

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Thursday, February 18, 2016, 112-N of the Capitol.

All members were present except:

Representative Mark Kahrs – Excused

Committee staff present:

Kathy Holscher, Kansas Legislative Committee Assistant

David Fye, Legislative Research Department

Jennifer Ouellette, Legislative Research Department

Jill Wolters, Office of Revisor of Statutes

Daniel Yoza, Office of Revisor of Statutes

J.G. Scott, Legislative Research Department

Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Opening Remarks

Chairman Ryckman called the meeting to order. He thanked committee members and legislative staff for their work on the budget bill conference committee report that passed in the House yesterday. A review of the agenda followed. Chairman Ryckman stated that following the hearing on **HB 2662**, an informal briefing will be held on **HB 2573** and **HB 2703** these bills may be scheduled for hearing next week.

Bill introductions

Representative Claeys made a motion to introduce legislation regarding the addition of Kansas Bureau of Investigation agents to the Drop Pilot Program. Representative Barker seconded the motion. Motion carried.

Hearing on: HB2662 — Claims against the state.

Chairman Ryckman opened the hearing on **HB 2662**.

Dezeree Hodish, Kansas Legislative Research Department, provided a briefing on the bill ([Attachment 1](#)). The Joint Committee on Special Claims Against the State recommendation in the bill totals payments of \$11,993 would be paid from existing funds, \$61,418 from newly appropriated State General Funds (SGF) and \$22,943 from the Motor Vehicle Fuel Tax Refund Fund. Approximately 84 percent of the claims were filed against the Department of Corrections, she added.

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Representative Todd, Chairman, Joint Committee on Special Claims Against the State, provided testimony in neutral position of the bill (no written testimony was provided), and he responded to questions from committee members. He stated that reimbursement of legal fees for sexual predator proceedings is reimbursable by the Attorney General's Office to the county of origin, based on a first come-first served basis. If no funds are available in the Sexually Violent Predator Fund, current law allows counties to file a claim against the state for reimbursement. Regarding property loss claims, it was noted this reimbursement is payable from the Department of Corrections budget and not SGF. The Motor Fuel Tax Refund claims were \$200,000 in 2013, \$40,000 in 2014 and \$22,000 in 2015, and with only one repeat claim, he stated.

Discussion followed regarding the Sexually Violent Predator Fund. Dezeree Hodish stated that when the fund was established in 2007, there was no dedicated revenue source. The Attorney General's Office would submit a supplemental request transfer from the SGF to the fund. It was noted that other funding sources within the Attorney General's Office should be explored, as opposed to transferring funds from the SGF, and the request was made to provide a copy of the fund balances in the department.

Chairman Ryckman closed the hearing on the bill.

Informational briefing:

Daniel Yoza, Office of the Revisor of Statutes, provided a briefing on **HB 2573**. He stated this bill refers to the director of Legislative Administrative Services, under the direction of the Legislative Coordinating Council (LCC), will administer and supervise the live audio streaming of legislative proceedings. The bill amends the statute to include live streaming of certain legislative proceedings.

Representative Whitmer responded to questions from committee members. He stated that this is effort is funded through the Information Network of Kansas, Inc. (INK) with grants up to \$100,000. The live streaming of four committee rooms would be at a cost of \$40,000. There will not be a fiscal note, he responded. The equipment already installed in the Old Supreme Court Room would need the software installed, he added.

Informational briefing:

Jill Wolters, Office of the Revisor of Statutes, provided a briefing on **HB 2703**. The bill provides for legislative and State Finance Council oversight on indebtedness. Guidelines prescribed in K.S.A. 75-3711c(c) included the following: borrow money upon the credit of the state; contract indebtedness on the credit of the state; issue bonds; acquire real estate; contract with a third party to construct or improve any institution or facility on state-owned property; make expenditures for construction or improvement for any institutions or facilities of such state agency; pledge as collateral any type of state owned institution, facility or property; enter into an agreement or assignment in which the rent payments are pledged as collateral; or enter into a municipal lease obligation. Prior to approval by the State Finance Council or legislature, the state agency must be reviewed and process evaluated on the

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selection of parties involved with the State Building Advisory Commission, advised and consulted with the Joint Committee on State Building Construction. A review of the composition of the trade groups followed. The State Finance Council has the authority to approve any action less than \$25 million. Actions over \$25 million would require approval through appropriation or other legislative action. This bill does not include the Kansas Department of Transportation, and has no effect on the department's bond limitations, which is 19 percent, she added. The Secretary of Administration cannot rely on his or her authority to lease as a reason to issue to bond, as this action would require approval by the legislature or State Finance Council. The bill would also request monthly project reports from the Kansas Development Finance Authority, as opposed to annually.

Jill Wolters responded to questions from committee members. For small projects, the State Finance Council's approval would be required. Monies appropriated or collected and placed in a no-limit fund would be applied to payments of indebtedness. This would apply to the Department of Education, but not the United School Districts, as they are not a state agency, she responded. The project process would begin with the State Building Advisory Commission and the Joint Committee on State Building Construction that would review, advise and consult on the project. If the project was below \$25 million the State Finance Council, or if the project was over \$25 million, a bill for bonding authority for state agencies would be required. The State Building Advisory Commission is looking into the competitive bid process, she stated. Representative Hutton reviewed the commission's responsibility includes the award of the design contract and approves or recommends projects. The recommendation was made for legislation next year that would address the mechanics of how public and private partnerships are determined and developed for state projects. Chairman Ryckman stressed the importance of oversight on all state agencies leases.

Discussion on: Efficiency Study Template

Justin Stowe, Legislative Post Audit, and serves as the legislative liaison on the study, reviewed a draft template for committee recommendation([Attachment 2](#)). He reported that by the end of this week, all committee recommendations will have been held with Alvarez and Marsal, with the exception of the Senate Transportation Committee. This committee will hold a meeting after turnaround. As requested, the categories A, B & C will be added to the form, as well as any other recommended fields. It was suggested that a quarterly flow chart showing the progress of the recommendations would be helpful going forward. Regarding zero based budgeting, steps are being taken to begin looking at budget processes, which may take a few years to develop and implement

Meeting adjourned at: 9:53 a.m.