

Approved: March 12, 2012

(Date)

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Marc Rhoades at 9:09 AM on Monday, March 5, 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
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 reviewed the committee meeting agenda.

Representative Schwartz, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2013 Department of Commerce Budget Committee Report ([Attachment 1](#)). The Budget Committee concurred with the Governor's recommendation with the following notations and adjustments: delete \$500,000 from State General Fund (SGF) for the economic improvement initiative and review at Omnibus; delete \$500,00 from SGF for pilot program for employee opportunities with disabilities and review at Omnibus; review Broadband plans at Omnibus; requested a report to the Budget Committee, prior to Omnibus, the IMPACT program; report to the Budget Committee, prior to Omnibus, contracts maintained by the Department in Chicago, New York, Los Angeles, Beijing and Mexico City for trade and business development; noted the Angel Tax Credit program; concern noted regarding the Energy Efficiency Revolving Loan Grant; and noted the department's changes in funding and programming.

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 9:00 AM on Monday, March 5, in 346-S of the Capitol.

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

Discussion followed by committee members. As requested, staff will provide committee members with additional information on the 34 companies that are receiving investments from the Angel Tax Credit program. A committee member emphasized the importance of economic development in Southeast Kansas.

Representative Gatewood made substitute motion to delete item #1 which recommended the deletion of \$500,000 from SGF for economic improvement initiative. The motion was seconded by Representative Feuerborn.

Discussion continued by committee members regarding the substitute motion. It was noted that additional information regarding new program incentives was needed for review at Omnibus.

Representative Gatewood renewed the substitute motion. The motion carried.

Discussion continued by committee members regarding program information that would reflect measurable outcomes and the state's return on investment. It was noted that this information would be helpful prior to Omnibus. As requested earlier in the meeting, committee members received a copy of the 2011 Angel Tax Credit Report (Attachment 2). The suggestion was made for the committee to reassemble twice during the interim period to hear back from agencies on performance based results, which would need the approval of Leadership it was noted. As requested by committee members, additional information on the Neighborhood Improvement Youth Employment Act, rural zone applications by county, Affordable Air Fare funding, and information on the 34 businesses that received funding from the Angel Tax Credit in FY 2012 will be forthcoming.

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

CONTINUATION SHEET

Minutes of the HOUSE APPROPRIATIONS Committee at 9:00 AM on Monday, March 5, in 346-S of the Capitol.

Representative McLeland, Chair, General Government Budget, presented the FY 2012 Department of Labor Budget Committee Report (Attachment 3). The Budget Committee concurred with the Governor's recommendation.

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

Kathy Sparks, Deputy Secretary, Department of Labor, responded to questions from committee members and provided an overview of the Unemployment Trust fund loan. She projected that the loan balance would be paid off in FY 2014.

Representative McLeland renewed the motion. The motion carried.

Representative McLeland, Chair, General Government Budget, presented the FY 2013 Department of Labor Budget Committee Report (Attachment 3). The Budget Committee concurred with the Governor's recommendation.

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

Representative Ballard read the Minority Report.

Discussion followed by committee members. A review of capital improvements to parking lots and 427 S. Topeka upon the removal of this property, and vehicle repairs followed. Unemployment Insurance Benefits and computer contracts as related to bonding issues were discussed. As requested, additional information will be forthcoming regarding Unemployment Insurance Benefit claims from FY 2008 until present.

Representative McLeland made a substitute motion to restore \$41,865 in SGF and delete from all funds \$22,534 for worker's compensation fee fund and \$19,331 from the unemployment insurance fund. The motion was seconded by Representative DeGraaf.

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Discussion followed by committee members. It was noted that the Governor's budget amendment did not include the full amount of state funding.

Representative McLeland renewed the substitute motion. The motion carried.

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

Representative DeGraaf, Vice-Chair, General Government Budget Committee presented the FY 2012 Kansas Racing and Gaming Commission Budget Committee Report (Attachment 4). The Budget Committee concurred with the Governor's recommendation.

Representative DeGraaf made a motion to approve the FY 2012 Racing and Gaming 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 Racing and Gaming Commission Budget Committee Report (Attachment 4). The Budget Committee concurred with the Governor's recommendation.

Representative DeGraaf made a motion to approve the FY 2013 Racing and Gaming Commission Budget Committee Report. The motion was seconded by Representative Kelley.

Representative DeGraaf read and explanation of vote relating to the Kansas Lottery Commission and Kansas Racing and Gaming Commission Budget Committee (Attachment 5). Discussion followed by committee members and the recommendation was made that explanation of voting should be provided after the vote occurred and procedures should be reviewed by the Rules Committee.

Representative DeGraaf renewed the motion. The motion carried.

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Representative DeGraaf, Vice-Chair, General Government Budget Committee presented the presented the FY 2012 Kansas Lottery Budget Committee Report. The Budget Committee concurred with the Governor's recommendation.

Representative DeGraaf made a motion to approve the FY 2012 Kansas Lottery 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 Lottery Budget Committee Report (Attachment 4). The Budget Committee concurred with the Governor's adjustments: add \$17,600 from Lottery Operating Fund to purchase one vehicle; add \$18,600 from the Lottery Operating fund to purchase one vehicle for security personnel; and review the request for \$109,500 from the Lottery Operating Fund at Omnibus.

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

Discussion followed by committee members regarding vehicle purchases.

Representative DeGraaf renewed the motion. The motion carried.

Chairman Rhoades stated that going forward explanations of vote would be provided after the vote has taken place.

The meeting adjourned at 10:55 a.m.