

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 21, 2008, in Room 514-S of the Capitol.

All members were present except:

Representative Jason Watkins - excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Cody Gorges, Legislative Research Department
Amy Deckard, Legislative Research Department
Julian Efird, Legislative Research Department
Nobuko Folmsbee, Revisor of Statutes
Nikki Feuerborn, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on Department of Transportation

Introduction of Legislation

Representative Bethell moved to introduce legislation regarding health care reform. The motion was seconded by Representative Ballard. Motion carried.

Representative Carlin moved to introduce legislation regarding election crime and penalty for voting more than once. The motion was seconded by Representative Gatewood. Motion carried.

Department of Transportation

Representative Williams, member of the Transportation and Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Transportation for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 1). The motion was seconded by Representative Holmes. Motion carried.

Representative Williams, member of the Transportation and Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Transportation for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 1). The motion was seconded by Representative Tafanelli.

Responding to a question from the Committee, the Budget Committee stated that the construction of the Kansas Highway Patrol (KHP) Troop F Headquarters facility in Wichita was addressed with testimony from the Department of Transportation indicating that the project was approved for construction in 1993 by the State Building Committee. It was reported that it was the consensus of the Kansas Highway Patrol and the Department of Transportation that a substantial amount of work has been done on the project and could move forward with funding from the State Highway Fund.

Representative Schwartz made a substitute motion to amend the Budget Committee report on the Department of Transportation for FY 2009 by deleting the funding of \$6,367,000 from the capital improvements budget for the construction of a Kansas Highway Patrol Troop F headquarters facility

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 21, 2008, in Room 514-S of the Capitol.

in Wichita and review the appropriation at Omnibus. The motion was seconded by Representative Bethell. Motion carried.

Responding to a question from the Committee, the Budget Committee stated that installation of an 800 MHZ communication system has been completed in southeast Kansas with installation work progressing across the State. The Budget Committee noted that \$2 million was appropriated by the 2007 Legislature toward securing a \$10 million Federal Communication Grant. The State received the \$10 million federal grant during the fall of 2007. This funding will be used across the state to expedite the installation of the 800 MHZ system as well as some other forms of communication initiatives to provide better coverage for response to state disasters.

Representative Gatewood moved to amend the Budget Committee report on the Department of Transportation for FY 2009 by adding language to record the success of the installation of the 800 MHZ system and the leverage of state funding to secure federal grant funding to accelerate installation of the project across the state. The motion was seconded by Representative Powell. Motion carried.

The Committee voiced concern with the shrinkage adjustment in Item No. 2 and felt that agencies should be encouraged to review vacant positions on a regular basis to determine if there are vacancies that could be eliminated.

The Budget Committee noted that the Department of Transportation testified that they felt the flow of funding to the State from the Federal Highway Trust Fund for the current Comprehensive Transportation Plan (CTP) is secure; however, there is concern regarding federal funding in future years.

Representative Williams renewed the motion to adopt the Budget Committee report on the Department of Transportation for FY 2009 as amended. The motion was seconded by Representative Tafanelli. Motion carried.

- ◆ The Committee requested a copy of the Department of Transportation report on the Traffic Records Enhancement Fund.

Approval of Minutes

Representative Feuerborn moved to approve the minutes of February 11, February 12, February 13 and February 14 as written. The motion was seconded by Representative Bethell. Motion carried.

The meeting was adjourned at 9:35 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 22, 2008.


Sharon Schwartz, Chair

House Appropriations Committee

February 21, 2008

9:00 A.M.

