

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Marc Rhoades at 9:08 a.m. on March 8, 2011, in Room 346-S of the Capitol.

All members were present except:

Representative McLeland - 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.

HB 2368 - Concerning appropriations; deleting the 20% credit to the state general fund.

HB 2374 - Appropriations for FY 2011 and FY 2012 for department of education.

- Attachment 1 Proposed amendments to HB 2368
- Attachment 2 Department of Administration-Fee Funded Agencies
- Attachment 3 Maintenance of Effort Needs
- Attachment 4 FY 2012 Budget Committee Reports – Citizens' Utility Ratepayer Board, Kansas Water Office, Kansas Wildlife and Parks
- Attachment 5 Executive Order 11-2
- Attachment 6 State Water Plan Fund – FY 2012
- Attachment 7 KDWP Capital Improvement Funding Summary – FY 2012
- Attachment 8 Projected Park Fee Collections – FY 2012
- Attachment 9 KDWP Governor's Recommendation Capital Improvement Funding Summary – FY 2012
- Attachment 10 FY 2012 – FY 2013 Budget Committee Reports – Abstracters Board of Examiners and Board of Technical Professions;
- Attachment 11 FY 2012 Budget Committee Report – Emergency Medical Services Board

Chairman Rhoades welcomed committee members and reviewed the committee agenda.

Jim Wilson, First Assistant Revisor, Office of the Revisor of Statutes, provided an overview of proposed amendments to **HB 2368, (Attachment 1).**

Representative DeGraaf made a motion to approve the proposed amendments to HB 2368. The motion was seconded by Representative Mast.

Discussion followed by committee members regarding the deletion of Section I this would minimize regulation conflicts and ensures that the fee agencies will keep the 20%.

The motion was renewed. Motion carried.

Representative DeGraaf made a motion to report HB 2368 favorably for passage as amended. The motion was seconded by Representative Mast.

CONTINUATION SHEET

House Appropriations Committee at 9:08 a.m. on March 8, 2011, in Room 346-S of the Capitol.

Members received information from the Department of Administration regarding fee funded agencies, (Attachment 2). Discussion followed by committee members regarding the impact of the 20% reduction of fees from the SGF. It was noted that this reflects a reduction of \$3.4 million in SGF.

The motion was renewed. Motion carried.

Chairman Rhoades opened discussion on **HB 2374**. He stated that the items in this bill were discussed in conference committee and that the committee was unable to reach an agreement with the Senate.

Jim Wilson, Office of the Revisor of Statutes, provided an overview of **HB 2374**, and responded to questions from committee members. He reviewed the policy for transfer of funds from the employer's contributions in the Kansas Public Employees Retirement System (KPERs) to special education and repayment of borrowed funds.

Discussion followed by committee members regarding special education and maintenance of effort requirements. Committee members received a copy of the maintenance of effort funds for FY 2011, (Attachment 3). Chairman Rhoades noted that if the bill passes, the Senate would be notified that the maintenance of effort agreement has been met, numbers would be certified when the amount is known, and reinforce the State's obligation for payment.

Representative Brown made a motion to approve HB 2374 favorable for passage. The motion was seconded by Representative DeGraaf.

J.G. Scott, Kansas Legislative Research Department, responded to questions from committee members. He stated that approximately \$69 million in payments have not been made and will be due on April 15th. The estimated amount is \$26 million that would be transferred from KPERs to Special Education and a transfer from General State Aid into KPERs would occur on July 1, 2011 or when available, he added.

Chairman Rhoades discussed the conference committee and House position in regards to maintenance of effort, and the Governor's allotments.

The motion was renewed. Motion carried.

Representative Lane, Member, House Agriculture and Natural Resources Budget Committee presented the FY 2012 Citizens' Utility Ratepayer Board Budget Committee Report, (Attachment 4). The Budget Committee concurred with the Governor's recommendations with the following adjustments and comments: add 2 Full Time positions (FTE's), the Governor clarifies his intent regarding the board and provide funding recommendation for review at Omnibus, and the Governor clarifies staffing issues regarding newly created duties.

Representative Lane made a motion to approve the FY 2012 Citizens' Utility Ratepayer Board Budget Committee Report. The motion was seconded by Representative Schwartz.

Discussion followed by committee members regarding staffing issues. Copies of the Executive Order 11-02 was distributed, (Attachment 5). The board's responsibility includes review of proposed state agency rules and regulations, and the increase in wages included benefits but not salaries, it was noted.

