

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 8:00 A.M. on March 14, 2008, 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
Reed Holwegner, Legislative Research Department
Cody Gorges, Legislative Research Department
Amy Deckard, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Julian Efird, Legislative Research Department
Kimbra Caywood McCarthy, Legislative Research Department
Leah Robinson, Legislative Research Department
Aaron Klaassen, Legislative Research Department
Heather O'Hara, Legislative Research Department
Michael Steiner, Legislative Research Department
Jarold Waltner, Legislative Research Department
Jim Wilson, Revisor of Statutes
Nobuko Folmsbee, Revisor of Statutes
Nikki Feuerborn, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Others attending:

See attached list.

- Attachment 1 Introduce of Legislation regarding physician workforce and accreditation task force
- Attachment 2 House Appropriations Budget Committees on Capital Improvements
- Attachment 3 Educational Building Fund; State Institutions Building Fund; Correctional Institutions Building Fund
- Attachment 4 House Appropriations Bill, Reflects House adjustments for FY 2008, FY 2009, FY 2010, FY 2011, and FY 2012
- Attachment 5 Items for Omnibus Consideration (Referred by the House)
- Attachment 6 Children's Initiatives Fund (CIF) FY 2007 - FY 2008 & FY 2009
- Attachment 7 State Water Plan Fund, FY 2008 & FY 2009
- Attachment 8 Economic Development Initiatives Fund (EDIF), FY 2007-FY 2009
- Attachment 9 Expanded Lottery Act Revenues Fund (ELARF), FY 2009
- Attachment 10 Status of the State General Fund, House Appropriations Committee Recommendations
- Attachment 11 Amendment to **HB 2946** on Department of Commerce
- Attachment 12 Amendment to **HB 2946** on Expanded Lottery Act Revenue Fund (ELARF)
- Attachment 13 Amendment to **HB 2946** on University of Kansas
- Attachment 14 Amendment to **HB 2946** on Department of Education
- Attachment 15 Amendment to **HB 2946** on Department of Education/Department of Health and Environment
- Attachment 16 Amendment to **HB 2946** on Department of Corrections
- Attachment 17 Amendment to **HB 2946** on Department of Corrections
- Attachment 18 Amendment to **HB 2946** on Juvenile Justice Authority (JJA)
- Attachment 19 Amendment to **HB 2946** on Adjutant General
- Attachment 20 Information from Kansas Health Policy Authority (KHPA)

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Introduction of Legislation

Representative Otto appeared before the Committee to request the introduction of legislation to develop a deferred compensation plan directed at Kansas Public Employee Retirement System (KPERs) retirees who return to work.

Representative Kelsey moved to introduce the legislation regarding KPERs retirees as requested. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Schwartz moved to introduce legislation regarding the physician work force and an accreditation task force (Attachment 1). The motion was seconded by Representative Bethell. Motion carried.

Presentation of Budget Information by Fiscal Analyst Staff

Audrey Dunkel, Legislative Research Department, presented an overview of Capital Improvements for state agencies including the following:

- Recommendations for state agencies as proposed by the House Appropriations Budget Committees on Capital Improvements (Attachment 2).
- Educational Building Fund; State Institutions Building Fund; Correctional Institutions Building Fund (Attachment 3).

J. G. Scott, Legislative Research Department, presented a review of the following:

- House Appropriations Bill, Reflects House adjustments for FY 2008, FY 2009, FY 2010, FY 2011, and FY 2012 (Attachment 4).
- Items for Omnibus Consideration (Referred by the House) (Attachment 5).

Amy Deckard, Legislative Research Department, presented a review of the following:

- Children's Initiatives Fund (CIF) FY 2007 - FY 2008 & FY 2009 (Attachment 6).

Heather O'Hara, Legislative Research Department, presented a review of the following:

- State Water Plan Fund, FY 2008 & FY 2009 (Attachment 7).

Reed Holwegner, Legislative Research Department, presented a review of the following:

- Economic Development Initiatives Fund (EDIF), FY 2007-FY 2009 (Attachment 8).

Julian Efird, Legislative Research Department, presented a review of the following:

- Expanded Lottery Act Revenues Fund (ELARF), FY 2009 (Attachment 9).

Alan Conroy, Legislative Research Department, presented an overview of the following:

- Status of the State General Fund, House Appropriations Committee Recommendations (Attachment 10).

Discussion on HB 2936, HB 2946 and HB 2947

Discussion and Action on:

HB 2936 - Appropriations for FY2009 and FY2010 for capital improvements for various state agencies.

HB 2946 - Appropriations for FY 2009 through FY 2013 for various state agencies.

HB 2947 - Supplemental appropriations for FY2008, FY2009, FY2010 and FY2011 for various state agencies.

Department of Commerce

Representative Powell made a motion to amend **HB 2946** by adding a proviso to the Department of Commerce, Market Development Fund stating "Provided, that expenditures shall be made from

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the market development fund for the custom wheat harvest program" (Attachment 11). The motion was seconded by Representative Watkins. Motion carried.

Expanded Lottery Act Revenue Fund (ELARF)

Representative Yoder made a motion to amend **HB 2946** on page 47, following line 23, by inserting language with regard to the Expanded Lottery Act Revenue Fund (ELARF)(Attachment 12). The motion was seconded by Representative Pottorff. Motion carried.

