

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Monday, February 16, 2015, 112-N of the Capitol.

All members were present except:

Representative Mark Kahrs – Excused
Representative Gene Suellentrop – Excused
Representative John Barker – Excused

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
Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Opening Remarks, Chairman Ryckman

Chairman Ryckman opened the committee meeting and stated that members have received additional information on the Status of State Building Funds ([Attachment 1](#)) .

Introduction of proposed legislation

Representative Grosserode made a motion to introduce legislation that would put the Judicial Branch's appropriations in a separate bill for FY 2016 and FY 2017. Representative Kleeb seconded the motion. Motion carried.

Representative Ballard made a motion to introduce legislation regarding gun violence restraining order, especially on suicide and domestic violence. Representative Henry seconded the motion. The motion carried.

Budget Committee Report on:

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Report for the Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments ([Attachment 2](#)) . For FY 2015, the Governor and Budget Committee concurred with the agency's revised estimate. A technical correction reducing the Fee Fund by \$2,500 and increasing the Litigation Fund by \$2,500, will be included in the Governor's Mega Bill. The Governor concurred with the agency's revised estimated and the Budget Committee concurred with the Governor's recommendation.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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For FY 2016, the Governor concurred with the agency's request and the Budget Committee concurred with the Governor's request with the recommendation that the Appropriations Committee explore that possibility of combining the agency operations with another state agency.

For FY 2017, the Governor concurred with the agency's request and the Budget Committee concurred with the Governor's request with the recommendation that the Appropriations Committee explore the possibility of combine the agency operations with another state agency.

Discussion followed regarding the composition of the agency's board and staff. It was noted that it has been discussed to combine the agency into KDADS.

Representative Waymaster made a motion to approve the FY 2015, FY 2016 and FY 2017 Budget Reports for the Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments. Representative Hill seconded the motion. Motion carried.

Budget Committee Report on:

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Report for the Department of Labor (See Attachment 2). For FY 2015, the Governor recommended an all funds decrease of \$266,161 attributable to the allotment plan, reduced agency budget, and reduced KPERS employer contribution rate. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2015 Department of Labor Budget Report. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2016, the Governor's recommendation is a decrease in all funds of \$254,659 attributable to the 4 percent SGF reduction, and health insurance employer contribution rate reduction. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2016 Department of Labor Budget Report. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2017, the Governor recommended an all funds decrease of \$259,696, attributable to the 4 percent SGF reduction, and reduced employer contribution rate for health insurance. The Budget Committee concurred with the Governor's recommendation.

Discussion followed by committee members. It was noted that the unemployment taxes paid by Kansas businesses are approximately a half billion dollars yearly. In regards to the Security Fund balance, to remain solvent, by federal government guidelines, the fund balance must be three times the amount of

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annual expected payments, Representative Waymaster stated.

Representative Waymaster made a motion to approve the FY 2017 Department of Labor Budget Report. Representative Wolfe Moore seconded the motion. Motion carried.

Budget Committee Report on:

Representative Waymaster, Chair, General Budget Committee, presented the FY 2015 Office of Securities Commissioner Budget Report ([See Attachment 2](#)). The Governor recommended a decrease of \$25,154 attributable to the KPERS employer contribution rate reduction. The Budget Committee concurred with the Governor's recommendation with the notation that the unused fund balance can be transferred to the SGF, if needed for cash flow purposes.

Discussion followed by committee members regarding licensee fee charges, increased fees would not impact the licenses, as the fees are in a medium range.

Representative Waymaster made a motion to approve the FY 2015 Office of Securities Commission Budget Report. Representative Wolfe Moore seconded the motion. Motion carried.

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2016 Office of Securities Commission Budget Report ([See Attachment 2](#)). The Governor recommended a decrease of \$323,162 attributable to reduced employer contributions for health insurance, and increased the amount withheld from the fee fund revenue for deposit in the SGF for reimbursement of administrative services. Discussion followed by committee members. The decrease in revenue is related to lower estimates for fines.