The motion was renewed. Motion carried.

Representative Schwartz, Chair, House Agriculture and Natural Resources Budget Committee presented the FY 2012 Kansas Water Office Budget Committee Report, (Attachment 4). The Budget Committee concurred with the Governor's recommendations with the following adjustments: delete \$88,610 from the State Water Plan Fund for the Wichita Aquifer Storage and Recovery Project, add \$88,610 from the State Water Plan Fund for Storage and Operations Maintenance, add 2 FTE's, and review at Omnibus deleted funding from the Wichita Aquifer Storage and Recovery Project, and the funding of \$464,630 from the State Water Plan Fund for the John Redmond Reservoir projects.

Representative Schwartz made a motion to approve the FY 2012 Kansas Water Office Budget Committee Report. The motion was seconded by Representative Lane.

CONTINUATION SHEET

House Appropriations Committee at 9:08 a.m. on March 8, 2011, in Room 346-S of the Capitol. Discussion followed by committee members regarding maintenance of effort obligations and contractual agreements. Agency program expenditures were reviewed, (Attachment 6). It was noted that there was an error on the Governor's recommendation which reflects a double entry that deleted two staff positions, which has been restored in the committee recommendations.

The motion was renewed. Motion carried.

Representative Schwartz, Chair, House Agriculture and Natural Resources Budget Committee presented the FY 2012 Kansas Department of Wildlife and Parks Budget Committee Report, (Attachment 4). The Budget Committee concurred with the Governor's recommendation with the following adjustments: delete \$40,000 from the State Water Plan Fund for the Stream Monitory Program, add \$40,00 from the Wildlife Fee Fund for Stream Monitoring Program, delete \$850,000 for the Wildlife Fee Fund for land acquisition, delete \$850,000 from the Wildlife Restoration Fund for land acquisition, add \$100,000 from the Sport Fish Restoration Fund for repairs to three lake dams, add \$150,000 from the Wildlife Fee Fund and \$450,000 from the Wildlife Restoration Fund for zebra mussels prevention at Milford Fish Hatchery, add \$70,000 from the Sport Fish Restoration Fund for a study for enhanced fishing opportunities at Rocky Ford Wildlife Area, add \$310,000 from the Sport Fish Restoration Fund to enhance the Fishing Impoundments and Stream Habitats public access for fishing program, add \$620,000 form the Wildlife Restoration Fund to enhance the Walk-in Hunter Area, recommended the agency use current vehicles if feasible and report during Omnibus diversion of funds using replaced vehicles, requested a report detailing the income of lease agreements and cash flow of the Agriculture Production Fund, review at Omnibus funding for the Clark State Fishing Lake dam repair, if Senate Substitute for **HB 2014** has not passed, and noted that the agency welcomed the transfer of the Division of Travel and Tourism into KWDP.

Representative Schwartz made a motion to approve the FY 2012 Kansas Wildlife and Parks Budget Committee Report. The motion was seconded by Representative Carlin.

Representative Brown made a substitute motion to remove State General Funds (SGF) and allow the agency to increase fees accordingly but not to exceed \$4.7 million. The motion was seconded by Representative Donohoe.

Representative Schwartz referred to the FY 2012 Capital Improvement Funding Summary as recommended by the House Agriculture and Natural Resources Budget Committee, (Attachment 7) and Projected Park Fee Collections for FY 2012, (Attachment 8) This amendment represents a 76% fee increase in park fees, she noted.

Discussion continued by committee members regarding the impact of increased park fees. It was suggested that the new secretary could report back to the committee next year with plans for enhancing recreation and tourism, and the impact on increase fees.

Representative Schwartz reviewed the Kansas Department of Wildlife and Park FY 2012 Governor's Recommendation Capital Improvement Funding Summary, (Attachment 9). She noted that this represents \$1 million for land acquisition which is fee funded. Federal fee funds can not be used to maintain parks and SGF supports park maintenance, staff salary and benefits, she added.

Dick Koerth, Staff, KWDP, responded to questions from committee members. He stated that SGF dollars in question are for the parks division staff only, the rest of the agency is funded by wildlife fee funds. Fees are comparable to competition.

The motion was renewed. Motion failed.

Representative Feuerborn made a motion to amend language in the Budget Committee Report that the secretary report back to the committee regarding the possibility of becoming a fee funded only agency, prior to Omnibus. The motion was seconded by Representative Schwartz. Motion carried.

