

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Wednesday, January 14, 2015, 112-N of the Capitol.

All members were present

Committee staff present:

Andy Chiamopoulos, Legislative Research Department
J.G. Scott, Legislative Research Department
Dylan Dear, Legislative Research Department
Nobuko Folmsbee, Office of Revisor of Statutes
Kathy Holscher, Kansas Legislative Committee Assistant
Jill Wolters, Office of Revisor of Statutes

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Opening Remarks

Chairman Ryckman called the meeting to order at 9:00 a.m. He stated that a copy of the Kansas Housing Resources Corporation Summary of Activities have been distributed to committee member. [\(Attachment 1\)](#)

Introduction of Proposed Legislation

Representative Edmonds made a motion to introduce the Governor's Rescission Bill. Representative Kleeb seconded the motion. Motion carried.

Staff Introductions

Legislative Research staff introductions followed [\(Attachment 2\)](#).

Profile Update JG Scott Legislative Research Department

JG Scott provided an overview of the State General Fund (SGF) Profile for FY 2014- FY 2017 [\(Attachment 3\)](#) . The FY 2014 approved budget was \$6.3 billion. This report reflects changes after the November 2014 Consensus Revenue Estimates receipts in excess of expenditures, which represents a negative \$329.5 million. Approved revenue expenditures in FY 2015 was approximately \$6.2 billion ,which is an negative ending balance of \$379.8 million in for receipts in excess of expenditures. He stated that certain revenue adjustments would require legislation.

JG Scott provided an overview of the Governor's Allotment Plan [\(Attachment 4\)](#) , which reflects fund transfers and expenditure reductions to the State General Fund (SGF), with the exception of the Legislative and Judicial branches, he stated. The 4 percent reduction would be applied only to the last six months of the fiscal year.

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JG Scott provided an overview of the SGF Profile ([Attachment 5](#)) , which reflects adjustments for the Governor's Allotment Plan .

Discussion followed by committee members regarding ending balance requirements. The need to find an ending balance going forward of between zero and 7.5 percent was expressed.

JG Scott responded to questions from committee members. Total authorized expenditures would result in a total of \$648 million shortfall for FY 2015. Approximately \$120 million in revenue transfers were reviewed, which could reduce the FY 2017 ending balance projection. This included the Local Ad Valorem Tax Reduction, County City Revenue Sharing Fund and Kansas Bioscience transfers. He noted that this profile would be a good planning document for the committee for budget consideration going forward.

Legislative Post Audit Review

Scott Frank, Legislative Post Auditor, provided an overview of the Legislative Post Audit, and reviewed Recent Performance Audit Reports. He stated that as required by law, three school districts (small, medium and large) are audited over a three year period. He identified potential savings opportunities in the Ashland, Parsons, and Emporia school districts. A series of information systems audits focused on statewide evaluation of security controls, which identified a need to implement an enterprise-level approach to security. The Office of Information Technology Services audit reflected federal reporting requirement violations. The Economic Development Incentives fund audit reflected significant return on investment with the incentives program, and concerns identified regarding program management including oversight data and reporting requirements. The Community Developmental Disability Organization audit identified that the state's system of oversight was weak. The audit conducted on the Kansas Commission on Veterans' Affairs in FY 2014 as passed by the legislature restructured the state's veterans service agency. The Board of Veterinary Examiners was consolidated with the Department of Agriculture during the FY 2014 legislature. A review of the upcoming Audit Reports for the months of February, March and April-June, 2015 followed, ([Attachment 6](#)) .

Mr. Frank responded to questions from committee members regarding future audits and a bill to be addressed in committee regarding legislative oversight of the Office of Information Technology Services.

Closing Remarks

Chairman Ryckman reviewed the agenda for the next committee meeting. He stated that a response to committee members questions regarding K-12 and uses for Capital Outlay State Aid and Local Option Budget equalization was distributed to committee members ([Attachment 7](#)) .

Meeting adjourned: 10:30 a.m.

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