

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on February 7, 2006 in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research Department  
J. G. Scott, Legislative Research Department  
Becky Krahl, Legislative Research Department  
Matt Spurgin, Legislative Research Department  
Michele Alishahi, Legislative Research Department  
Reagan Cussimano, Legislative Research Department  
Amy Deckard, Legislative Research Department  
Audrey Dunkel, Legislative Research Department  
Julian Efird, Legislative Research Department  
Debra Hollon, Legislative Research Department  
Susan Kannarr, Legislative Research Department  
Carolyn Rampey, Legislative Research Department  
Leah Robinson, Legislative Research Department  
Amy VanHouse, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Administrative Assistant  
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Others attending:

See attached list.

- Attachment 1 Information on **HB 2583**
- Attachment 2 Response to Committee questions from the Division of Personnel Services
- Attachment 3 Baseline Budget Overview
- Attachment 4 Profile of State General Fund (SGF) with Governor's FY 2007 Budget recommendations and Baseline Budget
- Attachment 5 FY 2007 Baseline Budget
- Attachment 6 State General Fund (SGF) Receipts, July thru January, FY 2006

Chairman Neufeld referred the following bills:

**HB 2528, HB 2778, HB 2796 and HB 2817** to Agriculture and Natural Resources Budget Committee.

**HB 2363, HB 2475 and HB 2504** to Retirement Sub Committee.

**HB 2653, HB 2674, HB 2799 and HB 2812** to Social Services Budget Committee.

**HB 2786 and HB 2797** to General Government & Commerce Budget Committee.

**HB 2818** to Public Safety Budget Committee.

**Action on HB 2583 - KPERS amendments relating to purchase of service credit, beneficiaries and disability benefits.**

Julian Efird, Legislative Research Department, presented a Legislative Data Sheet and information on **HB 2583**, which was worked by the Retirement Sub Committee ([Attachment 1](#)). **HB 2583** was requested by the Kansas Public Employees Retirement System (KPERS) to make technical amendments and clarify language in the KPERS Retirement Act. **HB 2583** can be implemented within current approved KPERS staffing and operating expenditure levels. The Retirement Sub

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Committee recommends favorable passage of the bill and placement on the consent calendar.

Representative Feuerborn moved to recommend **HB 2583** favorable for passage and to be placed on the consent calendar. The motion was seconded by Representative Lane. Motion carried.

Representative Feuerborn moved to introduce legislation regarding the Board of Regents and the ability to retain interest on accounts. The motion was seconded by Representative Lane. Motion carried.

Representative Henry moved to introduce legislation concerning public assistance for persons convicted of a crime concerning a controlled substance. The motion was seconded by Representative Ballard. Motion carried.

Information on wage rates for select "Hot Jobs", employee turnover comparison for select "Hot Jobs" and raises provided to state employees in the past twenty years, as requested by the Committee, was provided by the Division of Personnel Services and distributed to the Committee (Attachment 2).

J. G. Scott, Legislative Research Department, presented an overview of the baseline budgeting process (Attachment 3). Mr. Scott noted that the FY 2007 baseline budget is based on the FY 2006 budget as approved by the 2005 Legislature with adjustments for salaries and wages, FY 2007 debt service, statutory State General Fund (SGF) revenue transfers, consensus adjustments and selected expenditures and transfers. Responding to Committee questions, Mr. Scott explained that vehicle purchases are excluded from the baseline budget, some federal fund adjustments are excluded in the baseline budget, carry-over balances are not included in the baseline budget, and revenue transfers as directed by statute are included.

Mr. Scott presented a mini profile of the SGF using the Governor's Budget Recommendations and the Baseline Budget (Attachment 4). Responding to a question from the Committee with regard to the difference of \$6.8 million between the SGF Consensus Revenue estimate in the Governor's budget and the baseline budget estimate, Mr. Scott indicated that the Governor's estimate includes \$1.2 additional lottery revenue, \$2.1 additional revenue from Highway Patrol operations, \$500,000 from the Highway Patrol Motor Vehicle Fund, \$1 million from the Insurance Regulation Fund, \$300,000 from the Securities Commission and approximately \$2 million from the Education Safety Fund. The Committee noted that the baseline budget shows an ending balance of approximately \$62 million and maintains a 7.5% ending balance.

Responding to a question from the Committee with regard to the Attorney General's budget, Carolyn Rampey, Legislative Research Department, explained that the FY 2006 approved budget showed approximately \$1 million for water. The Governor's budget recommendation includes only \$280,000 for water which shows a reduction of expenditures in the Governor's budget recommendation

With reference to the reduced expenditures of \$61.7 million in the baseline budget, Mr. Scott stated that large items included in the Governor's budget recommendations pertain to the Board of Regents, employee's pay plan, waivers in Social and Rehabilitation Services (SRS), energy assistance programs, funds to develop teacher skills in education, funding of \$8.9 million for **SB 345** and \$5 million for the cancer research center at University of Kansas.

In addition, Mr. Scott presented the FY 2007 Baseline Budget (SGF) showing the differences between the baseline budget and the Governor's Recommended Budget (Attachment 5). Mr. Scott noted that these budgets do not include the biennial budgets. Adjustments will be explained in detail when each budget is worked by the appropriate budget committee.

Alan Conroy, Legislative Research Department, presented an update on State General Fund (SGF) Receipts for the period July through January, FY 2006 (Attachment 6). Mr. Conroy noted that SGF receipts are \$69 million or 2.4% above the estimated receipts. Also noting that there is strength in individual income taxes, up approximately \$28 million, and corporate income tax which is up over \$37 million. Mr. Conroy stated that income tax receipts from payers of estimated income taxes,

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during January, were \$105 million, the highest such monthly total on record. To date, total receipts for FY 2006 are \$280.4 million or 10.3 percent above FY 2005 receipts for the same period.

Representative Landwehr moved to approve the minutes, as written, of January 24 and January 31. The motion was seconded by Representative Feuerborn. Motion carried.

The meeting was adjourned at 9:45 a.m. The next meeting will be held at 9:00 a.m. on February 8, 2006.

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Melvin Neufeld, Chair