

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Thursday, March 17, 2016, 112-N of the Capitol.

All members were present

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](#)

Possible action on bills previously heard

Chairman Ryckman called the meeting to order. A review of the meeting agenda followed.

Chairman Ryckman opened discussion on **HB 2731**.

J.G. Scott, Legislative Research Department, reviewed additional information, as requested by committee members, regarding school districts Local Option Budget (LOB) State Aid ([Attachment 1](#)). This information ranks the school district by Assessed Valuation Per Pupil (AVPP), the 81.2 percentile, adjustment to the LOB and percent used, and total mill levy per each district.

J.G. Scott responded to questions from committee members. He provided an explanation on the financial impact on school districts when there are changes in the LOB and mill levy. School districts would have the option to increase the mill levy to back fill LOB state aid reduction. Based on the calculations, approximately \$5.1 million would go back to the school districts and property tax relief would be approximately \$9.4 million. Districts with LOB state reductions that did not increase the mill levy, the property tax relief would be an appropriate reduction of \$27 million, and the state aid to schools would drop approximately \$12.5 million. Chairman Ryckman stated that this bill lapses \$17.5 million from the extraordinary needs fund to the State General Fund (SGF) and would have a fiscal note of \$20.5 million. It was noted that local boards would authorize adjustments for losses that could be made up by local efforts through increased property tax, as well authorize property tax reductions

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for those districts that experienced increases. Discussion followed regarding the components and impact of the bill. It was noted that four districts brought the lawsuit before the Supreme Court, and none of the four school districts appeared before the committee as proponents of the bill. The 1992 school funding formula and the changes that have occurred over this time frame was reviewed. Several suggestions were made during the discussion on the bill, which included the following: better record keeping of informal discussions; develop a funding formula based on scientific data to address adequacy and equity with stakeholders; and ensuring that money gets to the classrooms. Chairman Ryckman referenced KASB chart showing that the state spends \$900 more per pupil than the national average, and \$1500 less locally than the national average.

Chairman Ryckman noted that the ruling by the Supreme Court stated one of the ways to address the equity issue for funding schools would be to go back to the old formula. The goal is to keep the schools open, and to determine how to measure equal access to educational opportunities for all students.

It was noted that there were no conferees testifying as proponents or opponents on the bill, only conferees providing testimony in neutral positions on the bill. Several members expressed lack of support for the bill. No action was taken on the bill.

Chairman Ryckman stated that the priority is to provide certainty by keeping the schools open, as well as continued work on the school funding formula. It is evident by today's discussion, this bill is not going to move out of this committee. Without the support of this committee, the bill will not pass on the House floor. He expressed the need to find a way to create records reflecting sufficient evidence, as was requested by the Supreme Court.

Chairman Ryckman closed the discussion on the bill.

Possible Discussion on:

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, reviewed the Alvarez and Marsal recommendations as was discussed in committee ([Attachment 2](#)). The committee did not take any action on the office consolidation recommendation. The Engineering Contractors recommendation included filling 7 vacant positions, prior to additional hiring consideration. It was noted that these positions would be at a higher cost, if outsourced. The sale of underutilized non-passenger equipment is an on-going process. Right of way access permits and driveway permit fees are at no cost to individuals presently, and of the committee recommended a review a fee schedule for this service. The Kansas Turnpike Authority (KTA) will review the increased sponsorship for rest stops, traveler assist hotline, roadside logo sign program and motorist assist program. Centralizing the human resources staff should be reviewed, as the importance of providing the best services and response to needs was emphasized. Regarding the sale of the state radio system, there are federal issues to work through in this process and options for leasing are underway. It was noted that the committee did not move forward on the Davis Bacon and Brooks Act, which deals with the lowest bidding contracts, as KDOT is using the best practices using quality based selection.

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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Representative Claeys, Chair, Transportation and Public Safety Budget Committee, reviewed Alvarez and Marsal recommendations for the National Guard (See att. 2). Under general administration the committee determined that the department continues to be in compliance with federal regulations and continues to find realize savings.

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, reviewed Alvarez and Marsal recommendations for the Department of Corrections. A bill was passed regarding prison-based program and credit expansion. State purchases that are done first from the Kansas Correctional Industries, have not been enforced and the committee recommended enforcement of this policy, when purchases are at cost or below cost by other suppliers. More discussion was requested by the committee regarding work release programs and the possible closure of a correctional facility. Most of the savings identified in the department was cost avoidance, he noted. There are bills in the Senate that address the expanded access to Substance Abuse Treatment and Community Corrections Transformation programs, he stated. The recommendation regarding strategic overtime reductions could be implemented according to to the department. The good time forfeiture and revocation process is a centralization issue for the department to evaluate and recommendations will be forthcoming. Reducing utilities cost through alternative energy pilot would require additional information for the committee's continued discussion, due to utility rates concerns. No action was recommended by the committee regarding leveraging Medicaid and private health insurance as a process is already in place. Regarding expanding on-site medical services, further study will be done by the department and the findings will be reported to the committee, he added.

Chairman Ryckman reviewed the agenda for the next committee meeting.

Meeting adjourned at: 10:40 a.m.