

Approved: 5/7/10

Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 1:38 p.m. on April 29, 2010, in Room 346-S of the Capitol.

All members were present except:

Representative Harold Lane- excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes
Nobuko Folmsbee, Office of the Revisor of Statutes
Jason Long, Office of the Revisor of Statutes
Alan Conroy, Kansas Legislative Research Department
J.G. Scott, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Stephen Huggins, Chief of Staff, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 House Substitute for SB 572 - Additional Adjustments
- Attachment 2 Fee Transfer Recommendations
- Attachment 3 SB 572 - Proposed Amendment
- Attachment 4 SB 572 - Proposed Amendment
- Attachment 5 FY 2011 Appropriations Committee Recommendations
Adjusted for April SGF Consensus Revenue Estimates

Chairman Yoder called the meeting to order and reviewed the meeting agenda, which includes Kansas Legislative Research Department modifications to the House Substitute for SB 572.

Alan Conroy, Director and J.G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department, reviewed additional adjustments to House Substitute for SB 572, (Attachment 1). These calculations were not available prior to Omnibus and reflect \$9.6 million in adjustments.

J.G. Scott responded to questions from committee members. He stated that the fee fund transfers included in the Governor's recommendation of \$12.6 million would not be included in House Substitute for SB 572. Mr. Scott stated that the proposed budget cuts to the Board of Regents would have been below the FY 2006 base and would have an impact on the requirements of the American Recovery Reinvestment Act.

SB 572 - H Sub for S 572 by Committee on Appropriations - Appropriations for FY 2010 through FY 2015 for various state agencies, omnibus appropriation act and omnibus reconciliation spending limit bill for the 2010 regular session

Representative McLeland made a motion to add \$1.6 million to the Board of Regents budget in order to meet American Recovery and Reinvestment Act requirements. The motion was seconded by Representative Merrick. Motion carried

Representative McLeland made a motion to add \$12.8 million to the KPERS school savings. The motion was seconded by Representative Merrick.

Representative McLeland responded to questions from committee members. He stated that the savings were for FY 2011 and were realized from reduced salaries.

Representative McLeland renewed the motion. Motion carried.

Representative Whitham reviewed a summary of fee transfer recommendations, (Attachment 2).

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 1:38 p.m. on April 29, 2010, in Room 346-S of the Capitol.

Representative Whitham made a motion to resind the fee transfers totaling approximately \$12.6. The motion was seconded by Representative Kelley. Motion carried.

Representative Whitham reviewed an amendment for House Substitute for **SB 572**, (Attachment 3). He stated this amendment would include language that would not increase fees in effect on April 1, 2010 in FY 2011.

Representative Whitham made a motion to approve the amendment. The motion was seconded by Representative Merrick.

Discussion followed by committee members. J.G. Scott stated that the fees may fluctuate.

Representative Whitham renewed the motion. Motion carried.

Representative Mast made a motion to reduce the HCCR Pilot Project from \$68 million to \$54 million for FY 2011. The motion was seconded by Representative Rhoades. Motion carried.

Representative Mast made a motion for the approval of the adjustment of the cost containment special adjust special revenue limitation. The motion was seconded by Representative Rhoades. Motion carried.

J.G. Scott responded to a committee member's question. He stated that this motion would add language for authority to spend additional money coming in to the fee funds, The increase for the limitation in special revenue funds was not included originally, Mr. Scott noted. He stated that the technical adjustment would require the Department of Administration to reduce the FTE limitations that correspond with existing vacant positions that are eliminated.

Representative Merrick made a motion to approve the technical adjustment to reduce the FTE limit, (Attachment 4). The motion was seconded by Representative Kelley.

Jim Wilson responded to questions. He stated that the amendment would reduce those positions for FY 2011. Limitations for expenditures for FTE's would go to the State Financial Council to act upon, or mid-year adjustments could be made upon approval of the Legislature, he noted.

Representative Merrick renewed the motion. Motion carried.

Alan Conroy reviewed the recommendations for potential further adjustments based on April SGF consensus Revenue Estimates, (Attachment 5). He stated that this data was passed on the FY 2011 House Appropriations Committee Recommendations and would have a combined ending balance for FY 2010 and FY 2011 of \$16 million. This also includes the \$25 mill for the South Central Gaming Zone.

