

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 4:35pm on Monday, May 11, 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 and reviewed the meeting agenda. Representative Couture-Lovelady is temporarily replacing Representative Grosserode in today's committee meeting.

J.G. Scott, Legislative Research Department, reviewed the State General Fund Receipts, Expenditures and Balances ([Attachment 1](#)). This information included April 20th consensus Revenue Estimates and Conference Committee Action. It excludes the Governor's adjustments for individual income tax, cigarette tax, tobacco tax and liquor tax, as well as the Managed Care Organization (MCO) privilege fee, he stated. The reduction needed to maintain a zero ending balance in FY 2016 is \$406 .4 million, and would be approximately \$60 million less with the inclusion of the MCO privilege fee increase. The Department of Revenue tax refund and payments due have been processed. The projected individual income tax receipts for May are \$266 million, and are on target, he stated.

Chairman Ryckman provided a recap of the information provided by J.G. Scott.

Continued Discussion on Omnibus Items

Chairman Ryckman stated that committee recommendations will be included either in an Omnibus Bill, Budget Bill returned from the House Floor, or in the Conference Committee Report.

Continued Discussion on Omnibus Items ([Attachment 2](#)).

Mark Skoglund, Legislative Research Department, provided a review of the Department of Agriculture and Kansas Water Office ([See Attachment 2](#)) .

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Department of Agriculture

This request was for a review of a proviso authorizing the agency to prorate license fees and alter license due dates , which was included in **SB171** and passed in 2013. This proviso was unintentionally omitted in the agency budget request.

Kansas Water Office

The John Redmond Reservoir Dredging project was approved by the State Finance Council for \$20 million SGF in bonding authority to be reimbursed by the Kansas Water Office. The intent was for the reimbursement of expenditures to come from the Water Plan Fund and Marketing Fund. This modification would have no impact on the SGF or special revenue bonds ending balance, he noted.

Representative Hoffman made a motion to accept the conversion of transfers to SGF from the Water Plan Fund and Marketing Fund for the John Redmond Reservoir Dredging project. Representative Schwartz seconded the motion. Motion carried.

Bobbi Mariani, Legislative Research Department, reviewed items for discussion for the Department of Commerce and Department of Labor, Health Care Stabilization Fund, Kansas Department of Health and Environment (KDHE) and Kansas Department for Aging and Disability Services (KDADS), and KDHE (See Attachment 2).

Department of Labor

Secretary George has requested the deletion of \$80,000 from the department's operating grant to add to the Department of Labor. Instead, the agency requested a Memorandum of Understanding with the Department of Labor that would use a different funding source to look at a study for a state OSHA program.

Representative Hutton made a motion to accept the report. Representative Waymaster seconded the motion. Motion carried.

Health Care Stabilization Fund (HCSF), (KDHE) and KDADS

The request to move the fund transfer in KDADS to a fund in KDHE would require a technical correction in order to adjust the bill as intended.

Representative Carpenter made a motion to accept the request. Representative Ballard seconded the motion. Motion carried.

Department of Health and Environment

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1. No action was taken by the committee regarding the Health Care Access Improvement Fund was included in GBA No. 1, Item 7. The agency is looking at an alternative request regarding a proviso prohibiting expenditures from SGF for the assessment.

Representative Carpenter made a motion not to accept GBA No. 1, Item 7. Representative Wolfe-Moore seconded the motion.

Discussion followed by committee members. It was noted that discussion continues, regarding an alternative request, and additional information should be forthcoming.

The motion was renewed. Motion carried.

2. Transfer funds associated with Executive Reorganization Order (ERO) 43

This transferred Medicaid eligibility determination from the DCF to KDHE, effective January 1, 2016, and transfers foster care licensing responsibilities from KDHE to the DCF, effective July 1, 2015 ([Attachment 3](#)).

Representative Carpenter made a motion to accept the transfers contained in ERO 43. Representative Schwartz seconded the motion. Motion carried.

Amy Deckard, Legislative Research Department, provided a review of the KEY/CIF, KDADS, and DCF ([See Attachment 2](#)).

KEY/CIF

Amy Deckard provided an update on the tobacco settlement funds, which came in higher than projected by \$442,000. Total receipts are \$62.4 million, she noted.

Department for Aging and Disability Services

Committee members received follow up information on the Community Developmental Disability Organization Update ([Attachment 4](#)), Selection of Communities for Communities Engagement ([Attachment 5](#)), and the Status of Entities Whose Contracts Were Not Renewed ([Attachment 6](#)).

Andy Chiamopoulos, Legislative Research Department, reviewed an item for the Department of Labor ([See Attachment 2](#)). This information was previously discussed in the review provided by Bobbi Mariani, he noted.

David Fye, Legislative Research Department, reviewed the Health Care Stabilization Fund Board of

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Governors (See Attachment 2).

1. **HB 2064** this bill requires additional expenditures of \$40,980 from the Health Care Stabilization Fund, and the addition of 0.5 FTE position for FY 2016. It was noted that the House has not taken position on this funding, as the bill was still in conference when Omnibus Items were reviewed.

Representative Carpenter made a motion to approve the additional expenditures of \$40,980 and the addition of 0.5 FTE position for FY 2016. Representative Ballard seconded the motion. Motion carried.

2. Request to change bill language to reflect the transfer of \$200,000 to the Health Facilities Review Fund of KDHE for FY 2016 and FY 2017. He noted that this information was already reviewed in Bobbi Mariani's presentation.

Dylan Dear, Legislative Research Department, reviewed the Department of Administration-Debt Service Adjustments (See Attachment 2).

