

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:45 a.m. on Tuesday, February 16, 2005, in Room 231-N of the Capitol.

All members were present except:  
Senator Anthony Hensley (E)

Committee staff present:  
Athena Andaya, Kansas Legislative Research Department  
Dennis Hodgins, Kansas Legislative Research Department  
Mary Ann Torrence, Revisor of Statutes Office  
Dee Woodson, Committee Secretary

Conferees appearing before the committee:  
Senator Chris Steineger  
Don Moler, Executive Director, League of Kansas Municipalities  
Major General Tod Bunting, Adjutant General of Kansas  
Kathy Dameron, Prudential Insurance Company

Others attending:  
See attached list.

Chairman Brungardt announced that in order to accommodate various schedules this morning, he would conduct the hearing on **SB 172** first and then have bill introductions before having the hearing on **SB 211**.

**SB 172 - Legislature; reduction of number of members**

Chairman Brungardt opened the hearing on **SB 172**. Senator Chris Steineger testified in support of the proposed bill to downsize the Kansas Legislature by about 25%; taking the Senate from 40 members down to 30, and the House of Representatives from 125 members down to 90. He said that he drafted the bill in order to reduce the overall size of the Legislature. Senator Steineger referred to a handout attached to his written testimony covering the sizes of 14 different state legislatures, including state population, total of Senators and Representatives in each state on the chart, and the Politician-Population Ratio. (Attachment 1)

Senator Steineger pointed out that Kansas is a small population state, but has a large number of counties, cities, unified school districts, etc. due to being founded in the early years of the populist movement, which wanted many, smaller, localized units of government. He said that the proposed bill saves money because of having 25% fewer legislators, the need for fewer Statute Books, state budgets, printed bills, copy paper, printed agency reports, office supplies, session worker payroll, computers, office equipment etc. He included an attachment of legislative costs, with a comparison between 2003 and 2004 Session costs which was developed by Jeff Russell, Director of Legislative Services. He explained that **SB 172** would not go into effect until 2012 which is after the 2010 Census.

Senator Steineger talked about the amount of paper and reports that comes to the Legislature or is generated within the legislative process, and the costs add up year after year. **SB 172** reduces the Legislature by 25% in overall costs, is non-partisan, and applies to everyone. He also advocated, even though **SB 172** is silent on this issue, that savings realized be allocated for an approximate 25% legislative pay raise and a Session Secretary for every legislator.

There being no questions from Committee members or other conferees to testify on **SB 172**, Senator Brungardt closed the hearing on **SB 172**.

Minutes for the meetings of February 1, 2, 3, 8, and 9 were presented for approval. Senator Reitz made a motion to approve the minutes as written, seconded by Senator Barnett, and the motion carried.

Chairman Brungardt called for bill introductions. Norm Jennings, on behalf of the Grape and Wine Advisory Council, Kansas Grape Growers & Winemakers Association, and the Smoky Hill Vineyards &

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Winery, requested a bill be introduced that would: (1) increase the production limit from the current 50,000 gallons to match the Federal Small Producer level of 250,000 gallons; (2) increase number of outlets from two to five; and (3) contain provisions to allow for off-site sampling and wine sales.

Senator Vratil moved to have the bill introduced, seconded by Senator Barnett, and the motion carried.

Sherry Diel, Kansas Real Estate Commission, requested a cleanup bill concerning real estate brokers and salespersons; relating to licensure and fees, amending K.S.A. 2004 supp. 58-3039, 58-3062, 58-3077 and 58-30,113 and repealing the existing sections.

Senator Brownlee moved to have the bill introduced, seconded by Senator Barnett, and the motion carried.

John Campbell, General Counsel for the Kansas Insurance Department, requested the introduction of the Interstate Insurance Product Regulations Compact. He said the Compact is an agreement among member states to create a streamlined system of regulation for certain insurance products, and the system will allow insurers to quickly market new annuities, life insurance, disability income and long-term care insurance products.

Senator Ostmeyer made a motion to introduce the requested bill, seconded by Senator Reitz, and the motion carried.

Chairman Brungardt called upon Don Moler, League of Kansas Municipalities, to give a presentation on city and county consolidations, and the history of same within Kansas. The Chairman announced that the Committee had both a Senate bill and a House bill covering this subject, and those bills will be taken up after the turnaround.