Representative Merrick made a motion to approve House Substitute for **SB 572** favorable for passage as amended.. The motion was seconded by Representative Kelley. Motion carried.

The next meeting is scheduled for April 30, 2010.

The meeting was adjourned at 2:05 p.m.



Kevin Yoder, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4-29-10

NAME	REPRESENTING
Wynnealey	KCUA
K. P. Ruel	KCUA
Diane Duffy	KBRN
EDIE MEYER	Kansas Reporter
Lue Peterson	K State
Megan Ingire & Bottenberg	KDOL
SEAN MILLER	CAPITOL STRATEGIES
Dan Murray	Federico Consulting
Trudy Reame	KCSU
Wigh Keck	Heinlaw firm
Levi Henry	Landstar Group LLC
Leslie Kaufman	Ks Co-op Council
Linda Shaver	KS Insurance Dept
Maryanne Woelfel	ESU
Victoria White	PSU
Walter Kennedy	KDOA
Debra Pridemex	Fort Hays
	Dave Roberts
LARRY GERS	MIDWEST ENERGY

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4-29-10

NAME	REPRESENTING
Mike Rea	Duchas Braden
Doug Wareham	KBA

Additional Adjustments to House Sub. for SB 572

• KPERS School savings	\$ 12.8
• Include privilege fee for South central Gaming	25.0
• Board of Regents ARRA Compliance Issue	(1.6)
• Adjust for the HCCR pilot project	(14.0)
• Cost containment special adjust special revenue limitation	-
• Adjust for Fee Fund transfers	(12.6)
• Add language to freeze Dept. of Administration rates for FY 11	-
• Technical adjustment to reduce FTE limit	-
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	\$ 9.6

Appropriations Committee

Date 4-29-10

Attachment 1

Agency	Fiscal Year	Fund Name	Transfer Amount	Revenue Source
Department of Education	2011	School Bus Safety Fund	\$ 12,057	Transfer to School Bus Safety Fund from State Highway Fund.
Department of Education	2011	State Safety Fund	3,150,000	Driver's License Fees
Judicial Council	2011	Publications Fee Fund	Excess of \$175,000	Fees for publications
Office of the Kansas Securities Commissioner	2011	Investor Education Fund	1,250,000	Civil penalties received from agents of broker-dealers, investment companies (mutual fund issuers) and other issuers of securities that are seeking investment capital in Kansas; 80.0 percent of civil penalties received by the Commissioner are credited to Investor Education Fee Fund and 20.0 percent of receipts are credited to the State General Fund up to a \$200,000 maximum for SGF funds.
Kansas Insurance Department	2011	Service Regulation Fund	5,000,000	Fees charged by the Department, 1.0 percent of premium taxes received from insurance companies pursuant to KSA 40-252, and an annual assessment imposed as deemed necessary by the Commissioner to fund operations of the Department.
Kansas Department of Labor	2011	Workers' Compensation Fund	800,000	Fees paid by insurance companies and employers based on a percentage of insurance benefits paid out.
Kansas Corporation Commission	2011	Public Service Regulation Fund	350,000	Assessment of Public Utilities and Common Carriers
Kansas Corporation Commission	2011	Gas Pipeline Fee Fund	255,000	Safety and Inspection Fees
Kansas Corporation Commission	2011	Conservation Fee Fund	500,000	Inspection and Supervision Fees
Kansas Corporation Commission	2011	In-Service Education Fund	20,000	In-Service Workshops and Conference Fees
Kansas Corporation Commission	2011	Petroleum Violation Escrow Fund	25,000	Interest on Dept. of Energy litigation proceeds
Kansas Corporation Commission	2011	Motor Carrier Fee Fund	350,000	Registration fees for trucks, tractor-trailers, and passenger vehicles
Kansas Commission on Peace Officers' Standards and Training	2011	Kansas Commission on Peace Officers' Standards and Training Fund	200,000	Docket fees
Office of Administrative Hearings	2011	Administrative Hearings Office Fund	150,000	Hearing Fees
Department of Corrections	2011	Correctional Industries Fund	500,000	Sale of prison made goods
TOTAL			\$ 12,562,057	

Appropriations Committee
 Date 4-29-10
 Attachment 2

Proposed amendment for House Substitute for SB 572
For consideration by Committee on Appropriations