Representative Waymaster made a motion to approve the FY 2016 Budget Report for the Office of Securities Commission. Representative Wolfe Moore seconded the motion. Motion carried.

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2017 Office of Securities Commission Budget Report ([See Attachment 2](#)). The Governor recommended a reduction of \$23,626 attributable to the employer contribution reduction to health insurance, and recommended increasing the amount withheld from the agency's fee fund for deposit in the SGF for administrative services. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2017 Office of Securities Commission Budget Report. Representative Wolfe Moore seconded the motion. Motion carried.

Budget Committee Report on:

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, presented the Budget Report for FY 2015, Board of Accountancy Budget Report ([Attachment 3](#)). The Governor recommended a decrease of \$1,813 attributable to the allotment reduction for KPERS. The Budget

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Committee concurred with the Governor's recommendation.

Representative Hoffman made a motion to approve the FY 2015 Board of Accountancy Budget Report. Representative Carlin seconded the motion. Motion carried.

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2016 Board of Accountancy Budget Report (See Attachment 3). The Governor recommended a reduction of \$2,288 attributable to reduced employer contribution for health insurance, and increased the amount withheld from the fee fund revenue for deposit in the SGF for administrative services reimbursement. The Budget Committee concurred with the Governor's recommendation with the notation to revisit the agency's fee fund revenue later in the session.

Representative Hoffman made a motion to approve the FY 2016 Budget Report for the Board of Accountancy. Representative Carlin seconded the motion. Motion carried.

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2017 Board of Accountancy Budget Report (See Attachment 3). The Governor recommended a reduction of \$2,288 attributable to reduced employer contribution for health insurance and increase the amount withheld from the fee fund revenue for deposit in the SGF for reimbursement of administrative services. The Budget Committee concurred with the Governor's recommendation with the recommendation to revisit the agency's fee fund revenue withholding later in the session.

Representative Hoffman made a motion to approve the FY 2017 Budget Report for the Board of Accountancy. Representative Carlin seconded the motion. Motion carried.

Budget Committee Report on:

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2015 Department of Credit Unions Budget Report (See Attachment 3). The Governor recommended a decrease of \$8,215 attributable to the KPERS employer rate reduction. The Budget Committee concurred with the Governor's recommendation.

Representative Hoffman made a motion to approve the FY 2015 Department of Credit Unions Budget Report. Representative Carlin seconded the motion. Motion carried.

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2016 Department of Credit Unions Budget Report (See Attachment 3). The Governor recommended a decrease of \$8,569 attributable to reduced employer contribution for health insurance, and recommended increase the amount withheld from fee fund revenues for deposit in the SGF for administrative services reimbursement. The Budget Committee concurred with the Governor's recommendation with the notation to revisit the fee fund revenue withholding later in the session.

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Discussion followed by committee members. It was noted that in accordance with national accreditation standards, the agency is required to have three months of reserves.

Representative Hoffman made a motion to approve the FY 2016 Department of Credit Unions Budget Report. Representative Carlin seconded the motion. Motion carried.

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2017 Department of Credit Unions Budget Report (See Attachment 3). The Governor recommended a decrease of \$8,740 attributable to reduced employer contributions for health insurance, and increased the amount withheld from fee fund revenue for deposit in the SGF for reimbursement of administrative services. The Budget Committee concurred with the Governor's recommendation with the notation to revisit the withholding of the agency's fee fund review later in the session.

Discussion followed by committee members. As requested, additional information will be forthcoming regarding operations and services.

Representative Hoffman made a motion to approve the FY 2017 Department of Credit Unions Budget Report. Representative Carlin seconded the motion. Motion carried.

Budget Committee Report on:

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2015 Budget Report for the Office of the State Bank Commissioner (See Attachment 3). The Governor recommended a decrease of \$669,871 attributable to the reduced KPERS employer rate contribution, reduced salaries and wages due to shrinkage, and delete \$99,636 from the fee fund for administration as adopted in **House Sub. for SB 4**. The Budget Committee concurred with the Governor's recommendation with the adjustment to add \$99,636 from the fee fund for administration.

Discussion followed by committee members.

