

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 13, 2007, in Room 514-S of the Capitol.

All members were present except:

Representative Tom Burroughs - excused
Representative Sydney Carlin - excused
Representative Pat George - excused
Representative Jerry Henry - excused
Representative Larry Powell - excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Amy Deckard, Legislative Research Department
Aaron Klaassen, Legislative Research Department
Matt Spurgin, Legislative Research Department
Jim Wilson, Revisor of Statutes
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on Kansas Guardianship Program
- Attachment 2 Budget Committee Report on Kansas Human Rights Commission
- Attachment 3 Budget Committee Report on Citizens' Utility Ratepayer Board and Kansas Corporation Commission

Representative Bethell moved to introduce legislation regarding controls on wholesale prescription drugs. The motion was seconded by Representative Lane. Motion carried.

Representative Bethell, Chair of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Guardianship Program for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 1). The motion was seconded by Representative Kelsey. Motion carried.

Representative Bethell, Chair of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Guardianship Program for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 1). The motion was seconded by Representative Feuerborn. Motion carried.

Hearing on HB 2368 - Claims against the state.

Amy Deckard, Legislative Research Department, presented an overview of **HB 2368**. Ms. Deckard reviewed the various sections of the bill and stated that the majority of the claims awarded pertain to motor fuel tax used for off-highway usage including school buses and farming equipment.

Senator Journey, Chair of the Joint Committee on Special Claims Against the State, stated that the Committee reviewed 156 claims of which 135 or 86.5 percent of the claims were filed against the Department of Corrections. The Committee recommends payment of 21 claims in **HB 2368** for a total of \$338,996.34 of which \$217,558.17 is from the State General Fund (SGF). Senator Journey noted that the Committee denied 88.0 percent of the 156 claims.

Representative Steve Heubert, member of the Joint Committee on Special Claims Against the State, was also present to answer questions.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 13, 2007, in Room 514-S of the Capitol.

Responses to Committee questions included:

- Section 6 - The special claims disbursement fund is set up in order to spread the award over a series of payments. Funds are to be transferred from the State General Fund to the special fund.
- Section 4 - The claimant is an individual who was in custody; should have had the sentence modified; however, spent considerable time in custody when it was not required.
- Section 6 (a) - A case that was won on appeal after the claimant spent a considerable length of time in prison. The Kansas Supreme Court stated that the State failed to meet its burden of proof. The award will be paid with periodical payments over a period of time.
- Section 8 - The Kansas State Fair insurance policy did not cover all medical expenses of the claimant for injuries sustained on the state fairgrounds.
- Section 10 - Claimant claimed they were not paid for materials used at Kansas State University. The University apparently paid to the wrong contractor.
- Section 11 - The claimants were foster parents and in the process of adopting a child. The Department of Social and Rehabilitation Services (SRS) felt that there was evidence of abuse while it was later overturned by a hearing officer; however during this time, the child was adopted elsewhere. Representative Heubert noted that the Joint Committee recommended the payment from the State General Fund because they felt mistakes had been made; however, did not wish to unduly penalize SRS.

The hearing on HB 2368 was closed.

Representative Pottorff, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Human Rights Commission for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 2). The motion was seconded by Representative Lane. Motion carried.

Representative Pottorff, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Human Rights Commission for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 2). The motion was seconded by Representative Lane. Motion carried.

Representative Watkins, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Citizens' Utility Ratepayer Board (CURB) for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 3). The motion was seconded by Representative Gatewood. Motion carried.

Representative Watkins, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Citizens' Utility Ratepayer Board (CURB) for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 3). The motion was seconded by Representative Gatewood. Motion carried.

Representative Gatewood, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Corporation Commission for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 3). The motion was seconded by Representative Watkins. Motion carried.

Representative Gatewood, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Corporation Commission for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 3). The motion was seconded by Representative Watkins. Motion carried.

The meeting was adjourned at 9:40 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 14, 2007.