Mr. Moler explained he was going to review a number of issues to bring into clear focus the consolidation issue in Kansas. He said that portions of today's presentation was taken from a presentation made by former League Executive Director, Chris McKenzie, in 1999, as well as a report of the Kansas Legislative Research Department dated April 28, 1998. (Attachment 2)

Mr. Moler stated that consolidation was an issue today because of pressure for efficiency in government, Kansas has the fourth highest number of local governments, and Kansas has had a consolidation in the Kansas City/Wyandotte County experience. He said there were currently 627 cities and 105 counties in Kansas, which is a huge number for a smaller state. He gave some historical background and defined what is a city and county. In Mr. Moler's detailed handout, he explained Kansas historical tradition of favoring cooperation and functional consolidation. Despite proliferation of governmental entities, there are literally dozens of statutory enactments authorizing intergovernmental cooperation on everything from airports (city-county) to zoning (joint subdivision regulations). Functional consolidation has occurred in a number of areas, including law enforcement (Riley County), building codes (Sedgwick County), ambulance services (Douglas County), health services (Shawnee County), planning (Topeka-Shawnee County), arterial road (Johnson County) etc.

Mr. Moler reviewed the Wyandotte County experience, and talked about lessons for other areas of the state. He stated that Kansans are very passionate about their small governments, but each city and county will have to decide whether the value of efficiency over accessibility and effectiveness will lead to city-county consolidation. He talked extensively about the 1996, SB 464, codified at K.S.A. 12-340 et seq., relating to consolidation law, the consolidation plan, and the Kansas Supreme Court decision. He explained the Consolidation Study Report (the "Plan") dated January 13, 1997, which was prepared and adopted by the Consolidation Study Commission, appointed by the Governor. Mr. Moler thoroughly reviewed the consolidation plan and what it provided for in the new consolidated form of government, to be known as the United Government of Wyandotte county/Kansas City, Kansas.

Mr. Moler did not go over the legislation currently before the Kansas Legislature due to time restraints. Chairman Brungardt expressed the Committee's appreciation for his informative presentation.

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### **SB 211 - Life insurance coverage for certain national guard members**

Chairman Brungardt opened the hearing on **SB 211**. Major General Tod Bunting, Adjutant General of Kansas, testified in support of the proposed bill which recognizes guardsmen lost in combat, and provides financial assistance in the form of life insurance to their dependents. (Attachment 3)

General Bunting offered several alternatives to consider for **SB 211**: (1) Purchasing private or commercial life insurance for the soldiers or airmen is not a viable option since many if not all private insurers exclude combat fatalities from eligibility to receive insurance proceeds; (2) Guardsmen have the opportunity to purchase Servicemember's Group Life Insurance (SGLI) in \$50,000 increments up to a maximum of \$250,000 for a premium of \$16.25 per month. If the National Guard provided each member while deployed this coverage in the form of a reimbursement of premiums, the cost based on last year's deployment history would be \$390,000 (2,000 soldier X 12 month deployment X \$16.25 monthly premium) and involves 2,000 transactions. Additionally, this would require one full time employee to process payments at \$50,000 per year; and (3) An attractive alternative may be to provide the dependents of a combat fatality resulting in the award of the purple heart a death benefit of \$250,000 from state funds. In other words, self insure. Using the Purple Heart criteria provides the definition for a combat death.

General Bunting stated that the Guard believes the third alternative would be the most viable funding option. He requested that the effective date of the proposed legislation be amended to provide this benefit to the dependents of the state's recently fallen National Guardsmen: SFC Wisdom and SGT Clary.

Kathy Damron, on behalf of Prudential Life Insurance, spoke in favor of **SB 211**, and ask that it be amended to establish a reimbursement program for benefits paid under the federally subsidized SGLI program. She stated that the requested amendment is very close to what General Bunting was describing. She said similar legislation was recently enacted in the State of New Mexico, and is under consideration in other states such as Connecticut and North Carolina. Ms. Damron included with her written testimony a copy of the New Mexico bill which has been signed into law, along with a press clipping describing the bill in detail. She explained that the bill takes an appropriation from the state to reimburse life insurance premiums paid by members of the National Guard. Another feature is to provide for the guaranteed death benefit. (Attachment 4)

Chairman Brungardt inquired if the figures Prudential showed were similar in amounts, and Ms. Damron responded that they were identical. Senator Brownlee asked how much life insurance coverage our servicemen and women have at this time. General Bunting responded that the military members are not specifically provided any insurance, but they are eligible to purchase Servicemen's Group Life Insurance at a very competitive rate. There is a \$12,000 death gratuity that is paid for the military members. Senator Brownlee requested clarification regarding a fund that was proposed to be set up in the state to cover the premiums. Ms. Damron said that she had visited with Senator Derek Schmidt regarding his intent to mirror what was being done in New Mexico, which would be at a cost of \$390,000 per year.

