

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Marc Rhoades at 9:10 a.m. on February 9, 2011, in Room 346-S of the Capitol.

All members were present except:

Representative Donohoe – excused
Representative Lane - excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes
Nobuko Folmsbee, Office of the Revisor of Statutes
Jarod Waltner, Kansas Legislative Research Department
Shirley Morrow, Kansas Legislative Research Department
Kathy Holscher, Committee Assistant, Appropriations Committee

Conferees:

Representative Burroughs
Representative Patton

Others attending:

See attached list.

- Attachment 1 House General Government Budget Committee Report – FY 2012 and FY 2013
- Attachment 2 FY 2010 BI-Annual Agency State General Fund Remittances
- Attachment 3 **HB 2014** Adjustments for FY 2011, FY 2012 and FY 2013

HB 2133 - Claims Against the State

Chairman Rhoades welcomed committee members and reviewed the meeting agenda. He stated that a summary of bill introductions should be provided 24 hours prior to committee meetings.

Representative Feuerborn made a motion to introduce legislation regarding the Voter Protection Act. The motion was seconded by Representative Gatewood. Motion carried.

Representative Rhoades made a motion to introduce legislation regarding the Capital Improvement and Mega bills. The motion was seconded by Representative Feuerborn. Motion carried.

Representative McLeland, Chairman, House General Government Budget Committee, introduced Representative Burroughs, Ranking Member, House General Government Budget Committee. Representative McLeland presented the Board of Barbering FY 2012 Budget Committee Report. He reviewed the agency's recommendation, Governor's recommendations, and noted the following Budget Committee recommendations: suspension of the statutory requirement to remit 20% or a maximum of \$200,000 of the agency's fee receipts to the State General Fund, (SGF) for FY 2012; consider pursuing private contractual services; suspend statutory and regulatory fee increases for FY 2012; and introduction of a bill that would suspend the statutory requirement to remit 20% of a maximum of \$200,000 if an agency's fee receipts to SGF for any agency entirely fee funded.

Representative McLeland made a motion to adopt the Board of Barbering FY 2012 Budget Committee Report. The motion was seconded by Representative Brown.

Representative McLeland presented information on fee funds and stated that the FY 2012 report reflect 80% of the fee funds and the remaining 20% goes into SGF. The budget committee recommendation retains 100% of the fee funds for the agency. He noted that presently agencies pay fees for administrative services in addition to the 20% for SGF, and by funding 100% for fee funded agencies there would not be a need to increase fees, and outsourcing administrative services was encouraged which could result in a potential cost savings for agencies. The FY 2010 Bi-Annual Agency State General Fund Remittances, (Attachment 2) was distributed. This report reflects approximately \$2.6 million that would remain with the agencies based upon the 20 % of the fee funds from SGF.

Discussion followed by committee members regarding the impact on the 20% SGF reduction. Estelle

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Montgomery, Legislative Research Department, explained the statute as related to fee funded agencies. She stated that up to a maximum of \$200,000 or 20% of fees collected went to SGF for administrative services, and the remaining 80% stayed with the agency. Alan Conroy, Director, Legislative Research Department, added that these fees are for services provided by the Department of Administration. He reviewed statutory guidelines regarding accounting, auditing, budgeting, payroll, personnel, purchasing services and other agency services receiving SGF funding. Alan Conroy noted that these are services already provided to agencies and changes would require a policy decision by the Department of Administration. It was noted that the Department of Administration would bill the agency for services received, which would enhance transparencies and actual cost accounting. This recommendation would allow the fee funded agencies more flexibility and would be across the board for all fee funded only agencies for FY 2012. J.G. Scott, Chief Fiscal Analyst, Legislative Research Department, stated that if approved this would require a bill introduction, which was noted in the committee's recommendation.

The motion was renewed. Motion carried.

Representative McLeland presented the Board of Barbering FY 2013 Budget Committee Report. He reviewed the agency's recommendation, Governor's recommendations, and noted the following Budget Committee recommendation remains consistent with the 2012 recommendations and reflects the adjustments.

Representative McLeland made a motion to adopt the Board of Barbering FY 2013 Budget Committee Report. The motion was seconded by Representative Brown.

Discussion followed by committee members. Alan Conroy stated that if the substitute bill passed, spending authority and limitations could be addressed when the committee works the Mega Bill or Omnibus bill, and a provision could be added when the Department of Administration's budget is worked. J.G. Scott noted that the amount of spending would need to be determined in order to adjust this amount back into fee-funded agency budgets.

The motion was renewed. Motion carried.

Representative McLeland presented the Board of Cosmetology FY 2012 Budget Committee Report. He reviewed the Governor's recommendations, and noted that the Budget Committee recommendation remains consistent with the committee's adjustments.

Representative McLeland made a motion to adopt the Board of Cosmetology FY 2012 Budget Committee Report. The motion was seconded by Representative DeGraaf.

