

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Troy Waymaster at 9:30 am on Monday, June 05, 2017, in room 112-N of the Capitol.

All members were present

Committee staff present:

David Wiese, Office of Revisor of Statutes
J.G. Scott, Legislative Research Department
Jill Wolters, Office of Revisor of Statutes
Kathy Holscher, Kansas Legislative Committee Assistant
Mark Savoy, Legislative Research Department
Shirley Morrow, Legislative Research Department
Zach Fridell, Office of Revisor of Statutes
Kyle Abbott, Administrative Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Continued Discussion on:Omnibus Items

Chairman Waymaster called the meeting to order and stated that discussion and possible action will continue on Omnibus Items as included in **SB 109**.

Representative Landwehr reviewed a proviso that includes language regarding the utility rate increase for the Kansas State Fair Board.

Representative Landwehr made a motion for a proviso to include the language that the Kansas State Fair Board utility rate increase would be negotiated with Westar Energy and the City of Hutchinson, and a legislative hearing on this issue would be scheduled next session. Representative Carlin seconded the motion.

Discussion followed regarding the motion. Representative Helgerson requested a letter referencing negotiation of utility rates from Chairman Waymaster to the City of Hutchinson and the Kansas State Fair Board.

Representative Landwehr renewed the motion. Motion passed.

Representative Landwehr made a motion for an amendment to add \$4.7 million for FY 2018 and FY

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2019 for Osawatomi State Hospital to provide available bed space within the facility or communities. Representative Ballard seconded the motion.

Discussion followed by committee members regarding the motion. The need for additional bed space was emphasized. David Fye, Legislative Research Department, reviewed issues related to certification at the facility. The \$4.7 million would open up 20 beds at the facility and operating funds were less due to de-certification. The Governor's Budget amendment adds \$2.8 million in special revenue funds in FY 2017 and \$13.2 million in all funds in FY 2018.

Representative Claeys made a substitute motion to include Representative Landwehr's motion and eliminate the \$2 million transfer from SGF for the State Water Plan Fund in FY 2018 and FY 2019, and apply the \$2 million SGF transfer to the operating fund for Osawatomi State Hospital. Representative Davis seconded the motion.

Discussion followed by committee members regarding the motion. It was noted that the motion would impact the SGF in the amount of \$2.7 million as opposed to \$4.7 million.

Representative Claeys renewed the motion. Motion passed.

Representative Landwehr made a motion for an amendment to add \$2.8 million in FY 2017, \$13.2 million in FY 2018 and \$12 million in FY 2019 for Osawatomi State Hospital for operational expenditures for the beds that are not re-certified. Representative Wolfe Moore seconded the motion.

Discussion followed by committee members regarding the motion.

Representative Landwehr renewed the motion. Motion passed.

Representative Landwehr made a motion for an amendment to add \$6 million in the judicial budget for non-judicial employee salaries. Representative Sutton seconded the motion.

Chairman Waymaster stated that was previously included in the contents of **HB 2364**. The budget increase of \$6.8 million reflects \$6 million for increased non-judicial salary increases and \$800,000 was for other purposes, which would be used at the discretion of Judicial Branch. Discussion continued by committee members regarding the motion.

Representative Landwehr renewed the motion. Motion failed.

Representative Landwehr requested that the minutes reflect her vote in support of the motion.

The meeting recessed at: 10:20 am

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The meeting reconvened at: 9:45 pm

Chairman Waymaster made a motion for an amendment to add \$6.5 million to fully fund Larned State Hospital's operational budget. Representative Wolfe Moore seconded the motion. Motion carried.

Representative Claeys made a motion for proviso (Attachment 1) that would add language to the Department of Corrections lease-purchase agreement or issuing bonds shall not be required to receive approval by the state building advisory commission but shall be required to advise and consult the commission regarding bids for design and construction of the correctional institution in Lansing, Kansas. Representative Helgerson seconded the motion.

Discussion followed by committee members. It was noted that there is no fiscal note, as the commission does not charge a fee for service.

Representative Claeys renewed the motion. Motion carried.

Representative Davis made a motion to remove \$51,000 for the Grain Elevator Examiner position for FY 2018 and FY 2019. Representative Claeys seconded the motion.