Representative Sullentrop made a motion for an amendment to replace 1/3 of the SGF over a three-year period beginning FY 2012. The motion was seconded by Representative Peck. Motion failed.

The motion was renewed as amended. Motion carried.

CONTINUATION SHEET

House Appropriations Committee at 9:08 a.m. on March 8, 2011, in Room 346-S of the Capitol. Chairman Rhoades stated that the committee will reconvene up the adjournment of the House today.

The meeting was adjourned at 11:00 a.m.

Chairman Rhoades called the meeting to order at 12:00 p.m., and reviewed the agenda.

Representative Peck, Chair, House Transportation and Public Safety Budget Committee, presented the FY 2012 Abstracters Board of Examiners Budget Committee Report (Attachment 10). The Budget Committee concurred with the Governor's recommendation with the following adjustment: suspend the statutory requirement to remit 20% or up to \$200,000 from agency fee receipts in SFG.

Representative Peck made a motion to adopt the FY 2012 Abstracters Board of Examiners Budget Committee Report. The motion was seconded by Representative Gatewood. Motion carried.

Representative Peck, Chair, House Transportation and Public Safety Budget Committee, presented the FY 2013 Abstracters Board of Examiners Budget Committee Report (Attachment 10). The Budget Committee concurred with the Governor's recommendation with the following adjustment: suspend the statutory requirement to remit 20% or up to \$200,000 from agency fee receipts in SFG.

Representative Peck made a motion to adopt the FY 2013 Abstracters Board of Examiners Budget Committee Report. The motion was seconded by Representative Gatewood. Motion carried.

Representative Peck, Chair, House Transportation and Public Safety Budget Committee, presented the FY 2012 Board of Technical Professions Budget Committee Report (Attachment 10). The Budget Committee concurred with the Governors recommendation with the following adjustments: suspend the statutory requirement to remit 20% or up to a maximum of \$200,000 of the agency fee fund receipts to the SGF, and discussion held regarding reducing the statutory longevity bonuses from \$50 to \$40 per year of service.

Representative Peck made a motion to adopt the FY 2012 Board of Technical Professions Budget Committee Report. The motion was seconded by Representative Mast.

Discussion was held by committee members. It was noted that this is fee funded agency and, that the discussion on longevity bonus has been consistent with the Budget Committee members.

The motion was renewed. Motion carried.

Representative Peck, Chair, House Transportation and Public Safety Budget Committee, presented the FY 2013 Board of Technical Professions Budget Committee Report (Attachment 10). The Budget Committee concurred with the Governors recommendation with the following adjustments: suspend the statutory requirement to remit 20% or up to a maximum of \$200,000 of the agency fee fund receipts to the SGF, and discussion held regarding reducing the statutory longevity bonuses from \$50 to \$40 per year of service.

Representative Peck made a motion to adopt the FY 2013 Board of Technical Professions Budget Committee Report. The motion was seconded by Representative Gatewood. Motion carried.

Representative Gatewood, Member, House Transpiration and Public Safety Budget Committee, presented the FY 2012 Emergency Medical Services Board Budget Committee Report. The budget Committee concurred with the Governor's Recommendation with the following adjustments and notations: add 1 FTE position, suspend the statutory requirement to remit 20% of up to a maximum of \$200,000 of the agency fee fund receipts to the SGF, discussion held regarding reducing the statutory longevity bonuses from \$50 to \$40 per year of service.

Representative Peck made a motion to adopt the FY 2012 Emergency Medical Services Budget Committee Report. The motion was seconded by Representative Feuerborn.

Discussion followed by committee members regarding missing signatures on the Budget Report and that a Minority Report had not been prepared.

Representative Brown made a motion for an amendment to delete the addition of 1 FTE position. The motion was seconded by Representative Mast.

CONTINUATION SHEET

House Appropriations Committee at 9:08 a.m. on March 8, 2011, in Room 346-S of the Capitol.

Discussion continued by committee members regarding staffing issues and services in rural areas.

The motion to amend was renewed. Motion carried.

The motion to adopt the Budget Committee Report was renewed. Motion failed.

Chairman Rhoades stated the report stays in committee, and he reviewed the agenda for tomorrow's meeting.

The meeting was adjourned at: 1:30 p.m.

Marc Rhoades, Chairman