

Approved: March 5, 2012

(Date)

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Marc Rhoades at 8:35 AM on Wednesday, February 29, 2012 in Room 346-S of the Capitol.

All members were present except:

Representative Denning - 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

Conferees appearing before the Committee:

Speaker Mike O'Neal

Andy Thompkins, Kansas Board of Regents

Others in attendance:

See attached list.

Chairman Rhoades called the meeting to order.

Representative Gatewood, Member, Transportation and Public Safety Budget Committee, presented the FY 2012 Adjutant General's Department Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation.

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.

CONTINUATION SHEET

Minutes of the HOUSE APPROPRIATIONS Committee at 8:35 AM on Wednesday, February 29, in Room 346-S of the Capitol.

Representative Gatewood made a motion to approve the FY 2012 Adjutant General's Department Budget Committee Report. The motion was seconded by Representative Peck. The motion carried.

Representative Gatewood, Member, Transportation and Public Safety Budget Committee, presented the FY 2013 Adjutant General's Department Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following notations: noted that legislation has been introduced to increase the longevity bonus to \$50 per year of service; noted that 4 positions participated in the Voluntary Retirement Incentive Program; and noted that there are fourteen open disasters, and that legislation has been introduced to create a disaster fund.

Representative Gatewood made a motion to approve the FY 2013 Adjutant General's Department Budget Committee Report. The motion was seconded by Representative Peck.

Discussion followed by committee members regarding the Voluntary Retirement Incentive Program, disaster funds and enhancement requests. It was noted that current requests are fully funded, and that private property does not qualify for disaster relief.

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

Representative Peck, Chair, Transportation and Public Safety Budget Committee, presented the FY 2012 Board of Indigents' Defense Services Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation.

Representative Peck made a motion to approve the FY 2012 Board of Indigents' Defense Services Budget Committee Report. The motion was seconded by Representative Gatewood. The motion carried.

Representative Peck, Chair, Transportation and Public Safety Budget Committee, presented the FY 2013 Board of Indigents' Defense Services Budget Committee Report (Attachment 1). The

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Budget Committee concurred with the Governor's recommendation with the following adjustments and notation: noted that legislation has been introduced to increase the longevity bonus to \$50 per year of service; recommended the Appropriations Committee review at Omnibus the enhancement request for an Indigency screener; and recommended the Board on Indigents' Defense would be granted great latitude to determine priority between public defenders and assigned council with the authority to transfer State General Fund dollars between accounts.

Representative Peck made a motion to approve the FY 2013 Board of Indigents' Defense Services Budget Committee Report. The motion was seconded by Representative Pottorff. The motion carried.

Discussion followed by committee members. It was noted that the Governor's recommendation was to fully fund the caseload estimates. As requested, the number of assigned council and public defenders will be provided to committee members. Concern was expressed for maintaining legal staff which has a turnover rate of 20% and reduced wages.

Patricia Scalia, Executive Director, Board of Indigent's Defense Services (BIDS), responded to questions from committee members. She stated that with the budget reductions two years ago, the board has statutory authority and took action to reduce wages from \$80 per hour to \$62 per hour in order to make payment on current cases. The number of exceptional claims has increased to approximately \$1 million and the cap could be exceeded on a case by case basis. A salary parody for public defenders has been requested, as a result of attorney turnover rates of 20%, she added.

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

Representative Peck, Chair, Transportation and Public Safety Budget Committee, presented the FY 2013 Department of Transportation Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following recommendations and notations: authorized the use of up to \$2 million existing KDOT funds as a State match for the TIGER IV federal grant; noted that legislation has been introduced to increase the longevity

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bonus to \$50 per year of service; noted that 98 positions participated in the Voluntary Retirement Incentive Program; and noted the estimated economic impact for Kansas with the TWORKS program.

Representative Peck made a motion to approve the FY 2013 Department of Transportation Budget Committee Report. The motion was seconded by Representative Gatewood.

Discussion followed by committee members. Concerns were expressed regarding funds that have been used from the Kansas Department of Transportation (KDOT) which may result in an unsecure funding stream and impact the bond rating. As requested, additional information will be provided by staff regarding the ending balance for bond indebtedness, amount of available bonding authority and reserve balances. It was noted that KDOT has the authority to bond up to 18% of the income revenue as part of the T-WORKS project.

Jerry Younger, Deputy Secretary, Kansas Department of Transportation, responded to questions from committee members. He reviewed the TIGER IV federal grant for rail improvements and the grant application timeframe. He stated that projected costs for obligated state dollars, the economic impact for the railroad expansion, federal and state subsidy for Amtrak, FRA cost analysis, monies that were earmarked to reimburse KDOT and identified priorities that would be effected if more money was borrowed that what was released, prior to the implementation of T-WORKS will be provided to committee members, as requested.

Discussion continued by committee members regarding the interest savings that could be captured by paying off the debt earlier. Clarification was provided by a committee member regarding the current House Tax Plan. It was noted that this would make up the \$300 million shortfall in FY 2014 and FY 2015 budgets.

Representative Kelley made a substitute motion to remove item #1 and language added that no money shall be spent and this issue will be reviewed at Omnibus. The motion was seconded by Representative Schwartz. The motion carried.

Representative Peck renewed the motion to approve the Budget Committee Report as amended. The motion carried.

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Representative Gatewood, Member, Transportation and Public Safety Budget Committee, presented the FY 2013 Kansas Sentencing Commission Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following notation: noted that legislation has been introduced to increase the longevity bonus to \$50 per year of service.

Representative Gatewood made a motion to approve the FY 2013 Kansas Sentencing Commission Budget Committee Report. The motion was seconded by Representative Pottorff.

Discussion followed by committee members. It was noted that a majority of the budget supports the Alternative Treatment program.

Representative Gatewood renewed the motion to approve the FY 2013 Budget Committee Report. The motion carried.

Hearing on:

HB 2745 - Postsecondary educational institutions; reducing the exception percentage for qualified admissions; eliminating funding for remedial courses.

Jason Long, Office of the Revisor of Statutes, provided an overview of the bill and responded to questions from committee members. He stated that no State General Funds could be used for remedial courses.

J.G. Scott, Legislative Research Department, provided clarification regarding the block grant and noted that in the bill no money would be appropriated for remedial courses to the universities.

Speaker Mike O'Neal, Kansas House of Representatives, provided testimony as a proponent of the bill (Attachment 2).

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Speaker O'Neal responded to questions from committee members. Discussion followed regarding transfer credits for remedial courses and qualified admissions. He emphasized the importance of preparing high school students for post-secondary coursework.

Andy Thompkins, President and CEO, Kansas Board of Regents, presented neutral testimony on the bill (Attachment 3).

Andy Thompkins responded to questions from committee members. He noted that the board has approved 55 – 59 hours of general education credits that would be transferred to any 2 – 4 year institution in the state. The NCAA will be raising the bar for Division One athletics, especially during the student's first three years of high school, he added.

The meeting adjourned at 11:00 a.m.