Kansas, spoke in opposition to **SB 539**. Mr. Pettay expressed concern, as a local businessman in Kinsley, regarding the future impact this will have on him with a potential economic loss to the City of Kinsley and Edwards County. In closing, Mr. Petty noted that there have to be other alternatives instead of all or nothing and that Kinsley is a good community and he wants to know that his livelihood will not be taken away from him ([Attachment 12](#)).

Todd Johnson, Governmental Affairs Staff, Kansas Livestock Association (KLA), testified in opposition to **SB 539**. Mr. Johnson explained that private property rights and natural resources management are priorities for KLA members. He noted that along with a sincere interest in protecting and preserving natural resources, KLA members have long standing opposition to initiatives that would increase the amount of state-owned land. In closing, Mr. Johnson expressed concern with granting bonding authority to multiple agencies as it provides a disjointed, broad reaching approach to land acquisition, and is not sound public policy ([Attachment 13](#)).

There being no further conferees to come before the committee, the Chairman closed the public hearing on **SB 539**.

Chairman Morris opened the public hearing on:

SB 531--Developmental disabilities institutions closure commission

Staff briefed the committee on the bill.

Chairman Morris welcomed the following conferees on the bill:

Senator Henry Helgerson, Jr., submitted his written testimony and noted that he would give verbal comments at a later time during the hearing ([Attachment 14](#)).

Representative Joe Shriver, testified in support of **SB 531** and that he would be available for questions regarding the bill. ([Attachment 15](#)).

Sharon Bird, Creative Community Living (CCL), spoke in support of **SB 531**. Ms. Bird mentioned making sure that funding is adequate to meet the support needs of the individuals and make sure it does not disappear after a year or two. She noted when Winfield closed, it was cost effective to have eight people who needed 24 hour LPN or RN nursing care at one location instead of having one or two persons with these needs living in different locations. Ms. Bird mentioned that she did not think both hospitals should be closed because you always need a safety net for people who are not successful in the community setting ([Attachment 16](#)).

Kathy Hall, Legal Guardian, formerly worked at Winfield State Hospital and Training Center, spoke in support of **SB 531**. She explained that the closure of Winfield State Hospital and Training Center was possible because of careful planning. Ms. Hall mentioned that if a commission examines the issue of funding following the individual, it should also make recommendations that this be lifelong ([Attachment 17](#)).

Virginia Hicks, Legal Guardian, formerly worked at Winfield State Hospital and Training Center, testified

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in support of **SB 531**. She emphasized that a commission to study how to close or downsize an institution is important to insure smooth transitions for the people who currently call Parsons or KNI home. Ms. Hicks also noted that it would appear to be a good idea to copy the pieces of the process that worked well for the Winfield closure (Attachment 18).

Dr. Amy McCart, The University of Kansas, testified in support of **SB 531** (Attachment 19). She explained that she is a research professor at the University of Kansas and was asked to share information on institutionalization and support of the bill itself. Dr. McCart explained that specific research in Kansas is consistent with national data and indicates positive outcomes for citizens with disabilities in the areas of behavior, social integration, choices, general quality of life, job satisfaction, medications and family involvement.

Due to time constraints, Chairman Morris kept the public hearing open on **SB 531**. This hearing will be continued on Monday, March 8, 2004.

The meeting adjourned at 12:10 p.m. The next meeting is scheduled for March 3, 2004.