Representative Yoder explained that the amendment would split any revenues from expanded lottery in FY 2008 and FY 2009, into three separate funds titled: (1) state property tax relief reserve fund; (2) state infrastructure relief fund; and (3) state debt reduction reserve fund. Each fund would have a zero dollar expenditure limitation in FY 2008 and FY 2009 so no funds could be appropriated from the funds without further action from the Legislature.

Responding to questions from the Committee, Jim Wilson, Revisor of Statutes, stated that the three funds are similar to lock boxes, and expenditures from the funds are restricted. The amendment specifics that if money is deposited into the three funds, further action will be needed to access the funds. The only single executive authority to approve transfer to another special revenue fund would be the State Finance Council. Mr. Wilson stated that this amendment would not prevent the Governor from recommending transfers from lottery revenues in preceding years as the Governor's recommendations are in bill form.

Board of Regents

Representative Bethell moved to amend **HB 2946** by deleting \$19.6 million from the Board of Regents block grant with a review at Omnibus. The motion was seconded by Representative Powell. Motion carried.

Representative Bethell moved to amend **HB 2946** by deleting \$400,000 from the Board of Regents block grant and fund the Kansas Academy of Math and Science program (KAMS) at Fort Hays State University for the initialization of the program. The motion failed on a vote of 8-10.

University of Kansas

Representative Powell made a motion to amend **HB 2946** by adding language to the University of Kansas budget to delete \$1.0 million, all from the State General Fund (SGF), for planning expenditures related to the expansion of the School of Pharmacy and delete \$50.0 million in bonding authority for the expansion in FY 2009 (Attachment 13). The motion was seconded by Representative Watkins.

Representative Pottorff made a substitute motion to add language to request a review at Omnibus. The motion was seconded by Representative Henry. Motion carried.

Representative Powell renewed the motion to amend **HB 2946** with the proviso as further amended. The motion was seconded by Representative Watkins. Motion carried.

Department of Education

Representative Watkins made a motion to amend **HB 2946** with a proviso to the Department of Education budget for FY 2009 regarding no expenditures to investigate or report students as truants for attendance at special reading studies or other dyslexia remediation program or activity (Attachment 14). The motion was seconded by Representative Powell. Motion carried.

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State Library

Notation was made by the Committee that an item previously recommended by the Education Budget Committee for review at Omnibus relating to the deletion of \$250,000 for the statewide delivery system for library materials was omitted from the report.

Department of Education/Department of Health and Environment

Representative Feuerborn made a motion to amend **HB 2946** by including language in the Department of Education budget and the Department of Health and Environment budget to support recommendations made by the 2007 Disaster Relief and Recovery Special Committee (Attachment 15). The motion was seconded by Representative Tafanelli.

Representative Williams made a substitute motion to add language to the amendment on the Department of Health and Environment to include long-term care and assisted living facilities. The motion was seconded by Representative Feuerborn. The motion carried.

Representative Feuerborn renewed the motion to adopt the amendments to **HB 2946** as further amended. The motion was seconded by Representative Tafanelli. Motion carried.

Department of Corrections

Representative Tafanelli made a motion to amend **HB 2946** by adding an amendment to the Department of Corrections' budget to add \$1,689,697 from the Expanded Lottery Act Revenue Fund (ELARF) (Attachment 16). The motion was seconded by Representative Masterson. Motion carried.

Representative Tafanelli made a motion to amend **HB 2946** by adding an amendment to the Department of Corrections' budget to delete \$1,689,697 from the Correctional Institutions Building Fund and eliminate the transfer of \$1,689,697 from the Expanded Lottery Act Revenue Fund (ELARF) to the Correctional Institutions Building Fund (Attachment 17). The motion was seconded by Representative Williams. Motion carried.

It was noted that this is a technical adjustment to correct action at an earlier date by the Committee.

Juvenile Justice Authority

Representative Williams made a motion to amend **HB 2946** by striking the word "new" on page 152, line 12 (Attachment 18). The motion was seconded by Representative Tafanelli. Motion carried.

Adjutant General

Representative Tafanelli made a motion to amend **HB 2946** by adding language to the Adjutant General's budget to add \$21.0 million, all from the State General Fund (SGF), to provide additional disaster assistance in FY 2009 for the December 2007 ice storm (Attachment 19). The motion was seconded by Representative Williams. Motion carried.

Action on **HB 2936**, **HB 2946** and **HB 2947**

Representative Tafanelli made a motion to recommend **HB 2936** favorable for passage as amended and allow for technical corrections. The motion was seconded by Representative Masterson. Motion carried.

Representative Tafanelli made a motion to recommend **HB 2946** favorable for passage as amended

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and allow for technical corrections. The motion was seconded by Representative Powell. Motion carried.

Representative Tafanelli made a motion to recommend **HB 2947** favorable for passage as amended and allow for technical corrections. The motion was seconded by Representative Powell. Motion carried.

Bill Referral

HB 2744 was referred to the General Government Budget Committee.

Kansas Health Policy Authority

Information requested from the Kansas Health Policy Authority was distributed to the Committee (Attachment 20).

Adjournment

The meeting was adjourned at 9:45 a.m. The next meeting of the Committee will be held at 9:00 a.m. on March 17, 2008.

Sharon Schwartz, Chair