Sharon Schwartz, Chair

House Appropriations Committee
February 13, 2007
9:00 A.M.

NAME	REPRESENTING
Beth Runnels	CURB
Jacki Mankoff	KCC
Susan Elger	KCC
William Miner	KS. Human Rights Commission
Bernice Myers	- - - - -
Ruth Glover	✓ ✓ ✓ ✓
David Spruce	Curb
Shonda Tilsworth	CURB

FY 2007 and FY 2008

HOUSE SOCIAL SERVICES BUDGET COMMITTEE

Kansas Guardianship Program



Representative Bob Bethell, Chair



Representative Pat George



Representative Peggy Mast, Vice-Chair



Representative Tom Hawk



Representative Jerry Henry,
Ranking Minority Member



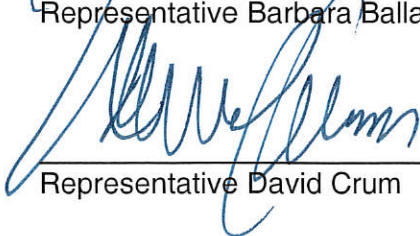
Representative Dick Kelsey



Representative Barbara Ballard



Representative Marc Rhoades



Representative David Crum

HOUSE APPROPRIATIONS

DATE 2-13-2007
ATTACHMENT 1

House Budget Committee Report

Agency: Kansas Guardianship Program **Bill No.** HB --

Bill Sec. --

Analyst: O'Hara

Analysis Pg. No. Vol.-

Budget Page No. 173

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,226,276	\$ 1,226,276	\$ 0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	<u>\$ 1,226,276</u>	<u>\$ 1,226,276</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 1,226,276</u></u>	 <u><u>\$ 1,226,276</u></u>	 <u><u>\$ 0</u></u>
 FTE Positions	 12.0	 12.0	 0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>12.0</u></u>	<u><u>12.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates FY 2007 operating expenditures of \$1,226,276, all of which is from the State General Fund. The estimate is an increase of \$4,318, or 0.4 percent, above the amount approved by the 2006 Legislature. The increase is attributable to a State General Fund reappropriation of \$3,460 from FY 2006 and \$858 for the annualization of the pay plan approved by the 2006 Legislature.

Governor's Recommendation

The **Governor** concurs with the agency's estimate FY 2007 operating expenditures.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's Recommendation.

House Budget Committee Report

Agency: Kansas Guardianship Program **Bill No.** HB --

Bill Sec. --

Analyst: O'Hara

Analysis Pg. No. Vol.-

Budget Page No. 173

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,273,841	\$ 1,295,791	\$ (21,950)
Other Funds	0	0	0
Subtotal - Operating	\$ 1,273,841	\$ 1,295,791	\$ (21,950)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 1,273,841	 \$ 1,295,791	 \$ (21,950)
 FTE Positions	 12.0	 12.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

Agency Request

The **agency** requests \$1,273,841, all of which is from the State General Fund, for FY 2008 operating expenditures. The request is an increase of \$47,565, or 3.9 percent, above the FY 2007 estimate. The request includes three agency enhancement packages totaling \$47,945 for a base salary adjustment, attorney retainer fees, and additional travel expenditures.

Governor's Recommendation

The **Governor** recommends \$1,295,791, all of which is from the State General Fund, for FY 2008 operating expenditures. The recommendation is an increase of \$69,515, or 5.7 percent, above the FY 2007 recommendation and an increase of \$21,950, or 1.7 percent, above the agency's FY 2008 request. The increase from the agency's request is the result of the addition of \$21,950 for a 1.5 percent base salary adjustment, 2.5 percent movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. The recommendation also includes \$47,945 for the agency's requested enhancement packages.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustment:


1. **Pay Plan Adjustment.** Delete \$21,950, all from the State General Fund, recommended by the Governor for a 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for the pay plan adjustment and the longevity payment increase will be considered at a later time.

