

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Thursday, March 05, 2015, 112-N of the Capitol.

All members were present except:

Representative Virgil Peck – Excused

Committee staff present:

J.G. Scott, Legislative Research Department

Dylan Dear, Legislative Research Department

Andy Chiamopoulos, 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 opened the meeting and reviewed the agenda. Representative Schwartz, Vice Chair, is chairing today's committee meeting, he stated.

Introduction of Proposed Legislation

Representative Schwartz made a motion to introduce proposed legislation regarding school finance.

Representative Grosserode seconded the motion. Motion carried.

Budget Committee Report on:

Representative Hoffman stated that committee members received a copy of the Kansas Department of Agriculture Overview ([Attachment 1](#)). A review of the agency followed.

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Reports for the Department of Agriculture ([Attachment 2](#)).

For FY 2015, the Governor recommended a decrease of \$449,312 below the agency's estimate of \$45.3 million attributable to reduced Kansas Public Employees Retirement System (KPERS) employer contribution rate, and the allotment plan for a 4.0 percent reduction to Cabinet and other State General Funded (SGF) agencies. **House Sub. for Senate Bill 4** deleted \$2.5 million from special revenue funds for increased operating expenditures. The Budget Committee concurred with the Governor's recommendation as adjusted by **House Sub for Senate Bill 4**, and recommended the following adjustments: add \$2.5 million for increased operating expenditures from special revenue funds; expressed concern for salary levels within the Veterinary Examiners program; encouraged restructure

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of the Executive Director's responsibilities for the Veterinary Examiners program, and expressed concern for the length of time positions have been vacant on the Veterinary Examiners Board.

Discussion followed by committee members regarding the restructuring of the Veterinary Examiners Executive Director's job responsibilities. It was noted that this agency will be combined with the Animal Health division in the department.

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

For FY 2016, the Governor recommended expenditures of \$42.7 million, which represents a decrease of \$1.7 million below the agency's request. The reduction is attributable to the 4.0 percent allotment plan, reduced employer contribution rate for health insurance, and not recommending the enhancement for marketing and outreach. The Budget Committee concurred with the Governor's Recommendation with the adjustment to add \$250,000 from Economic Development Initiatives Fund (EDIF) for agricultural marketing.

Representative Hoffman made a motion for an amendment that would add language requesting a report on the agency presenting a zero base budget report for FY 2018 for next session for possible implementation of a pilot program. Representative Carlin seconded the motion. Motion carried.

Representative Hoffman made a motion for the approval of the FY 2016 Budget Report for Department of Agriculture as amended. Representative Carlin seconded the motion. Motion carried.

For FY 2017, the Governor recommended expenditures of \$42.7 million, a decrease of \$1.7 million below the agency's request attributable to the 4.0 percent allotment reduction, reduced employer contributions for health insurance, and the Governor did not recommend the enhancement for marketing and outreach. The Budget Committee concurred with the Governor's recommendation with the adjustment to add \$500,000 from EDIF for agricultural marketing.

A review of the Marketing program followed.

Representative Hoffman made a motion to approve the FY 2017 Budget Report for the Department of Agriculture. Representative Carlin 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 Budgets for the State Board of Tax Appeals ([Attachment 3](#)) .

For FY 2015, the Governor recommended a decrease of \$31,959 below the agency revised estimate attributable to the reduced allotment and reduced Kansas Public Employees Retirement System

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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(KPERs) employer contribution rate. The Budget Committee concurred with the Governor's recommendation with the notation that encouraged the passage of **HB 2240**.

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

For FY 2016, the Governor recommended an all funds decrease of \$162,715 below the agency's request attributable to the 4.0 percent SGF operating reduction and reduced employer contributions for health insurance. The Budget Committee concurred with the Governor's recommendation.

Discussion followed by committee members regarding the impact on the passage of **HB 2240**, which allows staff attorneys to conduct small claims hearings.

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

For FY 2017, the Governor recommended an all funds decrease of \$162,952 below the agency's request attributable to the 4.0 percent SGF operating reduction, and reduced employer contributions for health insurance. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2017 Budget Report for the State Board of Tax Appeals. 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 Department of Revenue (See Attachment 3).

For FY 2015, the Governor recommended an all funds decrease of \$1.7 million below the agency's revised estimate attributable to the allotment reduction of 4.0 percent and reduced employer contributions for KPERs. The Budget Committee concurred with the Governor's recommendations with the adjustments to add language prohibiting expenditures to regulate or enforce regulation of raffles, expressed concerns regarding unknown expenses for relocating from the Docking Building, encouraged the agency to pursue postcard notifications for motor vehicle renewal, and encouraged the agency to review drivers license renewal fees.

Representative Claeys made a motion for an amendment that would add language that would prevent funding for businesses, that do not have a liquor license, and that allow individuals to bring their own liquor to private events. Representative Grosserode seconded the motion.

Discussion followed by committee members regarding the motion. When called upon for clarification on the impact of the motion, Jill Wolters, Office of the Revisor of Statutes, expressed concerns that the

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proviso is a potential violation of the constitutional provision on single subject bills, Article 2. Appropriations bill provisions must relate to the allocation and expenditure of moneys. If the Committee wants to address the issue, the introduction of a bill would be the appropriate avenue.

Representative Grosserode made a substitute motion to defund the portion the Department of Revenue deals with Alcohol Beverage Control, for further review and discussion. Representative Claeys seconded the motion.

Discussion continued by committee members.

Representative Grosserode renewed the motion. Motion failed.

Representative Claeys renewed the motion to amend. Motion failed.

Discussion continued by committee members regarding raffles. Jill Wolters, Office of Revisor of Statutes, stated that in 2014, the voters of Kansas adopted a constitutional amendment authorizing the licensing, conduct and regulation of charitable raffles by nonprofit religious, charitable, fraternal, educational and veterans organizations. The amendment provided "Raffles shall be licensed and regulated by the Kansas Department of Revenue." changing the regulation of raffles would require a bill, as opposed to a proviso. It was noted that the subcommittee for the House Federal and State Affairs Committee is working on a bill.

Representative Hutton made a motion for an amendment to remove the language prohibiting expenditures to regulate raffles or enforce any regulations of raffles in FY 2015, FY 2016 and FY 2017. Representative Carpenter seconded the motion.

Discussion followed by committee members regarding the amendment.

Representative Hutton renewed the motion. Motion carried.

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

Closing Remarks

Vice Chair Schwartz stated that Budget Committee Reports will be continued next week.

Meeting adjourned: 10:08 a.m.