

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Friday, February 20, 2015, 112-N of the Capitol.

All members were present except:

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](#)

Introduction of proposed legislation

Representative Claeys made a motion to introduce legislation regarding the Department of Corrections Juvenile Offenders in Juvenile facilities. Representative Grosserode 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 Board of Mortuary Arts Budget Reports ([Attachment 1](#)) . For FY 2015, the Governor recommended an increase of \$2,449 over the agency's request attributable to a salary increase, a reduction to employer contributions for Kansas Public Employees Retirement System (KPERs), and the addition of \$1,891 for technology services rate increase. The **House Sub. for SB 4,** adopted the Governor's recommendation with the following adjustments: delete \$1,891 for the technology services rate increase, and delete \$4,355 for the salary increase, which will be reviewed later in the budget process. The Budget Committee concurred with the Governor's recommendation with the following adjustment: add \$1,891 for technology services increase and add \$4,355 for the salary increase.

Discussion followed by committee members regarding the salary raise request.

Representative Waymaster made a motion to approve the FY 2015 Board of Mortuary Arts Budget Report. Representative Wolfe seconded the motion. Motion carried.

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For FY 2016, the Governor recommended a decrease of \$17,276 below the agency's request attributable to an adjustment to the Voluntary Retirement Incentive Program tax payment, and employer contributions for health insurance. The Governor recommended a salary increase, which is partially offset by a decrease in all funds, and recommended an increase from 10 percent to 20 percent for SGF reimbursement for administrative Services. The Budget Committee concurred with the Governor's recommendations.

Discussion followed by committee members regarding the request for increase salary and employee classification.

Representative Waymaster made a motion to approve the FY 2016 Budget Report for the Board of Mortuary Arts. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2017, the Governor recommended a decrease of \$17,453 below the agency's request for the same adjustment recommendations as noted on the FY 2016 Budget Report.

Representative Waymaster made a motion to approve the FY 2017 Budget Report for the Board of Mortuary Arts. Representative Wolfe Moore seconded the motion. Motion carried.

Budget Committee Report on:

Representative Waymaster, Chair, General Budget Committee presented the FY 2015, FY 2016 and FY 2017 Budget Reports for the Board of Pharmacy (See Attachment 1).

For FY 2015, the Governor recommended an increase of \$220,349 above the approved amount attributable to grant funding and carry over funding from the Prescription Drug Monitoring Program. The increase is partially offset by the employer reduced KPERS contribution rate. The **House Sub. for SB 4** adopted the Governor's recommendation and the Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2015 Budget Report for the Board of Pharmacy. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2016, the Governor recommended a decrease of \$7,446 attributable to the reduced employer contribution for health insurance, and recommended increasing the amount withheld from the fee fund for deposit in the SGF for administrative services reimbursement. The Budget Committee concurred with the Governor's recommendations.

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

For FY 2017, the Governor recommended a decrease of \$7,595 below the agency's request attributable to reduced employer contribution rate for health insurance, and recommended increasing the withholding from the fee fund for deposit in the SGF for reimbursement of administrative services. The Budget Committee concurred with the Governor's recommendation.

Discussion followed by committee members regarding vehicle replacement.

Representative Waymaster made a motion to approve the FY 2017 Budget Report for the Board of Pharmacy. Representative Wolfe Moore 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 Reports for the Governmental Ethics Commission (See Attachment 1). For FY 2015, the Governor recommended a decrease of \$2,272 below the approved amount attributable to the reduced KPERs employer contribution rate. The **House Sub for SB 4** adopted the Governor's recommendation, and the Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2015 Governmental Ethics Commission Budget Report. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2016, the Governor recommended a decrease of \$5,353 below the agency's request attributable to reduced employer contribution for health insurance. The Budget Committee concurred with the Governor's Recommendation.

Representative Waymaster made a motion to approve the FY 2016 Governmental Ethics Commission Budget Report. Representative Wolfe Moore seconded the motion. Motion carried.

Discussion followed by committee members. It was noted that the agency's fee fund is not subject to the 20 percent transfer to the SGF.

For FY 2017, the Governor recommended a decrease of \$5,460 below the agency's request attributable to reduced employer contributions for health insurance. The Budget Committee concurred with the Governor's request.

Discussion followed by committee members regarding filing fees, which have not increased since 1991.