FY 2007 and FY 2008

HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE

Kansas Human Rights Commission

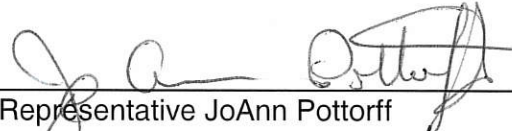

Representative Kevin Yoder, Chair


Representative Rocky Fund


Representative Kasha Kelley, Vice-Chair


Representative Annie Kuether


Representative Harold Lane,
Ranking Minority Member


Representative JoAnn Pottorff


Representative Virginia Beamer


Representative Charles Roth


Representative Tom Burroughs

HOUSE APPROPRIATIONS

DATE 2-13-2007
ATTACHMENT 2

House Budget Committee Report

Agency: Kansas Human Rights Commission **Bill No.** HB - -

Bill Sec. - -

Analyst: Klaassen

Analysis Pg. No. Vol.-

Budget Page No. 203

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,757,453	\$ 1,757,453	\$ 0
Other Funds	318,462	318,462	0
Subtotal - Operating	<u>\$ 2,075,915</u>	<u>\$ 2,075,915</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 2,075,915</u></u>	 <u><u>\$ 2,075,915</u></u>	 <u><u>\$ 0</u></u>
 FTE Positions	 34.0	 34.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>34.0</u></u>	<u><u>34.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **Human Rights Commission** estimates FY 2007 expenditures of \$2,075,915 from all funds, an increase of \$9,120, or 0.4 percent, above the amount approved by the 2006 Legislature. The agency estimates current year State General Fund expenditures of \$1,757,453, an increase of \$38,390, or 2.2 percent, above the approved amount. This increase in State General Fund expenditures is due to a reappropriation of \$34,807 due to vacancies in FY 2006, and an additional \$3,583 for the amount required to fully fund the pay plan approved by the 2006 Legislature.

Governor's Recommendation

The **Governor** concurs with the agency's request for current year operating expenditures.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

2-2

House Budget Committee Report

Agency: Kansas Human Rights Commission **Bill No.** HB - -

Bill Sec. - -

Analyst: Klaassen

Analysis Pg. No. Vol.-

Budget Page No. 203

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,690,256	\$ 1,748,510	\$ (58,254)
Other Funds	483,725	488,805	(5,080)
Subtotal - Operating	<u>\$ 2,173,981</u>	<u>\$ 2,237,315</u>	<u>\$ (63,334)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 2,173,981</u></u>	<u><u>\$ 2,237,315</u></u>	<u><u>\$ (63,334)</u></u>
FTE Positions			
	34.0	34.0	0.0
Non FTE Uncl. Perm. Pos.			
	0.0	0.0	0.0
TOTAL	<u><u>34.0</u></u>	<u><u>34.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **Human Rights Commission** requests FY 2008 operating expenditures of \$2,173,981 from all funds, an increase of \$98,066, or 4.7 percent, above the FY 2007 revised estimate. This amount will include \$1,690,256 from the State General Fund, a decrease of \$67,197, or 3.8 percent, below the FY 2007 revised estimate. All other funds comprise \$483,725 of this request, an increase of \$165,263, or 51.9 percent, above the FY 2007 revised estimate.

Governor's Recommendation

The **Governor** recommends expenditures of \$2,237,315 from all funds, an increase of \$161,400, or 7.8 percent, above the 2007 recommendation. The recommendation includes \$1,748,510 from the State General Fund, a decrease of \$8,943, or 0.5 percent, below the FY 2007 recommendation and an increase of \$58,254, or 3.4 percent above the agency's request. The Governor's recommendation includes \$488,805 in all other funds, an increase of \$5,080, or 1.1 percent, above the agency's request. The Governor's FY 2008 recommendation includes the addition of \$63,334, including \$58,254 from the State General Fund, for a 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustment and notation:

1. Remove \$63,334, including \$58,254 from the State General Fund, for a 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and the increase in longevity payments will be considered later.
2. The House Budget Committee commends the agency's efforts to be fiscally responsible, but notes that in an effort to do so the Human Rights Commission has been spending down the balance of its special revenue funds and may be requesting additional State General Fund support in FY 2009.

