

Approved: February 16, 2012

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(Date)

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Marc Rhoades at 9:07 AM on Friday, February 3, 2012 in Room 346-S of the Capitol.

All members were present except:

Richard Carlson - excused  
Lana Gordon - excused

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 requested that **HB 2574 – Highway patrol; charging certain fees.** be referred to the Transportation and Public Safety Budget Committee.

*Representative Peck made a motion to introduce legislation regarding longevity bonus. The motion was seconded by Representative Pottorff. Motion carried.*

Representative McLeland, Chair, General Government Budget Committee, presented the FY 2012 Board of Barbering Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation.

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

Discussion followed by committee members regarding the request to increase the Administrative Officer's salary.

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Representative Kleeb made a motion for an amendment to delete the \$10,000 increase for wages and other operating expenses. The motion was seconded by Representative Sullentrop. Motion failed.

Representative McLeland closed the motion to approve the Budget Committee Report. Motion carried.

Representative McLeland, Chair, General Government Budget Committee, presented the FY 2013 Board of Barbering Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation.

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

Representative DeGraaf, Vice-Chair, General Government Budget Committee, presented the FY 2012 Board of Cosmetology Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation.

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

Discussion followed by committee members regarding the fee fund balance.

Representative DeGraaf renewed the motion to approve the Budget Committee report. Motion carried.

Representative DeGraaf, Vice-Chair, General Government Budget Committee, presented the FY 2013 Board of Cosmetology Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendations with the following observations: due to the economy business has declined and resulted in the elimination of 1 FTE position last year; a satisfaction survey will be conducted and the findings of the report presented to the Budget Committee next year; and noted that a more intensive review of revenue funding by the agency will be completed prior to next year.

Representative DeGraaf made a motion to approve the FY 2013 Board of Cosmetology Budget Committee Report. The motion was seconded by Representative Mast.

Discussion followed by committee members regarding inspection and possible consolidation of the Board of Barbering and Board of Cosmetology.

Representative DeGraaf renewed the motion to approve the Budget Committee Report. Motion carried.

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Representative McLeland, Chair, General Budget Committee, presented the Board of Examiners in Optometry FY 2012 Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation.

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

Representative McLeland, Chair, General Budget Committee, presented the Board of Examiners in Optometry FY 2013 Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following notations: recommended an agency review of possible benefits of a Special Litigation Reserve Fund, review their fee schedule and provide the Budget Committee with an analysis of ending balances including a transfer amount to a litigation reserve fund during the FY 2013 Legislative Session.

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

Discussion followed by committee members. It was noted that a bill was introduced in the Social Services Budget Committee yesterday that updates the Kansas Optometry law and an amendment was approved that would create a litigation fund with a cap of \$400,000. The office is housed in private property not state owned, due to cost effectiveness.

J.G. Scott, Legislative Research Department, stated that the fee fund report for all agencies that will include revenue, expenditures and ending balances will be ready next week. A review of the fee fund transfer procedure followed. Going forward the litigation fund activities will be included in the Budget Reports, he stated.

Representative McLeland renewed the motion to approve the Budget Committee Report. The motion carried.

Representative DeGraaf, Vice-Chair, General Government Budget Committee, presented the FY 2012 Home Inspectors Registration Board Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation and commended the agency for waiving registration fees for members due to larger than anticipated fee fund balance.

Representative DeGraaf made a motion to approve the FY 2012 Home Inspectors Registration Board Budget Committee Report. The motion was seconded by Representative McLeland.

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Discussion followed by committee members. It was noted that there are no changes from what was requested the prior year and that this board is staffed by a volunteer.

Representative DeGraaf renewed the motion to approve the Budget Committee Report. Motion carried.

Representative DeGraaf, Vice-Chair, General Government Budget Committee, presented the FY 2013 Home Inspectors Registration Board Budget Committee Report ([Attachment 1](#)). The Budget Committee concurred with the Governor's recommendation.