NAME	REPRESENTING
Terry Maple	KHP
Sheryl Weller	KHP
Ethel Erickson	KDOT
Marc Ferrill	KDOT
Bayli Shaw	KACCT
MARK BORANYAK	CAPITOL STRATEGISTS
Michael Hooper	Kegroy & Assoc.
Ken Seebur	Ken Law Firm
Wendy Adams	KAPA

FY 2008 and FY 2009

HOUSE TRANSPORTATION AND PUBLIC SAFETY BUDGET COMMITTEE

Kansas Department of Transportation

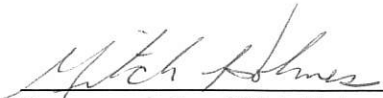
February 21, 2008



Representative Lee Tafanelli, Chair



Representative Tom Moxley



Representative Mitch Holmes, Vice-Chair



Representative Tim Owens



Representative Jerry Williams,
Ranking Minority Member



Representative Jeff Whitham



Representative Paul Davis



Representative Kay Wolf



Representative Stan Frownfelter

HOUSE APPROPRIATIONS

DATE 2-21-2008
ATTACHMENT 1

House Budget Committee Report

Agency: Department of Transportation **Bill No.**

Bill Sec.

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

Budget Page No. 397

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	660,332,539	660,332,539	0
Subtotal - Operating	<u>\$ 660,332,539</u>	<u>\$ 660,332,539</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	741,838,274	741,838,274	0
Subtotal - Capital Improvements	<u>\$ 741,838,274</u>	<u>\$ 741,838,274</u>	<u>\$ 0</u>
 TOTAL – Reportable	 <u><u>\$ 1,402,170,813</u></u>	 <u><u>\$ 1,402,170,813</u></u>	 <u><u>\$ 0</u></u>
 Nonreportable Expenditures*	 \$ 132,064,266	 \$ 132,064,266	 \$ 0
 GRAND TOTAL	 <u><u>\$ 1,534,235,079</u></u>	 <u><u>\$ 1,534,235,079</u></u>	 <u><u>\$ 0</u></u>
 FTE Positions	 3,201.5	 3,201.5	 0.0
Non FTE Uncl. Perm. Pos.	41.8	41.8	0.0
TOTAL	<u><u>3,243.3</u></u>	<u><u>3,243.3</u></u>	<u><u>0.0</u></u>

* includes Off-Budget Nonreportable expenditures for the Radio Communications Program.

Agency Estimate

The agency's revised request includes reportable expenditures of \$1.402 billion and nonreportable expenditures of \$132.1 million, for total expenditures of \$1.534 billion. The revised request includes 3,201.5 FTE positions and 41.8 non-FTE positions. Adjustments to the FY 2008 reportable expenditures include an increase of \$172.0 million, or 14.0 percent, above the amount approved by the 2007 Legislature:

- A supplemental request of \$1.7 million, all from the State Highway Fund, for commodities, vehicle servicing, and diesel fuel;
- KSIP expenditures of \$807,078 for technology replacement; and
- Other adjustments in the FY 2008 expenditures totaling an increase of \$170.3 million that are primarily in the Construction program, attributed to shifting projects from prior fiscal years.

Governor's Recommendation

The Governor concurs with the agency's revised FY 2008 estimate for expenditures and FTE positions.

House Budget Committee Recommendation

The Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Department of Transportation **Bill No.** **Bill Sec.**
Analyst: Efird **Analysis Pg. No.** Vol. - **Budget Page No.** 397

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	664,921,597	666,644,618	(9,813,554)
Subtotal - Operating	<u>\$ 664,921,597</u>	<u>\$ 666,644,618</u>	<u>\$ (9,813,554)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	943,138,589	940,617,589	0
Subtotal - Capital Improvements	<u>\$ 943,138,589</u>	<u>\$ 940,617,589</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,608,060,186</u></u>	<u><u>\$ 1,607,262,207</u></u>	<u><u>\$ (9,813,554)</u></u>
Nonreportable Expenditures**	\$ 173,553,581	\$ 173,553,581	\$ 0
GRAND TOTAL	<u><u>\$ 1,781,613,767</u></u>	<u><u>\$ 1,780,815,788</u></u>	<u><u>\$ (9,813,554)</u></u>
FTE Positions	3,150.5	3,150.5	0.0
Non FTE Uncl. Perm. Pos.	41.8	41.8	0.0
TOTAL	<u><u>3,192.3</u></u>	<u><u>3,192.3</u></u>	<u><u>0.0</u></u>

*Of the Budget Committee's recommended reductions, \$5,683,984, including all from special revenue funds, is related to pay plan adjustments.