Discussion followed by committee members. Representative McLeland stated that the committee supported the Governor's recommendation, which did not include vehicle replacement. It was noted that replacement needs should not be based only on mileage. The position eliminated was for 1 full time equivalent (FTE) position which has been vacant for 2 years. Chairman Rhoades discussed a policy decision that would need to be included in a bill this session, that deals with the 20% SGF reduction.

The motion was renewed. Motion carried.

Representative McLeland presented the Board of Cosmetology FY 2013 Budget Committee Report. He reviewed the Governor's recommendations, and noted that the Budget Committee recommendation which remains consistent with the committee's adjustments.

Representative McLeland made a motion to adopt the Board of Cosmetology FY 2013 Budget Committee Report. The motion was seconded by Representative DeGraaf. Motion carried.

Representative DeGraaf, Vice-Chair, House General Government Budget Committee, presented the Board of Mortuary Arts FY 2012 Budget Committee Report. He reviewed the Governor's recommendations, and noted that the Budget Committee recommendation remains consistent with the committee's adjustments.

Representative DeGraaf made a motion to adopt the Board of Mortuary Arts FY 2012 Budget Committee Report. The motion was seconded by Representative McLeland. Motion carried.

Representative DeGraaf presented the Board of Mortuary Arts FY 2013 Budget Committee Report. He

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reviewed the Governor's recommendations, and noted that the Budget Committee recommendation which remains consistent with the committee's adjustments.

Representative DeGraaf made a motion to adopt the Board of Mortuary Arts FY 2013 Budget Committee Report. The motion was seconded by Representative Kleeb.

Discussion followed by committee members regarding a 1.6% increase in salaries. It was noted that the increase was for health insurance and retirement contributions, and that commodities refers to equipment and supplies.

The motion was renewed. Motion carried.

Representative DeGraaf presented the Governmental Ethics Commission FY 2012 Budget Committee Report. He reviewed the Governor's recommendations, and noted that the Budget Committee concurs with the Governor's recommendation with the following adjustments: statutory fee increases; review at Omnibus the agency's FY 2012 request and fee funds; and commended the agency's commitment for providing public information on financial affairs of public officials, lobbyists and state and local candidates; and the agency's efficiency in providing outstanding public services.

Representative DeGraaf made a motion to adopt the Governmental Ethics Commission FY 2012 Budget Committee Report. The motion was seconded by Representative McLeland. Motion carried.

It was noted that **SB 102** will be worked in the Senate and contains fee increases for this agency.

Representative DeGraaf presented the Governmental Ethics Commission FY 2013 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustments: statutory fee increases; review at Omnibus the agency's FY 2013 request and fee funds; and commended the agency's commitment for providing public information on financial affairs of public officials, lobbyists and state and local candidates; and the agency's efficiency in providing outstanding public services.

Representative DeGraaf made a motion to adopt the Governmental Ethics Commission FY 2013 Budget Committee Report. The motion was seconded by Representative McLeland. Motion carried.

Representative McLeland presented the Home Inspectors Registration Board FY 2011 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following comment: a concern for the growing ending balance and suggested that the agency considers a reduction in fees.

Representative McLeland made a motion to adopt the Home Inspectors Registration Board FY 2011 Budget Committee Report. The motion was seconded by Representative DeGraaf. Motion carried.

Representative McLeland presented the Home Inspectors Registration Board FY 2012 Budget Committee Report. The Budget Committee concurs with the Governor's recommendation with the following comment: a concern about the growing ending balance and suggested that the agency consider a reduction in fees.

Representative McLeland made a motion to adopt the Home Inspectors Registration Board FY 2012 Budget Committee Report. The motion was seconded by Representative Mast. Motion carried.

Shirley Murrow, Kansas Legislative Research Department, noted that this agency is not affected by the 20% fee funds in SGF. This is the second year for this agency and fees are just beginning to accumulate, fees for the next year have already been reduced by half, she noted.

Representative McLeland presented the Home Inspectors Registration Board FY 2013 Budget Committee Report. He reviewed the Governor's recommendations, and noted that the Budget Committee concurs with the Governor's recommendation with the following comment: a concern about the growing ending balance and suggest that the agency consider a reduction in fees.

Representative McLeland made a motion to adopt the Home Inspectors Registration Board FY 2012

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Budget Committee Report. The motion was seconded by Representative DeGraaf. Motion carried.

Representative DeGraaf presented the Kansas Dental Board FY 2012 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspend the statutory requirement to remit 20% or \$200,000 of the agency's fee receipts to the State General Fund (SGF); the agency pursues private contractual arrangements to provide for services.

Representative DeGraaf made a motion to adopt the Kansas Dental Board FY 2012 Budget Committee Report. The motion was seconded by Representative McLeland. Motion carried.

Representative DeGraaf presented the Kansas Dental Board FY 2013 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspend the statutory requirement to remit 20% or \$200,000 of the agency's fee receipts to the State General Fund (SGF).

Representative DeGraaf made a motion to adopt the Kansas Dental Board FY 2013 Budget Committee Report. The motion was seconded by Representative McLeland. Motion carried.