Representative Kleeb made a motion for an amendment to recommend fee increases to offset the SGF.

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Representative Wolfe Moore seconded the motion. Motion carried.

Representative Waymaster made a motion to approve the FY 2017 Governmental Ethics Commission Budget Report as amended. Representative Wolfe Moore 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 Reports for the Kansas Dental Board (See Attachment 1). For FY 2015, the Governor recommended a decrease of \$1,740 below the approved amount attributable to the KPERS employer rate reduction. The Budget Committee concurred with the Governor's recommendation.

For FY 2016, the Governor recommended a decrease of \$2,288 below the agency's request attributable to reduced employer contribution rate, and recommended an increase on 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.

For FY 2017, the Governor recommended a decrease of \$23,334 below the agency's request, which are the same recommended adjustments included in the FY 2016 Budget Report.

Discussion followed by committee members. It was noted that the increase of transferring of fee funds from 10 percent to 20 percent will be a global discussion for all fee funded agencies, and is based on total revenue.

Representative Waymaster made a motion to approve the FY 2015, FY 2016 and FY 2017 Kansas Dental Board. Representative Wolfe Moore seconded the motion. Motion carried.

Budget Committee Report on:

Representative Waymaster, Chair, presented the FY 2015, FY 2016 and FY 2017 Budget Reports for the Kansas Human Rights Commission (See Attachment 1).

For FY 2015, the Governor recommended a decrease of \$26,083 below the agency's revised estimate attributable to the KPERS rate reduction. The Budget Committee concurred with the Governor's recommendation with the request for a report on duplication of services offered by the private sector, for review at Omnibus.

Discussion followed by committee members regarding staffing issues and educational duplication of services.

Representative Kleeb made a motion for an amendment that would include in the report federal education services that may be duplication of service offered by the agency for FY 2015, FY 2016 and FY 2017, for global discussion. Representative Hutton seconded the motion.

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Representative Kleeb stated that the information requested in the amendment is not related to the agency's mission.

Representative Kleeb renewed the motion. Motion carried.

Representative Waymaster made a motion to approve the FY 2015 Budget Report for the Kansas Human Rights Commission as amended. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2016, the Governor recommended a decrease of \$83,496 below the agency's request attributable to the reduced employer contribution for health care, and did not recommend funding enhancement requests. The Budget Committee concurred with the Governor's recommendation with the following recommendations: add \$12,140 from the Employment Discrimination Federal Fund for the purchase of eight new computers; and asked if duplicative educational services that the agency offers is already offered by the private sector.

Discussion followed by committee members regarding the Budget Committee's recommendation for the purchase of eight new computers.

Representative Grosserode made a motion for an amendment changing the authorized purchase price of \$12,140 to \$8,000. Representative Claeys seconded the motion.

Discussion continued by committee members. It was noted that the purchase of computers under warranty and includes software was at the advisement of OTIS.

Representative Grosserode renewed the motion. Motion carried.

Representative Waymaster made a motion to approve the FY 2016 Budget Report for the Kansas Human Rights Commission as amended. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2017, the Governor recommended an all funds decrease of \$102,236 attributable to the reduced employer health contributions, and the Governor did not recommend funding the agency's enhancements. The Budget Committee concurred with the Governor's recommendations with the following recommendations; add \$3,000 from the Employment Discrimination Federal Fund for the purchase of a new server contingent upon adequate fund balance of this purchase; and asks if the agency is offering duplicative educational services that were offered by the private sector.

Discussion followed followed by committee members regarding the request for information on the new server. It was noted that additional information would be forthcoming, and that the present server was

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purchased in 2009.

Representative Claeys made a motion for an amendment to change the purchase price for the new server from \$3,000 to \$1,500. Representative Grosserode seconded the motion.

Discussion followed by committee members regarding the motion, staffing issues, and the actual cost for the server. There are three office locations statewide. In FY 2014, 895 discrimination complaints were filed. As requested, information on the number of complaints and the category of complaints will be provided.

Representative Claeys renewed the motion. Motion failed.

Representative Claeys made a motion to approve the FY 2017 Budget Report for the Kansas Human Rights Commission as amended. Representative Wolfe Moore seconded the motion. Motion carried.

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Budget Committee Report on:

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2015, FY 2016 and FY 2017 for the Real Estate Appraisal Board (See Attachment 1).