** includes Off-Budget Nonreportable expenditures for the Radio Communications Program.

Agency Estimate

The agency requests reportable expenditures of \$1.608 billion and nonreportable expenditures of \$173.6 million, for total expenditures of \$1.782 billion. The request includes 3,150.5 FTE positions and 41.8 non-FTE positions. The reportable budget includes an increase of \$205.9 million, or 14.7 percent, above the FY 2008 revised request. The request includes:

- \$4,517,433, all from the State Highway Fund, to replace 245 vehicles.
- 3,150.5 FTE positions, which is a decrease of 51.0 FTE positions from the FY 2008 revised request. The agency was granted an additional 136.0 FTE positions when the Comprehensive Transportation Program (CTP) was approved. As the CTP enters its final years, the agency planned for the reduction of positions

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through attrition. The agency's FTE count was reduced by a total of 48.0 from FY 2006 to FY 2008.

Governor's Recommendation

The Governor recommends reportable expenditures of \$1.607 billion and nonreportable expenditures of \$173.6 million, for total expenditures of \$1.781 billion. The Governor concurs with the agency's reduction of 51.0 FTE positions below the current fiscal year, with the recommendation for 3,150.5 FTE positions and 41.8 non-FTE positions. The Governor recommends a FY 2009 reportable budget which is an increase of \$205.1 million, or 14.6 percent, above the FY 2008 recommendation. The Governor recommends the following adjustments in State Highway Fund expenditures:

- \$2,258,700 for the replacement of 123 vehicles;
- \$3,343,201 for a 2.5 percent cost of living adjustment;
- \$638,553 for an under market group increase; and
- \$13,392,987 for capital improvement building projects that are reviewed by the Joint Committee on State Building Construction.

House Budget Committee Recommendation

The Committee concurs with the Governor's FY 2009 recommendation with the following exceptions:

1. **Pay Plan Adjustments.** Delete \$5,683,984, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$3,343,201, all from the special revenue funds, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$638,553, all from special revenue funds, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$1,702,230, all from special revenue funds, to remove the amount recommended by the Governor for longevity bonus payments.
2. **Shrinkage Adjustment.** Delete \$1,870,870, all from special revenue funds, to adjust the salaries and wages shrinkage rate. Apply a 5.1 percent shrinkage rate in FY 2009, the same as the 5.1 percent in FY 2008 recommended by the Governor. The adjustment would increase the base salary shrinkage from 4.0 percent to 5.1 percent, an increase of 1.1 percent in FY 2009, or \$1,870,870, all

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from special revenue funds. The Subcommittee also recommends review of agency data at Omnibus regarding shrinkage rates and staffing vacancies related to FTE positions. The Subcommittee would note that the following table shows staffing changes in terms of FTE positions generally associated with the period of the Comprehensive Transportation Plan (CTP). Recent reductions and reallocations within the agency shifted the internal assignment of FTE positions. The agency indicates it has reduced through FY 2009 a total of 97.0 FTE positions from the 136.0 FTE positions added for the CTP.

	FY 1999	FY 2009	Change
Management	526.5	565.0	38.5
Local Support	51.0	56.0	5.0
Maintenance	1,535.0	1,572.0	37.0
Construction	999.0	957.5	(41.5)
Total	3,111.5	3,150.5	39.0

3. **Replacement Vehicles.** Delete \$2,258,700, all from special revenue funds, for the replacement of 123 vehicles, and review at Omnibus.
4. **Natural Disasters.** Note that Omnibus review should be conducted for damage to short line railroads and the possibility of using funds from the Rail Service Improvement Fund for providing assistance to short line railroads that suffered damage from natural disasters. The Subcommittee also would like to commend the agency for its response to the challenges associated with the state's natural disasters last year, and for its continued excellent service in fulfilling all of its other regular duties and operations.