

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:12 a.m. on March 11, 2009, in Room 143-N of the Capitol.

All members were present except:

Representative Mitch Holmes- excused  
Representative Tom Sawyer- excused

Committee staff present:

Nobuko Folmsbee, Office of the Revisor of Statutes  
Jim Wilson, Office of the Revisor of Statutes  
Christina Butler, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
J.G. Scott, Kansas Legislative Research Department  
Kelly Cure, Chief of Staff  
Kathy Holscher, Committee Assistant

Conferees appearing before the Committee:

None

Others attending:

See attached list.

- Attachment 1 Budget Committee Report for Kansas Department of Transportation
- Attachment 2 Budget Committee Report for Department of Wildlife and Parks
- Attachment 3 Budget Committee Report for Kansas Lottery

Representative Tafanelli, Chair of the Transportation and Public Safety Budget Committee, presented the Budget Committee Report on the Governor's budget recommendations for the Kansas Department of Transportation for FY 2010, (Attachment 1) and moved for the adoption of the Budget Committee recommendations for FY 2010. The motion was seconded by Representative Gatewood. Motion carried.

Budget Committee members responded to questions from Committee members. The allocation of stimulus funds for projects will be outlined next week, in accordance with the application deadline of March 13, and the framework reviewed at Omnibus.

J.G. Scott, Legislative Research Department, responded to questions from Committee members regarding repayment of state highway funds, which are scheduled to be paid off in FY 2010.

Representative Faber, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee Report on the Governor's budget recommendations for the Department of Wildlife and Parks for FY 2010, (Attachment 2) and moved for the adoption of the Budget Committee recommendations for FY 2010. The motion was seconded by Representative Williams. Motion carried.

Budget Committee members responded to questions from Committee members. It was noted that this budget reflects a 13 percent reduction in SGF. The summer grant program and staffing issues were reviewed.

Mark Stock, Wildlife and Parks staff, discussed the on-line cabin and license registration, which are two separate systems.

Representative Burroughs, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Lottery for FY 2010, (Attachment 3) and moved for the adoption of the Budget Committee recommendation for FY 2010. The motion was seconded by Representative Watkins.

Representative DeGraaf presented the Minority Report, (Attachment 3), opposing all gambling and recommending no funding for the Kansas Lottery, Kansas Racing and Gaming Commissions.

## CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:12 a.m. on March 11, 2009, in Room 143-N of the Capitol.

Budget Committee members responded to questions from Committee members. It was noted that the Governor's budget does not include enhancements for two casinos that have not opened and have been placed on hold. The application deadline is April 1, 2009.

Ed Van Petten, Executive Director, Kansas Lottery, responded to questions from Committee members. He stated that two applications are forthcoming, one from South Central Kansas and one from Northeast Kansas. Revenue estimates of \$50 million represented these two zones. When the request was submitted it was anticipated that four casinos would be in operation. The Dodge City project is ahead of schedule. He noted that the Southeast Kansas zone has an extended application deadline of April 21. Staffing issues and retail sales were reviewed. It was noted that a loan made in 1987 has been repaid.

Representative Burroughs renewed the motion to approve the Kansas Lottery Budget Committee recommendations for FY 2010. Motion carried.

Representative Whitham, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's Budget recommendations for the Kansas Public Employees Retirement System for FY 2010, (Attachment 3) and moved for the adoption of the Budget Committee recommendations for FY 2010. The motion was seconded by Representative Kelley.

Budget Committee members responded to questions from Committee members. It was noted that the legislature approved a \$25 million bond for a 13<sup>th</sup> payment to retirees. The interest and principle payments is paid by SGF and reimbursed by KPERS. The Governor's recommendation includes refinancing these bonds with K DFA over a four to five year period.

Julian Efir, Kansas Legislative Research Department, reported that these bonds are scheduled to be sold in August. The authority to refinance the bonds will require K DFA to be included in a \$39 million capital improvement bill, which is subject to legislative approval.

Glen Deck, Executive Director, Kansas Public Retirement System, discussed the Department of Administration \$500 million bond, that was issued in FY 2003. The future market returns, employee contributions and the on-going liability was reviewed.

Representative Whitham, renewed the motion to adopt the FY 2010 Kansas Public Employees Retirement System Budget Committee Report. Motion carried.

Representative Kelley, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's Budget recommendations for the Kansas Racing and Gaming Commission, (Attachment 3) and moved for the adoption of the Budget Committee recommendations for FY 2010. The motion was seconded by representative Burroughs.

Budget Committee members responded to questions from Committee members regarding: employment and salary issues; and vehicle replacement cost which is reimbursed 100 percent by the tribes. It was suggested that the director of motor vehicle purchasing review the purchase criteria and options that are available, at Omnibus.

John McElroy, Gaming Director, discussed costs involved with regulating gaming in the state. Tribal payments are reimbursed timely and on a quarterly basis.

Don Cawby, Director of Administration, Gaming Commission, discussed the status of state race tracks and licensing issues, and the law enforcement agents assigned to the gaming facilities.

Representative Kelley renewed the motion to adopt the FY 2010 Kansas Racing and Gaming Commission Budget Committee recommendation. Representative DeGraaf and Representative Mast did not vote in favor of the recommendation. Motion carried.

The next meeting is scheduled for March 16, 2009.

CONTINUATION SHEET

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The meeting was adjourned at 10:37 a.m.

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Kevin Yoder, Chairman