Department of Administration - Debt Service Adjustments

1. Add new SGF Account - John Redmond Reservoir

This information was discussed earlier by Mark Skoglund. This would increase SGF expenditures, however, would not affect the ending balance. The transfers were previously approved. Action would be needed to appropriate the new SGF accounts in FY 2015, FY 2016 and FY 2017 to expend the funds, he noted.

Representative Waymaster made a motion to accept the new SGF Account for the John Redmond Reservoir: \$131,382 for FY 2015; \$1,674,600 for FY 2016; and \$169,517 in FY 2017. Representative Schwartz seconded the motion. Motion carried.

2. Add new SGF Account - KU Medical Education Building. This was inadvertently omitted from the Governor's Budget Amendment and would not affect the SGF ending balance or total expenditures, as the funding would be moved from one budget to another, he noted.

Representative Schwartz made a motion to accept the new SGF Account for the KU Medical Education Building: \$169,517 in FY 2015; \$1,089,750 in FY 2016; and \$1,089,750 in FY 2017. Representative Macheers seconded the motion. Motion carried.

Dylan Dear reviewed a technical adjustments to the Governor's Budget Amendments that adds \$2.00 in FY 2015, \$2.00 in FY 2016 and a negative \$2.00 in FY 2017. Also included is a reallocation of funding for Pittsburg State University and the Adjutant General's Office for debt service agreements. He stated that the totals do not change, just the amounts going to the university and Adjutant General's Office

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would shift approximately \$2,000 to \$3,000.

Representative Hill made a motion to accept the technical adjustments, as presented. Representative Ballard seconded the motion. Motion carried.

Dezeree Hodish, Legislative Research Department, reviewed in item for the Office of the Attorney General (See Attachment 2).

Attorney General

1. **HB 2256** establishes a new fund for FY 2016 and FY 2017

This bill was approved by the House and Senate, she noted.

Representative Waymaster made a motion to adopt the new fund. Attorney General's Open Government Fund for FY 2016 and FY 2017. Representative Barker seconded the motion.

Deseree Hodish responded to a question from committee members. Action would be needed to carryout the provisions of the bill, she stated.

The motion was renewed. Motion carried.

Shirley Morrow, Legislative Research Department, reviewed items regarding the Kansas University Medical Center (See Attachment 2).

Kansas University Medical Center

1. Health Education Building Debt service payments move to Department of Administration. This item was previously reviewed by Dylan Dear, Debt Service Adjustments information.

Sharon Wenger, Legislative Research Department, provided a review of the Department of Education (See Attachment 2). It was noted that the funding source (20 mils) for the Block Grant was not as much as projected. Therefore, additional SGF was needed to address the shortfall of \$17.4 million in FY 2016 and \$13 million in FY 2017.

Representative Schwartz made a motion to accept the additional SGF funding for FY 2016 and FY 2017. Representative Barker seconded the motion.

Discussion followed by committee members. It was noted that this funding has been included in the profiles that the committee has received, as well as included in the Tax Committee's materials.

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The motion was renewed. Motion carried.

Justin Carroll, Legislative Research Department, reviewed an item for the Department of Corrections (See Attachment 2).

1. **HB 2051** has become law, an SGF savings of: \$1,200,900 for FY 2016 and \$2,465,675 in FY 2017 This bill amended inmate good time credits for drug crimes and increased program credits for offenders.

Representative Claeys made a motion to accept the savings for FY 2016 and FY 2017 for **HB 2051**. Representative Peck seconded the motion.

Discussion followed by committee members. J.G. Scott stated that the SGF savings has not been included in the profile, as the amendment would require committee action.

The motion was renewed. Motion carried.

Representative Peck reviewed several areas within the Legislature's budget that identifies potential cost savings and/or efficiencies. Committee members received copies of the FY 2013 and FY 2014 Dues Summary and Dues and Subscriptions Expense ([Attachment 7](#)) , FY 2013 and FY 2014 Travel Meals ([Attachment 8](#)) , FY 2013 and FY 2014 Registrations, ([Attachment 9](#)) , FY 2013 and FY 2014 Postage Budget ([Attachment 10](#)) , Leadership Budgets ([Attachment 11](#)) , and Universities' Athletic Programs - FY 2014 ([Attachment 12](#)) .

Representative Peck made a motion that no SGF would be expended for legislator's dues and travel expense, unless they are an officer of an organization. The funds would lapse to the SGF from the Legislative budget for FY 2016 and FY 2017. Representative Claeys seconded the motion.

Discussion followed by committee members regarding the motion. It was noted the dues were not paid in FY 2012 and FY 2013, but were reinstated in FY 2014.

The motion was renewed. Motion failed.

Representative Peck made a motion that no SGF would be expended for subscriptions. Representative Claeys seconded the motion.

Discussion followed by committee members regarding the motion.

The motion was renewed. Motion failed.

Representative Peck made a motion to reduce the postage budget for legislators by half of the amount.

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budgeted and would reduce the limit allowed for legislative leadership. The motion dies for lack of a second.

Representative Peck made a motion that no SGF would be expended to subsidize Regent's University Athletic programs. The motion dies for lack of a second.

Representative Peck made a motion for an 18 percent debt service cap for the Kansas Department of Transportation bonding authority. Representative Kahrs seconded the motion. Motion failed.

Chairman Ryckman expressed appreciation for the ideas presented in committee today. A review of any additional recommendation for consideration would be welcome, it was noted.

Closing Remarks

Representative Schwartz made a motion to approve the minutes from the April 23, April 30 and May 6, 2015 Appropriations Committee meetings. Representative Barker seconded the motion. Motion carried.

Meeting adjourned at: 5:45 p.m.