Discussion followed by committee members. It was noted that after review it was determined that this position was no longer needed.

Representative Davis renewed the motion. Motion passed.

Representative Davis made a motion for a proviso that provides for a Rainy Day Fund (Attachment 2). Representative Claeys seconded the motion.

Jill Wolters, Office of the Revisor of Statues, stated that the Budget Stabilization Fund recommendation was identified in the Alvarez and Marsal Efficiency study. A review of the components of formula followed. Amounts received over the estimated income tax revenues and tax receipts would go into this fund, J.G. Scott responded.

Discussion followed by committee members regarding the motion and concern was expressed that KPERs payments which generates 7 3/4 percent interest on investments versus placing excess tax revenues into the Budget Stabilization Fund.

Representative Helgerson made a substitute motion to delay the Budget Stabilization Fund until the KPERs delayed payments are made. Representative Wolfe Moore seconded the motion.

Discussion followed by committee members regarding the motion. It was noted that this appears to be

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more of a policy motion, and the fund would be in effect for FY 2018 and FY 2019.

Representative Helgerson renewed the motion. Motion passed.

Representative Davis made a motion for a proviso that establishes the state employee on-site health clinic (Attachment 3). Representative Claeys seconded the motion.

Discussion followed by committee members regarding the motion. It was noted that a site for the clinic has been identified, which would be in close proximity to the Capitol Building. The Department of Administration would provide oversight on the process of implementing the health clinic, Representative Davis stated.

Representative Davis renewed the motion. Motion passed.

Representative Landwehr made a motion for an amendment regarding the approval by the agency head for out of state and international travel of state employees, which would be reported to the Director of the Division of Budget. Representative Jones seconded the motion.

Discussion followed by committee members regarding the motion. Jill Wolters provided an explanation of the motion and responded to questions from committee members. Concerns were expressed that additional information would be helpful prior to voting on the amendment.

Representative Hoffman made a substitute motion to delay voting on the amendment until further information is provided from the Department of Administration. Representative Carlin seconded the motion.

Representative Hoffman withdrew the motion with the approval of the second to the motion.

Representative Hutton made a motion to table the motion. Motion passed.

Representative Johnson made a motion for an amendment to include the full payment to KPERS in FY 2018 and continue to layer payments to KPERS in FY 2019. Representative Helgerson seconded the motion.

Discussion followed by committee members regarding the motion. The motion reflects a partial payment for FY 2019, it was noted and concern was expressed regarding layering payments.

Representative Landwehr made a substitute motion that KPERS would be fully funded in FY 2018 and FY 2019. Representative Wolfe Moore seconded the motion.

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Discussion followed by committee members regarding the substitute motion and the uncertainty of the tax plan which has not passed in the chamber or signed by the Governor. J.G. Scott responded that to date, \$64 million has been layered from the 2017 payment that was not paid in full. Concern was expressed regarding KPERS delayed payments and future retirement benefits for participants.

Representative Landwehr renewed the substitute motion. Motion failed.

Representative Landwehr requested her vote in support of the motion be recorded in the minutes.

Representative Johnson renewed the motion. Motion passed.

Discussion continued by committee members regarding the potential sale of new computers stored in the Docking State Office Building. It was noted that no bids were received and it was suggested that the Department of Administration provide a follow up on the computers during next year's session. Staffing issues identified in the Alvarez and Marsal Efficiency Study were reviewed and the recommendation was made to include staffing efficiencies during the FY 2018 session.

Chairman Waymaster made a motion for an amendment that would add up to \$500,000 for Legislators and legislative staff salaries, due to extra days that may be necessary during the FY 2017 session. Representative Davis seconded the motion.

Discussion followed by committee members regarding the motion. This additional funding would allow for salaries for 11 days, it was noted.

Chairman Waymaster renewed the motion. Motion passed.

Representative Davis made a motion for favorable passage of **House Sub SB 109** favorable for passage as amended. Representative Hoffman seconded the motion. Motion passed.

Chairman Waymaster thanked committee members and staff for their work and commitment at this late hour on the bill.

Meeting adjourned at: 10:57 p.m.