FY 2007 and FY 2008

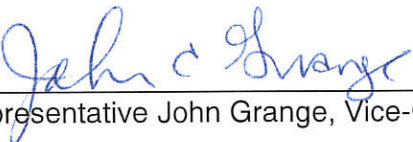
HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE

Citizens' Utility Ratepayer Board

Kansas Corporation Commission


Representative Larry Powell, Chair


Representative Vaughn Flora



Representative John Grange, Vice-Chair

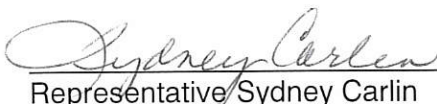

Representative Carl Holmes


Representative Doug Gatewood
Ranking Minority Member


Representative Sharon Schwartz


Representative Clay Aurand


Representative Jason Watkins


Representative Sydney Carlin

HOUSE APPROPRIATIONS

DATE 2-13-2007
ATTACHMENT 3

House Budget Committee Report

Agency: Citizens' Utility Ratepayer Board **Bill No.** HB

Bill Sec.

Analyst: Krahl **Analysis Pg. No.** Vol. 1-

Budget Page No. 87

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	762,967	762,967	0
Subtotal - Operating	\$ 762,967	\$ 762,967	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
 TOTAL	 <u>\$ 762,967</u>	 <u>\$ 762,967</u>	 <u>\$ 0</u>
 FTE Positions	 6.0	 6.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Estimate

The Citizens' Utility Ratepayer Board (CURB) estimates FY 2007 operating expenditures of \$762,967, an increase of \$26,761, or 3.6 percent, above the approved amount. The increase is due to unexpended money in professional services in FY 2006. CURB is allowed to carry forward any unused balances in consulting fees from the previous year but can only use this money for contracts on consultants. CURB receives no State General Funds and is funded through assessments to the utility companies which are ultimately paid for in the utility rates of the consumers CURB represents. The FY 2007 estimate include: \$416,172 for salaries and wages for 6.0 positions; \$340,625 for contractual services; \$2,510 for commodities; and \$3,660 for capital outlay.

Governor's Recommendation

The Governor concurs with the agency's revised estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Citizens' Utility Ratepayer Board **Bill No.** HB

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol. 1-

Budget Page No. 87

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	0
Other Funds	780,280	796,792	(16,512)
Subtotal - Operating	\$ 780,280	\$ 796,792	\$ (16,512)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	0
 TOTAL	 \$ 780,280	 \$ 796,792	 \$ (16,512)
 FTE Positions	 6.0	 6.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	6.0	0.0	0.0

Agency Request

The Citizens' Utility Ratepayer Board (CURB) requests FY 2008 operating expenditures of \$780,280, an increase of \$17,313, or 2.3 percent, above the FY 2007 estimate. The request includes an enhancement of \$35,274 for salary increases for professional and support staff. The request include: \$456,123 for salaries and wages for 6.0 positions; \$317,807 for contractual services; \$2,600 for commodities; and \$3,750 for capital outlay.

Governor's Recommendation

The Governor recommends FY 2008 operating expenditures of \$796,792, an increase of \$33,825, or 4.4 percent, above the FY 2007 recommendation and an increase of \$16,512, or 2.1 percent, above the CURB request. The Governor concurs with CURB's request with the addition of \$16,512 for the Governor's recommended pay plan adjustment. The recommendation includes: \$472,635 for salaries and wages for 6.0 positions; \$317,807 for contractual services; and \$2,600 for commodities; and \$3,750 for capital outlay.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustment:

3-3

1. Delete \$16,512, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.

House Budget Committee Report

Agency: Kansas Corporation Commission **Bill No.** HB

Bill Sec.