Representative DeGraaf made a motion to approve the FY 2013 Home Inspectors Registration Board Budget Committee Report. The motion was seconded by Representative McLeland. Motion carried.

Representative DeGraaf, Vice-Chair, General Government Budget Committee, presented the FY 2012 Board of Examiners in Fitting and Dispensing of Hearing Instruments Budget Committee Report ([Attachment 1](#)). The Budget Committee concurred with the Governor's recommendation.

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

Representative DeGraaf, Vice-Chair, General Government Budget Committee, presented the FY 2013 Board of Examiners in Fitting and Dispensing of Hearing Instruments Budget Committee Report ([Attachment 1](#)). The Budget Committee concurred with the Governor's recommendation.

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

Representative McLeland, Chair, General Budget Committee, presented the Kansas Dental Board FY 2012 Budget Committee Report ([Attachment 1](#)). The Budget Committee concurred with the Governor's recommendation with the following notation: recommended that the agency review the fee structure and consider reducing fees by 25% over the next two fiscal years, if feasible.

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

Discussion followed by committee members regarding the reduced fee structure due to the substantial growth in the fee fund balance.

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Representative McLeland renewed the motion to approve the Budget Committee Report. Motion carried.

Representative DeGraaf, Vice-Chair, General Government Budget Committee, presented the FY 2013 Real Estate Appraisal Board Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation.

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

Representative McLeland, Chair, General Budget Committee, presented Real Estate Commission FY 2012 Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation.

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

Representative McLeland, Chair, General Budget Committee, presented Real Estate Commission FY 2013 Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following observation: concerns with licensing trends and the impact on fee fund balance, and the need to continue to pursue expenditure reductions.

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

Discussion followed by committee members regarding a decline in realtor fees receipts.

Representative McLeland renewed the motion to approve the Budget Committee Report. Motion carried.

Representative Schwartz, Chair, Agriculture and Natural Resources Budget Committee stated that there were no changes to the FY 2012 Budget Reports for the Department of Credit Unions, Office of the Securities Commissioner and the Office of the State Bank Commissioner. She presented the FY 2013 Department of Credit Unions Budget Committee Report (Attachment 2). The Budget Committee concurred with the Governor's recommendation with the following notation: recommended the adoption of the Governor's Budget Amendment restoring \$91,910 from special revenue funds and 1 FTE position.

Representative Schwartz made a motion to approve the FY 2013 Department of Credit Unions Budget Committee Report. The motion was seconded by Representative Lane.

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Discussion followed by committee members regarding the increase in total revenue. The recommendation for three months operating expenses resulted in the increased fee fund.

Representative Schwartz renewed the motion to approve the Budget Committee Report. Motion carried.

Representative Schwartz, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2013 Office of the Securities Commissioner Budget Committee Report (Attachment 2). The Budget Committee concurred with the Governor's recommendation with the following notation: requested that the agency provides performance and outcome measures for the Investor Education Program at Omnibus.

Representative Schwartz made a motion to approve the FY 2013 Office of the Securities Commissioner Budget Committee Report. The Motion was seconded by Representative Carlin. Motion carried.

Representative Schwartz, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2013 Office of the State Bank Commissioner Budget Committee Report (Attachment 2). The Budget Committee concurred with the Governor's recommendation with the following adjustments and notations: recommended adoption of the Governor's Budget Amendment to restore \$137,803 from special revenue funds and 2 FTE positions; and noted high turnover in staff.

Representative Schwartz made a motion to approve the FY 2013 Office of the State Bank Commission Budget Committee Report. The motion was seconded by Representative Carlin.

Discussion followed by committee members regarding state wages as compared to bordering states. Representative Schwartz noted the trend for national chartered banks applying to do business in Kansas appears to be increasing, and she reviewed new banking regulations examination staff, information technology and secrecy act.

Representative Schwartz renewed the motion to approve the Budget Committee Report. The motion carried.

Chairman Rhoades reviewed the agenda for the next committee meeting.

The meeting was adjourned at 10:11 a.m.