

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Marc Rhoades at 9:05 a.m. on January 31, 2011, in Room 346-S of the Capitol.

All members were present except:

Representative Crum – excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes  
Nobuko Folmsbee, Office of the Revisor of Statutes  
Alan Conroy, Kansas Legislative Research Department  
J.G. Scott, Kansas Legislative Research Department  
Jarod Waltner, Kansas Legislative Research Department  
Shirley Morrow, Kansas Legislative Research Department  
Cindy O'Neal, Administrative Assistant, Appropriations Committee  
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 Department of Administration, Long-term Objectives and Strategies
- Attachment 2 Marriage Initiatives
- Attachment 3 Amendment to **HB 2014**
- Attachment 4 **HB 2014** Appropriations Committee Adjustments
- Attachment 5 Summary of Salary Savings Proposal
- Attachment 6 **HB 2014** Proposed Modified Amendment
- Attachment 7 State General Fund – Tax Receipts as of January 28, 2011

Chairman Rhoades welcomed committee members, and introduced Dennis Taylor, Acting Secretary, Department of Administration.

Dennis Taylor, Acting Secretary, Department of Administration presented an overview of the Long-Term Objectives and Strategies for the department, (Attachment 1). He stated that the department will be working on an outline for developing a strategic plan to improve state government performance and service delivery, and review laws and regulations that could be reduced.

Discussion followed by committee members. Acting Secretary Taylor responded to questions from members. He stated that prioritizing goals and establishing the framework of the department will require utilizing staff expertise. An internal review of state assets would be conducted by the department. The recommendation to dispose of property would be submitted to the Governor based on need, current use and value of the asset prior to obtaining bids. If the property involves a statute, this recommendation would be in the form of a repeal. If the property is in form of a regulation, it would involve a repeal of the regulation and would revert back to the due process, which developed the regulation originally. He stated that the department will communicate the status of repeals.

Chairman Rhoades introduced board members with the Kansas Healthy Marriage Institute.

Dr. Joyce Webb, Member, Board of Directors, Kansas Healthy Marriage Institute, provided an overview of the institute, (Attachment 2). She discussed national and local statistics and trends. Based on this research, states have made an effort to identify avenues that could strengthen marriages and relationships. Dr. Webb stated that Oklahoma has a state-wide initiative, which is the longest running and most successful state.

Dr. Drexler, Member, Board of Directors, Kansas Healthy Marriage Institute, reviewed a research project conducted between 2006 through 2010. This project involved four state-wide communities in Kansas and included components through marriage education, assessment, and extended activities provided in workshops. Through this effort a Family Strengthening Alliance has been formed in Wichita. It was noted that there is a substantial cost to the state resulting in broken relationships and marriages.

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Dr. Dan Lord, Family Therapy Program, Friends University, responded to questions from committee members. He discussed the need for parents to be stronger partners and the positive impact they would have with their children's learning. He reviewed statistics collected from Oklahoma, which was the first state to form a coalition and had the highest divorce rate in the nation. With the support of their governor and \$10 million in TANF dollars, a group of public strategies was developed to work with legislators, used scientific evaluation measures to move forward to collect data to determine what works and what did not work, and collaborative partnerships were established to enhance the program.

Chairman Rhoades stated that the presentations from the Circles of Hope and Kansas Healthy Marriage Institute ties together issues of poverty and education, and the impact this has on families, communities and the economy.

**HB 2014** - Supplemental appropriations for FY 2011 for various state agencies

Representative DeGraaf made a motion to reconsider **HB 2014** favorably as amended. The motion was seconded by Representative Brown. Motion carried.

Discussion followed by committee members regarding the motion, which remains in committee as the report was not signed.

Representative Brown made a motion that expenditures for professional memberships or subscriptions would be captured in the State General Fund, (SGF), (Attachment 3). The motion was seconded by Representative Kelley.

Jim Wilson, Office of the Revisor of Statutes, explained the addition to the amendment which applies to the subsection and includes the removal of money from the Special Revenue Funds.

Discussion continued by committee members. It was noted that as of last week \$5.5 million in SGF and \$25 million in all funds has been spent for memberships, dues and subscriptions. Renewal dates, an itemized list with funding sources, and the impact this reduction would have on departments needs to be further evaluated prior to working this on the floor next Wednesday.

The motion was renewed. Motion carried.

Representative DeGraaf reviewed Committee Adjustments for FY 2011, FY 2012 and FY 2013 and the Summary of Current Committee Savings Proposal, (Attachment 4). He reviewed the summary of the Salary Savings proposal for FY 2011, the existing House Committee Amendment to **HB 2014** and the new proposal, (Attachment 5). He stated that the new proposal remains the same for a 7.5% reduction in wages for state officers, legislators, judges, justices, statewide elected officials, statutory agency heads but also includes employees in the Executive Branch who earn over \$100,000. This represents a 1.5% reduction on an annualized basis, he noted. This would be a savings of \$4 million in all funds and \$1.6 million in SGF. The SGF savings from the Board of Regents would be transferred to the institutions for deferred maintenance in order to meet federal stimulus maintenance of effort requirements. \$1 million would be swept into SGF for FY 2011 and FY 2012.

Representative DeGraaf made a motion to approve the new proposal to **HB 2014**. The motion was seconded by Representative Brown.

Discussion followed by committee members regarding the impact on remaining federal dollars earmarked for salary expenditures. It was noted that the approximately \$4 million in federal dollars would not be expended and would be brought forward from FY 2011 into FY 2012 for salaries.

J.G. Scott, Legislative Research Department, responded to questions from committee members. He stated that the Senate's proposal eliminated judges salaries. Funds that would not be spent for the Board of Regents would be expenditures for special revenue funds and not federal money. The federal money would stay in the funds for salaries or allowable expenses. He added that federal dollars are on a reimbursement basis.

Representative DeGraaf renewed the motion. Motion carried.

Representative Mast made a motion that would eliminate the transfer of \$800,000 from the Office of the

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Securities Commission of Kansas. The motion was seconded by Representative Kelley.

Discussion followed by committee members. It was noted that the \$800,000 would be a decrease in the FY 2011 ending balance. With the help of the executive branch, the need to find funding that would eliminate fee sweeps was recommended.

Representative Mast renewed the motion. Motion carried.

Representative Mast made a motion to eliminate the transfer of \$500,000 for the Kansas Commission on Peace Officers' Standards and Training. The motion was seconded by Representative DeGraaf. Motion failed.

Representative Gatewood made a motion to add \$71,426 to the Kansas Technology Enterprise Corporation (KTEC) economic development initiative fund to restore funding for the PIPELINE proposal. The motion was seconded by Representative Lane.

Discussion followed by committee members. Representative Gatewood stated that this motion would protect the contracts already signed, and secure the money already obligated to run the pipeline this year.

Representative Gatewood renewed the motion. Motion carried.

Representative Kelley made a motion to approve **HB 2014** favorable for passage as amended. The motion was seconded by Representative Mast. Motion carried.

Alan Conroy, Director, Legislative Research Department, updated the committee on SGF tax receipts revenues thru January 28, 2011, (Attachment 7). He noted that tax receipts are \$29 million above January estimates for corporate taxes, \$23 million individual taxes and sales taxes down slightly.

Chairman Rhoades reviewed next week's committee meeting agenda.

The meeting was adjourned at 10:45 a.m.

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Marc Rhoades, Chairman