For FY 2015, the Governor recommended a decrease of \$1,462 below the agency's estimate attributable to reduced KPERS employer contributions. The **House Sub for SB 4** adopted the Governor's recommendation and the Budget Committee concurred with the Governor's recommendation.

For FY 2016, the Governor recommended a decrease of \$1,435 attributable to reduced employer contributions for health insurance. The Budget Committee concurred with the Governor's recommendation.

For FY 2017, the Governor recommended a decrease of \$1,464 attributable to reduced employer health insurance contributions. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2015, FY 2016 and FY 2017 Budget Reports for the Real Estate Appraisal Board. Representative Wolfe Moore 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 Reports for the Real Estate Commission (See Attachment 1).

For FY 2015, the Governor recommended a decrease of \$6,135 attributable to reduced KPERS

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employer contributions. The Budget Committee concurred with the agency's request and **House Sub for SB 4** adopted the Governor's recommendation.

Discussion followed by committee members regarding the increased fee fund transfer from 10 percent to 20 percent to the SGF. Concern was expressed regarding the declining number of agents and the ability to maintain the fee balance at the same level as 2008, which was prior to the recession. **SB 101** would increase fees, which would offset the projected \$170,000 deficit budget in FY 2017. If the bill does not pass, the budget would be adjusted accordingly, it was noted.

Representative Waymaster made a motion to approve the FY 2015 Budget Report for the Kansas Real Estate Commission. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2016, the Governor recommended a decrease of \$122,988 as the Governor did not recommend the agency's enhancement request, and due to the reduced employer contributions for health insurance. The Governor recommended increasing the withholding for fee funds from 10 percent to 20 percent for deposit in the SGF for administrative services reimbursement. The Budget Committee concurred with the Governor's recommendation with the notation that the agency expressed concern for the diminishing fee fund balance and the impact on the increased fee fund transfer.

Representative Waymaster made a motion to approve the FY 2016 Budget Report for the Kansas Real Estate Commission. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2017, the Governor recommended a decrease of \$132,841 due to the Governor not recommending the agency's enhancement request, and the reduced employer contributions for health insurance. The Governor recommended increasing the amount withheld from the fee fund revenue from 10 percent to 20 percent for deposit in the SGF for administrative service reimbursement. The Budget Committee concurred with the Governor's recommendation with the notation that the agency expressed concern for the diminishing fee fund balance due to the increase fee fund transfer.

Representative Waymaster made a motion to approve the FY 2017 Budget Report for the Kansas Real Estate Commission. Representative Wolfe Moore 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 Reports for the Secretary of State (See Attachment 1).

For FY 2015, the Governor recommended a decrease of \$28,705 attributable to the 4 percent SGF allotment and reduced KPERS employer contribution rate. **House Sub for SB 4** adopted the Governor's recommendation and the Budget Committee concurred with the Governor's recommendation.

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Discussion followed by committee members regarding \$44,000, which was for publishing costs for constitutional amendments. The agency was commended for reducing their own budget.

Representative Waymaster made a motion to approve the FY 2015 Budget Report for the Secretary of State. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2016, the Governor recommended a decrease of \$29,796 attributable to reduced employer health insurance and increased the amount withheld from fee fund revenue from 10 percent to 20 percent for SGF reimbursement for administrative services. The Budget Committee concurred with the Governor's recommendation.

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

For FY 2017, the Governor recommended a decrease of \$30,460 attributable to reduced employer contributions for health insurance and recommended increase the fee fund revenue withholding from 10 percent to 20 percent. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2017 Budget Report for the Secretary of State. Representative Wolfe Moore seconded the motion. Motion carried.

Budget Committee Report on:

Representative Carpenter, Chair, Social Services Budget Committee, presented the Board of Nursing Budget Reports for FY 2015, FY 2016 and FY 2017([Attachment 2](#)) .

For FY 2015, the Governor recommended a decrease of \$16,094 attributable to the KPERS employer contribution rate reduction. **House Sub. for Senate Bill 4** adopted the Governor's recommendation, and the Budget Committee concurred with the Governor's recommendation.

Representative Carpenter made a motion to approve the FY 2015 Budget Report. Representative Ballard seconded the motion. Motion carried.