Analyst: Krahl **Analysis Pg. No.** Vol.-

Budget Page No. 111

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	19,711,521	19,711,521	0
Subtotal - Operating	\$ 19,711,521	\$ 19,711,521	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
 TOTAL	 <u>\$ 19,711,521</u>	 <u>\$ 19,711,521</u>	 <u>\$ 0</u>
 FTE Positions	 214.0	 214.0	 0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	<u>220.5</u>	<u>220.5</u>	<u>0.0</u>

Agency Estimate

The Kansas Corporation Commission estimates FY 2007 operating expenditures of \$19,711,521, an increase of \$93,902, or 0.5 percent, above the approved amount. The estimate does not include any State General Fund expenditures. The majority of the increase is estimated to be expended on costs associated with plugging abandoned oil and gas wells. The revised estimate does not include any supplemental requests or Kansas Savings Incentive Program (KSIP) expenditures. The estimate include: \$12,393,965 for salaries and wages to fund 220.5 positions; \$6,284,156 for contractual services; \$469,299 for commodities; \$268,150 for capital outlay and \$295,951 for aid to local units.

Governor's Recommendation

The Governor concurs with the agency's revised estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Corporation Commission **Bill No.** SB

Bill Sec.

Analyst: Krahl **Analysis Pg. No.** Vol. 1-

Budget Page No. 111

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 175,000	\$ 1,177,742	\$ (1,002,742)
Other Funds	20,018,609	20,098,978	(569,309)
Subtotal - Operating	\$ 20,193,609	\$ 21,276,720	\$ (1,572,051)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	0
 TOTAL	 \$ 20,193,609	 \$ 21,276,720	 \$ (1,572,051)
 FTE Positions	 214.0	 214.0	 0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	220.5	220.5	0.0

Agency Request

The Kansas Corporation Commission requests FY 2008 operating expenditures of \$20,193,609, an increase of \$482,088, or 2.4 percent, above the FY 2007 estimate. The request include \$175,000 from the State General Fund for the Kansas Energy Council. The 2008 request includes enhancement requests totaling \$588,940, all from special revenue funds. Without the enhancements, the request is \$19,605,569, a decrease of \$105,952, or 0.5 percent, below the FY 2007 estimate. The FY 2008 request includes: \$13,012,959 for salaries and wages to fund 220.5 positions; \$6,249,326 for contractual services; \$461,538 for commodities; \$393,835 for capital outlay; and \$75,951 for aid to local units.

Governor's Recommendation

The Governor recommends FY 2008 operating expenditures of \$21,276,720, an increase of \$1,565,199, or 7.9 percent, above the FY 2007 recommendation and an increase of \$1,083,111, or 5.4 percent, above the State Corporation Commission's request. The recommendation includes State General Fund expenditures of \$1,177,742, including \$2,742 for the Governor's pay plan, \$175,000 for the Kansas Energy Council and \$1.0 million for the Kansas Electric Transmission Authority (KETA). The recommendation includes all other funds expenditures of \$20,098,978, an increase of \$387,457, or 2.0 percent, above the FY 2007 recommendation. The recommendation includes \$467,051 for the Governor's recommended pay plan adjustment, \$100,000 for the Kansas

3-6

Energy Council and \$105,000 for the replacement of six vehicles. The FY 2008 recommendation includes: \$13,059,070 for salaries and wages to fund 220.5 positions; \$6,249,326 for contractual services; \$461,538 for commodities; \$330,835 for capital outlay; and \$1,175,951 for aid to local units.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete \$467,051, including \$2,742 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. Delete \$105,000 from special revenue funds to remove funding for purchase of six vehicles. Funding for vehicles will be considered at Omnibus.
3. Delete \$1.0 million from the State General Fund for the planning and construction of an electric transmission line and create a new special revenue fund called KETA Development Fund. Transfer \$1.0 million from the State General Fund on July 1, 2007 to the KETA Development Fund. This will allow for a clear and separate means of tracking the funds to account for the repayment of the \$1.0 million from the Kansas Electric Transmission Authority (KETA).