

Approved: April 26, 2012

(Date)

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30 AM on Monday, January 30, 2012 in 548-S of the Capitol.

All members were present.

Committee staff present:

Jan Lunn, Committee Assistant
Melinda Gaul, Chief of Staff, Senator McGinn's Office
Eli Johns, Intern, Senator McGinn's Office
Alan Conroy, Director, Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department
Michael Steiner, Senior Analyst, Legislative Research Department
Bobbi Mariani, Fiscal Analyst, Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
David Wiese, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes

Conferees appearing before the Committee:

Representative Joe Patton,
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department

Others in attendance:

See attached list.

There were no bill introductions.

Hearing on SB 294 - Joint Committee on Claims Against the State; recommended payments

Representative Joe Patton, Chairman of the Joint Committee on Claims against the State, provided a brief summary of the Joint Committee's recommendations (Attachment 1). He indicated there were 80 claims heard of which 69 claims were filed against the Department of Corrections or correctional facilities. The recommendation includes expenditures of \$76,056.64, all from special revenue funds.

Dylan Dear, Legislative Research Department, provided additional detail (Attachment 2) section-by-section of the bill.

Senator McGinn closed the hearing on SB 294.

CONTINUATION SHEET

Minutes of the SENATE WAYS AND MEANS Committee at 10:30 AM on Monday, January 30, in 548-S of the Capitol.

Senator Teichman moved to pass out favorably SB 294; Senator Vratil seconded the motion, which passed on a roll call vote.

Staff review of SB 311—Supplemental appropriations for FY 2012 and FY 2013 for various state agencies

J. G. Scott was present to review the supplemental appropriations for FY 2012 and FY 2013. (Attachment 3) Mr. Scott reminded all committee members that the bill contains changes to the Governor's recommendation from the State General Fund (SGF) or special revenue funds.

The budget approved at the conclusion of the 2011 Legislative Session was \$13.9 billion; the Governor's budget recommendation is now \$14.7 billion, an increase of \$830 million.

Mr. Scott described these all fund expenditure increases as indicated:

- Increase of \$188 million in the Department of Transportation, which represents capital improvements begun but incomplete at the current time.
- Increase of \$181 million in the Board of Regents and Regents institution of which the majority is due to tuition increases and fees.
- Increase of \$140 million in the Kansas Department of Health and Environment (KDHE), which represents increases to human caseloads that were not reflected in the budget.
- Increase of \$116 million in the Adjutant General's office, which reflects disaster relief funding.
- Increase of \$72 million in the Department of Social and Rehabilitation Service (SRS), State Hospitals, Department of Labor, and Department on Aging, which represents increases to human services.

Mr. Scott turned his attention to briefing committee members on SGF budget recommendations, which includes the Governor's recommendation of \$6.1 billion; at the conclusion of the 2012 Legislative Session, the approved budget was approximately \$6 billion.

SGF expenditure increases include:

- \$31.6 million in Education, representing new school finance estimates.
- \$25.6 million in KDHE, representing the SGF portion of human service caseloads.
- \$12.9 million of the total increase represents unspent funds in FY 2011 that were shifted or carried forward to FY 2012. A committee member requested a breakdown of the carried forward and shifted funds.

A small adjustment of \$2.0 million in the SGF is seen, of which the majority is in the Expanded Lottery Act Revenue Fund (ELARF) that reflects \$1.7 million needed to rehab the Labette

CONTINUATION SHEET

Minutes of the SENATE WAYS AND MEANS Committee at 10:30 AM on Monday, January 30, in 548-S of the Capitol.

conservation camp building for a geriatric inmate unit for the Department of Corrections. In addition, a small adjustment in the Securities Commission occurred when a small tort claim was approved by the State Finance Council.

Mr. Scott added that any changes to the biennial budgets approved for FY 2013 are included in **SB 311**.

Documentation of discussion and questions follows:

On page 7 of the bill, a transfer of \$832,000 is made from the Kansas Endowment for Youth Fund (KEY) to the Children's Initiative Fund (CIF); a committee member asked why that was included in the Kansas Public Employees Retirement System (KPERS) section of the bill and the rationale for the transfer. Mr. Scott responded the reason it is reflected in the KEY fund is that particular fund was established to receive tobacco litigation dollars, and KPERS was the agency designated to invest any funding received from tobacco settlements. Amy Deckard, Legislative Research Department, indicated accrued interest and an additional balance were available in the KEY fund; the Governor's recommendation includes transferring \$832,000 from the KEY fund to the CIF and expending those funds in the current year.

In the Department of Education section, page 13, subsection b, a committee member requested definition of the term "second proviso" referenced in the subsection. Mr. Scott commented that during work on the supplemental bill in FY 2011, a proviso was added transferring excess revenue from consensus estimates to education (based on previous year estimates). In the bill itself, the previous year's consensus estimates was posted incorrectly; the "second proviso" corrects the posted error.

A committee member asked if the funding addition to the Wildlife, Parks and Tourism Department (on page 11) replaces funding lost from park revenue receipts. Mr. Scott indicated it does not replace all the reductions seen in park receipts.

With regard to page 6 of the bill, Governmental Ethics Commission, a bill is currently in Senate Ethics and Elections Committee revising fees for certain categories of lobbyists; a committee member asked why fee fund increases are included in the bill when the bill's outcome from the Ethics and Elections Committee is unknown at the current time. Mr. Scott indicated the assumption is that the bill will pass; this is a \$9,000 reduction from the funding appropriated in FY 2011 by the Legislature.

On page 8, an addition of \$2 million, from the SGF, is seen for shortfalls in Home and Community Based Services waivers due to the implementation of the Financial Management System (FMS) and the Electronic Visit Verification (EVV) system. A committee member asked for what purpose these funds will be used. Mr. Scott added the \$2 million will go to Department

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 SENATE WAYS AND MEANS Committee at 10:30 AM on Monday, January 30, in 548-S of the Capitol.

on Aging for distribution; he was unsure as to how the funding will be split. Mr. Scott will obtain further information for committee members.

The meeting was adjourned at 11:35 a.m.