

Approved: March 7, 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, March 1, 2012 in Room 346-S of the Capitol.

All members were present except:

Peggy Mast - 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

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 called the meeting to order, and upcoming committee meeting agendas were reviewed.

Representative McLeland, Chair, General Government Budget Committee, presented the FY 2013 Department of Revenue Budget Committee Report ([Attachment 1](#)). The Budget Committee concurred with the Governor's recommendation with the following adjustment and notations: delete \$450,000 from the Division of Vehicles Operating Fund for further consideration at Omnibus; recommended a feasibility study to move functions related to motor vehicle titling to county treasurers and report to the Appropriations Committee and General Budget Committee before April 1, 2012; and noted numerous fee funds and concerned that fees associated with individual projects may be assessed for projects that have completed and requested that the Legislative Research compile the history of fee funds administered by the Department of Revenue for special projects.

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## CONTINUATION SHEET

Minutes of the HOUSE APPROPRIATIONS Committee at 9:00 AM on Thursday, March 1, in 346-S of the Capitol.

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Representative McLeland made a motion to approve the FY 2013 Department of Revenue Budget Committee Report. The motion was seconded by Representative DeGraaf.

Discussion followed by committee members regarding the surcharge on motor vehicle registration. Committee members received a copy of the Division of Vehicles Modernization Fund (Attachment 2). As requested by committee members, additional information will be forthcoming regarding the fee fund transfers to the State Highway Fund.

Representative McLeland renewed the motion. The motion carried.

Representative DeGraaf, Vice-Chair, General Government Budget Committee, presented the FY 2012 Kansas Human Rights Commission Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation.

Representative DeGraaf made a motion to approve the FY 2012 Kansas Human Rights Commission Budget Committee Report. The motion was seconded by Representative McLeland. The motion carried.

Representative DeGraaf, Vice-Chair, General Government Budget Committee, presented the FY 2013 Kansas Human Rights Commission Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation.

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

Discussion followed by committee members. It was noted that the two FTE positions that have been recommended for elimination are vacant positions.

Ruth Glover, Assistant Director, Kansas Human Resources Commission, responded to questions from committee members. She reviewed performance measures, and discussed procedures for evaluating and processing complaints. The primary factor with the decline in caseloads has been the improved economic conditions, she added.

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

Representative McLeland, Chair, General Government Budget Committee, presented the FY 2013 Kansas Public Employees Retirement System (KPERS) Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following adjustments: add \$378,063 from the KPERS Trust Fund to fund enhancement requests; and recommended that the Appropriations Committee review KPERS funding at Omnibus.

*Representative McLeland made a motion to approve the FY 2013 KPERS Budget Committee Report. The motion was seconded by Representative DeGraaf.*

Discussion followed by committee members. It was noted that the all funds increase was from the trust fund. The federal requirements for the changes to the retirement program and the addition of a new category in the plan were discussed.

Alan Conroy, Executive Director, KPERS, responded to questions from committee members. He reviewed the components of the tiers for KPERS members as related to elections and default choices. The investment fund management fee and contract was reviewed. It was noted that the current contract expires in FY 2014. A review of the KPERS 13<sup>th</sup> Check bonds followed.

J.G. Scott, Legislative Research Department, stated that the KPERS trust fund for FY 2013 is \$101.4 million in all funds for the employer's contribution the State General Fund portion is approximately \$45 million.

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

Representative DeGraaf, Vice-Chair, General Government Budget Committee, presented the FY 2012 Court of Tax Appeals Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following notation: expressed appreciation for the ability to budget and operate with the current financial constraints.

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Representative DeGraaf made a motion to approve the FY 2012 Court of Tax Appeals Budget Committee Report. The motion was seconded by Representative McLeland. The motion carried.

Representative DeGraaf, Vice Chair, General Government Budget Committee, presented the FY 2013 Court of Tax Appeals Budget Committee Report ([Attachment 1](#)). The Budget Committee concurred with the Governor's recommendation with the following notations: noted current lawsuits; and concern for public access to the court.

Representative DeGraaf made a motion to approve the FY 2013 Court of Tax Appeals Budget Committee Report. The motion was seconded by Representative McLeland.

Discussion followed by committee members regarding the fee structures, fee adjustments and pending lawsuits.

Janis Lee, Executive Director, Court of Tax Appeals, responded to questions from committee members. She reviewed the fee structure and noted that in certain areas no fees are required for appeals according to statutes. Seven months into the fiscal year the department is within \$20,000 of projected fee collections, she noted. Discussion followed regarding county property reappraisals, and the pending lawsuit for business and commercial fees. With changes in the postal system, she recommended that consideration be given to changing the mail by date from 3 to 5 days.

Representative DeGraaf renewed the motion. The motion carried.

Representative McLeland, Chair, General Government Budget Committee, presented the FY 2013 Board of Pharmacy Budget Committee Report ([Attachment 3](#)). The Budget Committee concurred with the Governor's recommendation with the following adjustments: add \$220,000 from the Harold Rogers Prescription Federal Fund to the Pharmacy Fee Fund; and recommended that the agency present a plan at Omnibus to reduce fees.

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

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Discussion followed by committee members regarding the fee fund ending balance.

Representative McLeland renewed the motion. The motion carried.

Representative DeGraaf, Vice-Chair, General Government Budget Committee, presented the FY 2013 Office of Administrative Hearings Budget Committee Report (Attachment 3). The Budget Committee concurred with the Governor's recommendation.

Representative DeGraaf made a motion to approve the FY 2013 Office of Administrative Hearings Budget Committee Report. The motion was seconded by Representative McLeland.

Discussion followed by committee members. The scope of practice between the Human Rights Commission and the Office of Administrative Hearings was reviewed. It was noted that funding comes from professional fees paid by other agencies. Additional information regarding staffing and the number of claims for the Human Rights Commission and the Office of Administration Hearings will be provided by staff, as requested by a committee member.

Jill Wolters, Office of the Revisor of Statutes, reviewed the responsibilities of the Office of Administrative Hearings and the Human Rights Commission.

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

J.G. Scott, Legislative Research Department, responded to a question from a committee member regarding the format used for presenting budget committee reports. These reports reflect changes from the last approved budget to reflect what is being requested to date, he stated.

Chairman Rhoades reviewed the agenda for the next committee meeting.

The meeting adjourned at 10:33 a.m.

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