Senator Barnett asked what date would need to be considered making the bill effective in order to include SFC Wisdom and SGT Clary. General Bunting responded the date would have to be November 8, 2004. Discussion continued regarding President Bush and U.S. Representative Moore's desire to increase life insurance for military personnel. Senator Reitz expressed his outrage that \$250,000 was a mere penitence as to what U.S. soldiers and their families were going through.

Chairman Brungardt closed the hearing on **SB 211**.

### **SB 110 - Kansas commission on veterans affairs, veterans memorials, donations, capital improvement projects, procedures, guidelines, fund**

Chairman Brungardt called for discussion and final action on **SB 110**. He explained the bill which was sponsored by Senator Goodwin.

Senator Vratil moved to recommend the bill favorable for passage, and the motion was seconded by Senator Reitz. Discussion followed with the Revisor explaining there had been discussion during the hearing to possibly amend the language within **SB 110** to clarify wording regarding the advisory

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committee, and she had drafted an amendment to clarify the language. The new language would provide for one advisory committee that would be state-wide, and have at least one legislator representing each area where a memorial may be located on the committee. The amendment would clarify the original intent of the proposed bill. (Attachment 5)

Senator Vratil withdrew his original motion to pass out favorably, and Senator Reitz withdrew his second.

Senator Barnett made a motion to adopt the Revisor's amendment, seconded by Senator Vratil, and the motion carried.

Senator Vratil moved to pass **SB 110** out favorably as amended, seconded by Senator Reitz, and the motion carried.

**SB 68 - Elections; establishing requirements for daily reporting of campaign contributions**

Chairman Brungardt called for discussion and final action on **SB 68**. He reviewed the bill and said there was a balloon amendment requested by the Governmental Ethics Commission. He asked Carol Williams to explain the requested changes in the balloon amendment. Ms. Williams referred to line 18, following the word "made" the phrase "or contracted to be made" should be added. She said this would assure reporting by a committee that has not actually paid a vendor for services that have been rendered or contracted for. On lines 22 and 27, after the word "expenditure" add the phrase "as well as the name of the candidate the independent expenditure expressly advocates the election or defeat of" be added. Ms. Williams said for this new disclosure to have meaning, the candidate who is identified in the independent expenditure must be disclosed. Lines 30-31 should be replaced with the following "Reports required by this section shall be filed by hand delivery, express delivery service, facsimile transmission, or any electronic method authorized by the Commission." (Attachment 6)

Senator Vratil asked for a grammatical correction so there would not be a hanging preposition at the end of a sentence. He proposed in line 23, to change the language to read: "as well as the name of the candidate *for whom* the independent expressly advocates the election or defeat." Chairman Brungardt asked the Revisor to go through the proposed balloon amendment and clean it up before the Committee considers it for adoption.

Senator O'Connor asked that two other items be considered. The first being on line 21, "a state or local officer is to be elected and ending upon the day of such election." She suggested it should say "before such election" because on the day of the election most voters are not interested any more. She stated that this was discussed in another committee and thought it should be consistent.

Senator O'Connor pointed out in line 28, it says "shall be made on or before the close of the next business day," and thought it should be "within 48 hours." She said this would make the two bills consistent.

Following discussion on the two suggested changes, Chairman Brungardt called for the Committee's consensus whether to include the requested changes for consistency.

Senator Vratil moved to include the two suggested changes in the revised balloon amendment for **SB 68**, seconded by Senator Reitz, and the motion carried.

Senator Brownlee questioned line 18, the requested new language "or contracted to be made." Carol Williams clarified the new language and that it was consistent with the campaign bills.

Senator Brownlee inquired in regard to line 19, that the amount stated of "in excess of \$50" was too low, and should be raised to \$300 in order to be consistent with the other campaign bill.

Following brief discussion, the Committee agreed that the amount should be consistent with the other campaign bill.

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Senator Brownlee moved to amend the amount from \$50 to \$300, seconded by Senator Reitz, and the motion carried.

Chairman Brungardt stated that after all the requested changes had been made to the balloon amendment, the Committee would be presented with a clean version of the balloon amendment for consideration and possible vote.

Chairman Brungardt reminded the Committee members that Thursday's meeting, February 17, would be held in Room 241-N in order to accommodate a large attendance.

The meeting was adjourned at 11:35 a.m. The next meeting is scheduled for February 17, 2005.