For FY 2016, the Governor recommended a decrease of \$16,911 attributable to the reduced employer contribution for health insurance and increased the withholding amount from fee fund revenues for 10 percent to 20 percent. The Budget Committee concurred with the Governor's recommendation with the recommendation not to increase the fee fund withholding and recommended if the fee fund increases that the amount withheld should be restored back to 10 percent no later than FY 2018.

Representative Carpenter made a motion to approve the FY 2016 Budget Report. Representative Ballard seconded the motion.

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Discussion followed by committee members.

Representative Carpenter made a motion for an amendment to withhold the fee fund revenue transfer at 20 percent for review later in the session. Representative Ballard seconded the motion. Motion carried.

Representative Claeys made a substitute motion to remove the Budget Committee recommendation to restore any increased fee fund transfers back to 10 percent no later than FY 2018. Representative Grosserode seconded the motion.

Discussion followed by committee members. It was noted that fee fund transfers should remain consistent within the agencies, and discussed globally.

Representative Claeys renewed the motion. Motion carried.

Representative Carpenter made a motion to approve the FY 2016 Board of Nursing Budget as amended. Representative Ballard seconded the motion. Motion carried.

For FY 2017, the Governor recommended a decrease of \$17,249 attributable to reduced employer health insurance contributions and recommended increasing the fee fund revenue withholding from 10 percent to 20 percent for administrative services reimbursement. The Budget Committee concurred with the Governor's recommendation with the recommendation that the fee fund revenue transfer remain at 10 percent, and recommended that if the transfer increases, the amount should be restored back to 10 percent no later than FY 2018.

Representative Peck made a motion for an amendment to remove the Budget Committee recommendation that left the fee fund transfer at 10 percent and that restored the amount withheld no later than FY 2018. Representative Hill seconded the motion. Motion carried.

Representative Carpenter made a motion to approve the FY 2017 Budget Report for the Board of Nursing as amended. Representative Ballard seconded the motion. Motion carried.

Budget Committee Report on:

Representative Carpenter, Chair, Social Services Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Kansas Commission on Veterans' Affairs ([Attachment 2](#)) .

For FY 2015, the Governor recommended an all funds decrease of \$219,047 from the agency's revised estimate attributable to reduced KPERS employer contribution rate, and the Governor did not recommend supplemental requests. The Governor recommended capital improvement expenditures of \$2.1 million, which is a decrease of \$800,244 attributable to lapse encumbrances in the same amount from the State Institutions Building Fund (SIBF). **House Sub. for SB 4** adopted the Governor's

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recommendation. The Budget Committee concurs with the Governor's recommendation with the following adjustments: add language decreasing the expenditure limitation of the Veterans Home fee fund by \$325,316 and increase the same amount for the Soldiers' Home Domiciliary Federal Fund account; commended the agency on effort to develop improvements in services for veterans; and commended the agency on efforts in mobile units and increased morale at the Veterans' Home in Winfield.

Representative Carpenter made a motion to approve the FY 2015 Budget Report for the Kansas Commission on Veterans' Affairs. Representative Ballard seconded the motion. Motion carried.

For FY 2016, the Governor recommended an all fund decrease of \$1.3 million attributable to decreased salaries and wages, and shrinkage, reduced employer contributions for health insurance, and did not include recommend enhancement request for additional VCAP funding. The Governor recommended capital improvement expenditures of \$1.6 million, which is an all funds decrease of \$742,500 attributable to the delay of two projects. The Budget Committee concurred with the Governor's recommendation.

Representative Carpenter made a motion to approve the FY 2016 Budget Report for the Kansas Commission on Veterans' Affairs. Representative Ballard seconded the motion. Motion carried.

For FY 2017, the Governor recommended an all funds decrease of \$1.5 million attributable to decreased salaries and wages, shrinkage, and reduced employer contributions for health insurance. The Governor recommended capital improvements expenditures of \$2.1 million, which is an all funds increase of \$742,500 attributable to the delay of two projects. The Budget Committee concurred with the Governor's recommendation.

Representative Carpenter made a motion to approve the FY 2017 Budget Report for the Kansas Commission on Veterans' Affairs. Representative Ballard seconded the motion. Motion carried.

Closing Remarks

Representative Grosserode welcomed students from the Maize School District, who are visiting the Capital today.

Chairman Ryckman reviewed next week's committee meetings. It was noted that the Education Budget Report will be rescheduled once the proposed legislation for the block grant has been determined.

Meeting adjourned at: 10:42 a.m.