Representative DeGraaf presented the Kansas Board of Examiners in the Fitting and Dispensing of Hearing Instruments FY 2012 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspend the statutory requirement to remit 20% or \$200,000 of the agency's fee receipts to the State General Fund (SGF); the agency pursues private contractual arrangements to provide for services; and suspends statutory and regulatory fee increases.

Representative DeGraaf made a motion to adopt the Kansas Board Examiners in the Fitting and Dispensing of Hearing Instruments FY 2012 Budget Committee Report. The motion was seconded by Representative McLeland. Motion carried.

Representative DeGraaf presented the Kansas Board of Examiners in the Fitting and Dispensing of Hearing Instruments FY 2013 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspend the statutory requirement to remit 20% or \$200,000 of the agency's fee receipts to the State General Fund (SGF); the agency pursues private contractual arrangements to provide for services; and suspends statutory and regulatory fee increases.

Representative DeGraaf made a motion to adopt the Kansas Board Examiners in the Fitting and Dispensing of Hearing Instruments FY 2013 Budget Committee Report. The motion was seconded by Representative Mast. Motion carried.

Representative DeGraaf presented the Board of Examiners in Optometry FY 2012 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspend the statutory requirement to remit 20% or \$200,000 of the agency's fee receipts to the State General Fund (SGF); the agency pursues private contractual arrangements to provide for services; and suspends statutory and regulatory fee increases; and commend the agency for reduced spending.

Representative DeGraaf made a motion to adopt the Board of Examiners in Optometry FY 2012 Budget Committee Report. The motion was seconded by Representative McLeland. Motion carried.

Representative DeGraaf presented the Board of Examiners in Optometry FY 2013 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspend the statutory requirement to remit 20% or \$200,000 of the agency's fee receipts to the State General Fund (SGF); the agency pursues private contractual arrangements to provide for services; and suspends statutory and regulatory fee increases; and commend the agency for reduced spending.

Representative DeGraaf made a motion to adopt the Board of Examiners in Optometry FY 2013 Budget Committee Report. The motion was seconded by Representative McLeland. Motion carried.

Representative McLeland presented the Real Estate Commission FY 2011 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustment: transfer \$200,000 from the Real Estate Recovery revolving Fund to the Real Estate Fee Fund.

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Representative McLeland made a motion to adopt the Real Estate Commission FY 2011 Budget Committee Report. The motion was seconded by Representative DeGraaf. Motion carried.

Representative McLeland presented the Real Estate Commission FY 2012 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspension of the statutory requirement to remit 20% or \$200,000 of the agency's fee receipts to the SGF; consider pursuing private contractual arrangements for services; suspend statutory and regulatory fee increases; and review at Omnibus the request for adding 2 FTE positions.

Representative McLeland noted a technical correction on the Budget Committee adjustment on item 1, which should have read an estimated decrease of \$200,000 to the SGF in the FY 2012 and FY 2013 reports.

Representative McLeland made a motion to adopt the Real Estate Commission FY 2012 Budget Committee Report. The motion was seconded by Representative Crum. Motion carried.

Representative McLeland presented the Real Estate Commission FY 2013 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspension of the statutory requirement to remit 20% or \$200,000 of the agency's fee receipts to the SGF; consider pursuing private contractual arrangements for services; suspend statutory and regulatory fee increases; and review at Omnibus the request for adding 2 FTE positions.

Representative McLeland made a motion to adopt the Real Estate Commission FY 2013 Budget Committee Report. The motion was seconded by Representative DeGraaf. Motion carried.

Representative McLeland presented the Real Estate Appraisal Board FY 2012 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspension of the statutory requirement to remit 20% or \$200,000 of the agency's fee receipts to the SGF; consider pursuing private contractual arrangements for services; and suspend statutory and regulatory fee increases.

Representative McLeland made a motion to adopt the Real Estate Appraisal Board FY 2012 Budget Committee Report. The motion was seconded by Representative DeGraaf. Motion carried.

Representative McLeland presented the Real Estate Appraisal Board FY 2013 Budget Committee Report. The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspension of the statutory requirement to remit 20% or \$200,000 of the agency's fee receipts to the SGF; consider pursuing private contractual arrangements for services; and suspend statutory and regulatory fee increases.

Representative McLeland made a motion to adopt the Real Estate Appraisal Board FY 2013 Budget Committee Report. The motion was seconded by Representative DeGraaf. Motion carried.

Representative Burroughs responded to questions from committee members regarding two signatures missing from the House General Government Budget Committee Reports. He stated that many of the questions addressed today were also asked in the General Government Budget Committee meeting in regards to the impact of the 20% fee reduction from SGF. He asked for the committee's consideration for administrators of these agencies to look at an opt-out provision.

Representative Patton presented an overview of **HB 2133**. Written material was not provided. He stated that the claims against the state total \$199,987, and he discussed the largest of these claims. Discussion followed by committee members.

Chairman Rhoades discussed the committee meeting agenda for tomorrow and noted that the committee's adjustments to **HB 2014**, (Attachment 3), has been distributed to members.

Meeting adjourned at 11:00 a.m.

Marc Rhoades, Chairman