

Approved: March 15, 2015

(Date)

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Marc Rhoades at 9:12 AM on Thursday, March 8, 2012 in Room 346-S of the Capitol.

All members were present except:

Kasha Kelley - excused

Committee staff present:

J.G. Scott, Chief Fiscal Analyst, Legislative Research Department
Dylan Dear, Senior Fiscal Analyst, Legislative Research Department
Michael Wales, Fiscal Analyst, Legislative Research Department
Jim Wilson, First Assistant, Office of Revisor of Statutes
Jill Wolters, Senior Assistant Revisor, Office of Revisor of Statutes
Nobuko Folmsbee, Senior Assistant Revisor, Office of Revisor of Statutes
Cindy O'Neal, Administrative Assistant
Kathy Holscher, Committee Assistant

Others in attendance:

See attached list.

Chairman Rhoades called the meeting to order and reviewed the agenda for the remainder of the week's schedule.

Audrey Dunkel, Legislative Research Department, presented an overview of Capital Improvements ([Attachment 1](#)), which reflects the Appropriations Committee recommendations. The Governor's recommendation for FY 2012 was \$1.3 billion including \$33 million from the State General Fund (SGF). The funds increase of \$125 million was primarily in the Department of Transportation for projects carried forward from FY 2011 to FY 2012. The committee also recommended the deletion of \$5,000 from the State Institutions Building fund to raze the pig barn in FY 2012 at the Juvenile Correctional Complex. In FY 2013, the Governor recommended

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capital improvement expenditures of \$1 billion including \$25.4 million from SGF. The reduction in all funds of \$238.1 million reflects expenditure of funds carried forward from the Department of Transportation from FY 2012 that are not available in FY 2013. Within the Department of Administration for FY 2013, the committee recommended deleting \$153,375 from SGF for repairs to the Statehouse and Cedar Crest and report on the status of the Docking State Office Build at Omnibus. The committee recommended that the language limiting expenditures from the Wildlife, Parks and Tourism Cabin Revenue Fund for FY 2013 and the deletion of \$199,499 in capital improvement expenditures for the implementation of the 14th court of appeals judge and staff for FY 2013 within the Judicial Branch.

J.G. Scott, Legislative Research Department, presented an overview of adjustments recommended by the Appropriations Committee as of March 7, 2012 (Attachment 2). The committee's FY 2012 recommendations increased the Governor's recommended expenditures from SGF by \$50,000 and expenditures from all funds increased by \$1.9 million. For FY 2013 the committee recommended a decrease of \$20.7 million to the Governor's recommended SGF expenditures and decreased the Governor's recommended expenditures from all funding sources by \$18.8 million. An increase of 24 FTE positions was recommended. Committee adjustments included the deletion of \$20.5 million from SGF for technical education tuition waivers and incentives; the deletion of \$349,379 from SGF in the Judicial Branch budget; maintaining the Kansas Commission on Peace Officers' Standards and Training as a stand-alone agency; shift \$800,000 from STF from the Board of Regents to the State Library; and delete \$500,000 from SGF from the Department of Commerce for the pilot program.

J.G. Scott responded to questions from committee members. He noted that the Governor's Budget Adjustment #1 and #2 are included in the report. Any bills that pass the House will be brought back to the committee at Omnibus for funding recommendations.

Tara Mays, Kansas Department of Transportation, responded to a question from a committee member. The information on bonding and reserves within the department will be provided during tomorrow's committee meeting.

Discussion followed by committee members regarding continued discussion on budget items for consideration at Omnibus. It was noted that a report containing committee recommendations for

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additional information regarding policies on vehicles will be provided at the next committee meeting.

Chairman Rhoades opened discussion on **HB 2768**.

HB 2768 – Appropriations for FY 2012, FY 2013 & FY 2014 for capital improvements for various state agencies

Representative Feuerborn made a motion to move the bill favorable for passage. The motion was seconded by Representative Mast.

Discussion followed by committee members. Information was distributed regarding capital improvements adjustments (Attachment 3).

Representative Pottorff made a substitute motion to add \$24 million in bonding authority for three projects at Pittsburg State University. The motion was seconded by Representative Feuerborn.

Discussion followed by committee members regarding the funding for the projects.

