

Approved: February 24, 2012

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(Date)

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Marc Rhoades at 9:05 AM on Thursday, February 16, 2012 in Room 346-S of the Capitol.

All members were present

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 opened the meeting and reviewed the committee agenda. He stated that Representative Landwehr temporarily replaced Representative McLeland until Wednesday, February 22<sup>nd</sup>.

Representative Schwartz stated information requested by committee members regarding the Kansas State University Veterinary rankings (Attachment 1) has been distributed.

*Representative Gordon made a motion to introduce legislation that would combine the Film and Arts Commissions into the Creative Arts Commission within the Department of Commerce. The motion was seconded by Representative Schwartz. The motion carried.*

Chairman Rhoades opened **HB 2493** for discussion.

**HB 2493 – Supplemental appropriations for FY 2012 and FY 2013 for various state agencies.**

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Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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J.G. Scott, Legislative Research Department, presented an overview of the Governor's Budget Amendments, and reviewed the FY 2012 Appropriations Committee Adjustments for FY 2012 and FY 2013, and Senate Committee Adjustments for FY 2012 and FY 2013 (Attachment 2). He noted that a majority of the adjustments were the result of the Voluntary Retirement Incentive Program. He reviewed the Airport Incentive Funding, which shifted funding from FY 2013 to FY 2012, and the reorganization of state agencies.

J.G. Scott responded to questions from committee members. He reviewed agency fee fund sweeps in to the State General Fund (SGF) that go in to the Department of Administration for service charges, and re-appropriation of Voluntary Retirement Incentive Program in to the SGF. As requested, expense and revenue information on rental and leased space will be forthcoming, he noted.

Representative Peck made a motion for an amendment that would add language to FY 2012 Board of Indigent's Defense Services that would appropriate the \$37,000 for the Capital Litigation Training Grant Fund for the Board of Indigent's Defense Services. The motion was seconded by Representative Gatewood.

Discussion followed by committee members. It was noted that this new funding would provide training for capital defense trials.

Representative Peck renewed the motion. The motion carried.

J.G. Scott responded to questions from committee members. He stated that the SGF increase from FY 2011 to 2012 is approximately 8%. Discussion followed regarding the Federal Emergency Management Association funding requirements and eligibility as related to the Missouri River flooding last summer.

Representative Peck made a motion for an amendment to add language for the Lansing Correctional Facility disaster grants public assistance federal fund that would have no limit in order to expend \$250,000 in federal funding. The motion was seconded by Representative Pottorff.

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Committee members continued discussion on the amendment on the use of these funds. It was noted that these funds would replace monies already spent on the purchase of public water and the loss of revenue from leased land due to the flooding.

*Representative Peck renewed the motion. Motion carried.*

Discussion continued by committee members regarding the House and Senate Committee Adjustments for FY 2012 and FY 2013. Concern was expressed regarding fee sweeps.

*Representative DeGraaf made a motion to add language that would restore the purchase state-wide bottled water from existing resources. Representative Mast seconded the motion.*

Discussion followed by committee members.

*Representative DeGraaf renewed the motion. The motion carried.*

*Representative Ballard made a motion for an amendment that would restore \$50,000 for bottled water which reflects half of the amount that was cut from the budget. The motion was seconded by Representative Feuerborn. The motion failed.*

J.G. Scott responded to questions from committee members regarding caseload projections. He noted that consensus revenue caseload are published in late fall. Frequently bills are not paid at the end of a fiscal year and would be billed to expenditures for the next year. Any projections that would increase the out year would not be reflected in the revised adjustments, but would be reflected in the November caseloads. He reviewed the increased enrollment for K- 12, noting that in FY 2012 there were 778 new students which equaled \$3 million and the at-risk population was 3,700 for an increase of \$14 million.

Reagan Cussimano, Legislative Research Department, responded to questions from committee members regarding the count for military students from September 20 through February 20. Increased enrollment between this timeframe of 25 students or equal to or 1% of enrollment may be counted and receive additional funding.

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Chairman Rhoades reviewed the committee process regarding the work on **HB 2493**. Committee discussion will continue on the bill during the next meeting, as well as the committee will hold a hearing on **SB 294 – Joint Committee on Claims Against the State; recommended payments**, with the possibility of a motion to fold the two bills together. Any further adjustments by the committee would be added in to the Mega bill, he stated.

Discussion continued by committee members regarding the State General Funds (SGF) brought forward from the prior year and expenditure limitations. J.G. Scott noted that without legislation, monies in that account can be spent on anything that the SGF account could be spent on, with limit to where the fund was appropriated from. Concern was expressed that \$13 million is available to spend. The \$31 million in funding for K-12 would be distributed through the school finance formula. A review of Kansas Public Employees Retirement System followed regarding the reduction for salary expenditures for teachers.

Amy Deckard, Legislative Research Department, responded to questions from committee members regarding the Affordable Care Act and maintenance of effort requirements. She noted that eligibility requirements cannot be changed for populations, but optional services provisions could be adjusted. The proposal to change to a managed care contract for Kan Care in FY 2013 would modify how services appear for estimating in the future, she added. As requested, committed and optional services relating to Medicaid maintenance of effort requirements will be forthcoming. Maintenance of effort educational requirements of the American Reinvestment and Recover Act will also be provided as requested, she added.

Chairman Rhoades closed the hearing on **HB 2493**, and reviewed the agenda for the next committee meeting.

The meeting adjourned at 10:22 a.m.