Department of Administration – surcharge

On page 66, in line 13, preceding “That”, by inserting “That the department of administration shall not increase fees above those fees in effect on April 1, 2010, for the fiscal year ending June 30, 2011: *And provided further,*”; in line 19, by striking “*Provided*” and inserting “*And provided*”

Appropriations Committee
Date 4-29-10
Attachment 3

Proposed Amendment for House Substitute for SB 572

For Consideration by Committee on Appropriations

Reducing Full-Time Position Limitations for Abolished Vacant Positions

On page 301, in line 39, following “(b)” by inserting “(1)”;

On page 302, preceding line 7, by inserting the following:

“(2) On July 1, 2010, the position limitation established by section 29 of chapter 124 of the 2009 Session Laws of Kansas, by section 110(a) of this act, or other appropriation act of the 2010 regular session, or by the state finance council, on the number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations for the fiscal year ending June 30, 2011, made by chapter 124 or chapter 144 of the 2009 Session Laws of Kansas, by 2010 Senate Substitute for House Bill No. 2222, or by this or other appropriation act of the 2010 regular session of the legislature for each state agency which has budgeted for vacant positions for the fiscal year ending June 30, 2011, is hereby decreased by the full-time equivalent number of vacant positions that are included in the budget of each such state agency for fiscal year 2011, as determined by the director of the budget, after consultation with the director of legislative research, and certified to the director of accounts and reports.

Appropriations Committee
Date 4-29-10
Attachment 4

FY 2011 House Appropriations Committee Recommendations
Recommendations as of April 23, 2010 and Potential Further Adjustments
Adjusted for April State General Fund Consensus Revenue Estimate

STATUS OF THE STATE GENERAL FUND
FY 2010-FY 2012
(In Millions)

	House Appropriations Committee FY 2010	House Appropriations Committee FY 2011	Estimated FY 2012
Beginning Balance	\$ 49.7	\$ -	\$ 91.4
Receipts (April, 2010 Consensus Revenue Estimate)	5,254.3	5,094.7	5,640.0 *
Governor's Other Revenue Adjustments (adjust transfers; continue KDOT transfer, etc.)	-	274.6	-
NO Governor's Recommended Sales/Use Tax Increase - 5.3% to 6.3%	-	-	-
NO Governor's Recommended Cigarette and Tobacco Product Tax Increase**	-	-	-
House Appropriations Committee Revenue Adjustments (House Sub. for SB 73)	38.0	109.8	-
House Appropriations Committee Tentative Omnibus Adjustments	(0.5)	4.6	
Potential Additional Omnibus Adjustments	-	12.4	
Total Available Revenue	\$ 5,341.5	\$ 5,496.1	\$ 5,731.4
Expenditures ***	6,144.3	6,088.9	6,150.3
Federal Economic Stimulus Legislation	(530.7)	(257.9)	-
Subtotal - Expenditures	5,613.5	5,831.0	6,150.3
Less Governor's Allotments and Net Other Adjustments	(162.6)	-	-
House Appropriations Committee Expenditure Adjustments (House Sub. for SB 73)	(30.5)	(429.3)	-
House Appropriations Committee Tentative Omnibus Adjustments	(3.5)	0.3	
Potential Additional Omnibus Adjustments	-	2.7	
Expenditures Adjusted for a Zero Ending Balance	(75.4)	-	(428.6)
Total Adjusted Expenditures	5,341.5	5,404.7	5,721.7
Ending Balance	\$ -	\$ 91.4	\$ 9.7
Ending Balance as a Percentage of Expenditures	0.0%	1.7%	0.2%
Adjusted Receipts in Excess of Unadjusted Expenditures	\$ (75.4)	\$ 91.4	\$ (418.9)
Two-Year Sum of SGF Ending Balance (FY 2010 and FY 2011)		\$ 16.0	

Appropriations Committee
 Date 4-29-10
 Attachment 5-1

- *) Assumes 4.0 percent growth in tax receipts.
- **) Excludes Governor's recommended cigarette tax increase from \$0.79 to \$1.34 per pack; tobacco product tax increase from 10 percent to 40 percent.
- ***) FY 2012 expenditures include replacing federal economic stimulus funds; KPERS employer contribution increase; human services caseloads; special education increase and state employee undermarket salary adjustment.

Profile: SGF Profile No. 1 - House Appropriations Committee - April 29, 2010

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