Audrey Dunkel provided additional information regarding bonding authority. It was noted that bond default would be the responsibility of the State. Additional information will be forthcoming regarding student fees per credit hour and the proposed increase as requested by committee members.

Representative Pottorff renewed the substitute motion. The motion carried.

Jim Wilson, Office of the Revisor of Statutes, provided an explanation of re-appropriation of unencumbered money. This accounting practice was established in FY 2011 by the Governor, he noted.

Dylan Dear, Legislative Research Department, reviewed the funding for repairs and replacement costs that are not included in long-term Capital Improvement Projects. The balance in this SGF

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account will be provided to committee members, as requested. He reviewed bonds that were issued Capital Improvement Projects.

Representative Gatewood made a substitute motion to approve the capital improvement adjustment recommendations for the Department of Labor, School for the Blind and Adjutant General's Office. The motion was seconded by Representative Lane.

Discussion followed by committee members regarding the roof replacement costs from SGF as opposed to using state building funds.

Audrey Dunkel, Legislative Research Department, responded to questions from committee members. She reported that State Institutions Building fund is limited by statute, and she reviewed the institutions eligible for this funding.

Representative Gatewood renewed the substitute motion. The motion carried.

Discussion followed by committee members regarding the process for working bills in committee prior to the work on the House floor next week. Chairman Rhoades reminded committee members that the Omnibus Bill will be worked in committee on April 19 and 20, and that conference committees may make changes to the Budget Committee Reports for the committee's consideration during Omnibus. Emphasis was placed on working the supplemental bill, which will help those agencies in need of funding for FY 2012.

Discussion continued on the bill by committee member. As requested by a committee member, additional information from the Board of Regents reflecting the breakdown for use of student fees.

J.G. Scott, Legislative Research Department, responded to questions from a committee member regarding the Wildlife, Parks and Tourism Cabin Program. He stated that no bonds were used for the cabins and that revenue for the program is from rental fees. When the cabins are paid off the revenue from rental fees will go to the Department of Wildlife, Parks and Tourism.

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Chairman Rhoades closed discussion on **HB 2768 – Appropriations for FY 2012, FY 2013 & FY 2014 for capital improvements for various state agencies**

Chairman Rhoades opened discussion on **SB 294 – Joint committee on Claims against the state; recommended payments**

Dylan Dear, Legislative Research Department, provided an overview of the bill.

Discussion followed by committee members. It was noted that 86% of the claims are within the Department of Corrections.

Chairman Rhoades closed discussion on **SB 294 – Joint committee on claims against the state; recommended payments**

Chairman Rhoades opened discussion on **HB 2760 – Appropriations for FY 2012, FY 2013, and FY 2014 for various state agencies**

Representative DeGraaf made a motion to remove \$1.2 million from SGF in FY 2013 for funding 31.5 vacant positions within the Judicial Branch. The motion was seconded by Representative Mast.

Discussion followed by committee members. It was noted that this motion places a freeze on the vacant positions and recommended for review at Omnibus.

Representative DeGraaf renewed the motion. The motion carried.

Representative Peck made a motion to change the language in the bill to add 1 FTE position and change 14 FTE positions from non-classified positions to classified positions within the Department of Corrections. The motion was seconded by Representative Pottorff.

Discussion followed by committee members regarding clarification of the motion.

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J.G. Scott, Legislative Research Department, responded to questions from committee members and it was noted that the motion would not change the Budget Committee Report only the classification of the positions.

Representative Gatewood made a motion to remove 14 non-classified FTE positions for the Department of Corrections. The motion was seconded by Representative Lane.

Discussion followed by committee members. It was noted that the Department of Corrections could not fill this positions with this motion.

Representative Gatewood renewed the motion. The motion carried.

Representative Gatewood made a motion to add \$351,000 from SGF for the Public defenders fund and Board of Indigent's Defense Services. The motion was seconded by Representative Feuerborn.

Discussion followed by committee members regarding the turnover rate and the cost savings that would be reflected in the supplemental requests for public defenders.

Representative Gatewood renewed the substitute motion. The motion carried.

Chairman Rhoades closed the discussion on bill, and he reviewed the agenda for the next committee meeting.

The meeting adjourned at: 10:57 a.m.