Representative Hoffman made a motion to approve the FY 2015 Budget Report for the Office of State Bank Commissioner. Representative Carlin seconded the motion. Motion carried.

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2016 Budget Report for the Office of the State Bank Commissioner (See Attachment 3). The Governor recommended a decrease of \$305,506 attributable to reduced employer contributions for health insurance and reduced salaries and wages for unfilled vacant positions. The Governor recommended increasing fee fund revenue withholding for administrative services. The Budget Committee concurred with the Governor's recommendation with the notation to revisit the withholding's from the fee fund revenues later in the session.

Discussion followed by committee members regarding the fee fund reserves. It was noted that

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additional discussion on the fee funds and agency impact with be forthcoming.

Representative Hoffman made a motion to approve the FY 2016 Office of the State Bank Commissioner Budget Report. Representative Carlin seconded the motion. Motion carried.

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2017 Office of the State Bank Commissioner Budget Report ([See Attachment 3](#)). The Governor recommended a decrease of \$320,661 attributable to the reduced employer contributions for health insurance and reduced salaries and wages for unfilled vacant positions. The Governor recommended increasing the fee fund revenue withholding for deposit into the SGF for reimbursement of administrative services. The Budget Committee concurred with the Governor's recommendation with the notation to revisit the fee fund withholding later in the session.

Representative Hoffman made a motion to approve the FY 2017 Budget Report for the Office of the State Bank Commissioner. Representative Carlin seconded the motion. Motion carried.

Budget Committee Report on:

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Abstracter's Board of Examiners Budget Reports ([Attachment 4](#)). For FY 2015 Abstracter's Board of Examiners, the Governor concurred with the agency's request and the Budget Committee concurred with the Governor's recommendation. For FY 2016, the Governor concurred with the agency's request and the Budget Committee concurred with the Governor's recommendation. For FY 2017, the Governor concurred with the agency's request and the Budget Committee concurred with the Governor's recommendation.

Discussion followed by committee members regarding the possibility of consolidating this agency, due to the size and nature of the agency.

Representative Claeys made a motion to approve the FY 2015, FY 2016 and FY 2017 Budget Report for the Abstracter's Board of Examiners. Representative Finney seconded the motion. Motion Carried.

Budget Committee Report on:

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Reports for the Board of Technical Professions ([See Attachment 4](#)).

For FY 2015, the Governor recommended a decrease of \$2,708 attributable to reduced KPERS employer contributions. The Budget Committee concurred with the Governor's recommendation.

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Discussion followed by committee members regarding the fund balance, which was attributable to potential litigation costs that did not occur.

Representative Claeys made a motion to approve the FY 2015 Board of Technical Professions Budget Report. Representative Finney seconded the motion. Motion carried.

For FY 2016, the Governor recommended a decrease of \$2,601 attributable to reduced employer health insurance contributions. The Budget Committee concurred with the Governor's recommendations. For FY 2017, the Governor recommended a decrease of \$2,653 attributable to the reduced employer health insurance contributions. The Budget Committee concurred with the Governor's recommendation.

Discussion followed by committee members.

Representative Grosserode made a motion to transfer \$400,000 from the ending balance to the SGF. Representative Highland seconded the motion.

Discussion continued by committee members regarding the motion and the impact on sweeping fees from agency budgets. Chairman Ryckman, stated that global discussion will be held in committee regarding fee fund balances, the change from 10 percent to 20 percent, and funding vacant unfilled FTE positions.

Representative Grosserode withdrew the motion, as was agreed upon by the second to the motion. Representative Highland.

Representative Claeys made a motion to approve the FY 2016 Budget Report for the Board of Technical Professions Budget Report. Representative Finney seconded the motion. Motion carried.

For FY 2017, the Governor recommended a decrease of \$2,653 attributable to the reduced employer contribution for health insurance. The Budget Committee concurred with the Governor's recommendation.

Representative Claeys made a motion to approve the FY 2017 Budget Report for the Board of Technical Professions. Representative Finney seconded the motion. Motion carried.

Meeting adjourned at: 10:15 a.m.