

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 5, 2004 in Room 514-S of the Capitol.

All members were present except:

Representative Jo Ann Pottorff- excused
Representative Tom Klein- excused

Committee staff present:

Alan Conroy, Legislative Research
J. G. Scott, Legislative Research
Amy VanHouse, Legislative Research
Michele Alishahi, Legislative Research
Robert Waller, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Others attending:

See Attached List.

- Attachment 1 Budget Committee Report on Department of Transportation (DOT)
- Attachment 2 State General Fund Receipts, July through February, FY 2004

Representative Bethell moved to approve the Committee minutes, as written, of the February 24 and February 25, 2004, meetings. The motion was seconded by Representative Landwehr. Motion carried.

Representative Schwartz moved to introduce two pieces of legislation regarding water. The motion was seconded by Representative Feuerborn. Motion carried.

Hearing on SB 323 - Changing the date of the joint estimates of revenue to the state general fund from April 4 to April 20.

The Chair recognized J. G. Scott, Legislative Research Department, who explained that **SB 323** strikes the temporary portion of the bill that moves the consensus revenue estimating date from April 4 to April 22 and statutorily changes the consensus revenue estimating date from April 4 to on or before April 20. This change in date will allow for the computation of more accurate revenue information to be used during Omnibus.

With no proponents nor opponents to speak on the bill, the hearing on **SB 323** was closed.

Representative Bethell moved to pass **SB 323** favorably. The motion was seconded by Representative Landwehr. Motion carried.

Representative McCreary, Chair of the Tax, Judicial, Transportation & Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Transportation (DOT) for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 1). The motion was seconded by Representative Campbell. Motion carried.

A minority report, written by Representative Mike O'Neal, member the Budget Committee, was read and included as part of the FY 2005 Department of Transportation Budget Committee recommendation (Attachment 1).

Representative McCreary, Chair of the Tax, Judicial, Transportation & Retirement Budget Committee,

CONTINUATION SHEET

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presented the Budget Committee report on the Governor's budget recommendation for the Department of Transportation (DOT) for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 with comments (Attachment 1). The motion was seconded by Representative Campbell.

Representative Feuerborn moved for a substitute motion to accept the minority report on the FY 2005 recommendation for Department of Transportation. The motion was seconded by Representative Shultz. Motion failed.

The Committee expressed concern with the underfunding of the Comprehensive Transportation Plan (CTP) which was passed in 1999 and the effect the continued underfunding would have on scheduled projects. The Budget Committee noted that it is projected that the State could receive approximately a 35 percent increase in funds or approximately \$600 million additional funds, from the new federal transportation plan, if passed.

Representative Landwehr moved to amend the Budget Committee report by adding language requesting a report showing the amount of the transfer from the State General Fund (SGF) to the State Highway Fund and the amount of transfer from the State Highway Fund to the SGF for the past ten years. The motion was seconded by Representative Bethell. Motion carried.

Responding to a question from the Committee with reference to the bond payments, Deb Miller, Secretary of DOT, stated that bonds were authorized in 1999 and additional bonds were authorized in 2001 with those bonds being issued out of the State Highway Fund. When all of the bonds have been issued, the debt service, which is not level, will be approximately \$176 to \$180 million with all of the bonds being paid off in 2026. The Governor has proposed an additional \$465 million in bonds to be issued out of the SGF with the assumption that these would be 20-year bonds.

Representative Henry moved to amend the Budget Committee report by adding language requesting that the Department of Transportation provide a list of proposed projects to be eliminated in the CTP if funding is not available. The motion was seconded by Representative Ballard. Motion failed.

Representative McCreary renewed the motion to accept the Budget Committee report on the Department of Transportation for FY 2005 as amended. The motion was seconded by Representative Campbell. Motion carried. Representative Howell requested to be recorded as voting "no" on the motion.

Alan Conroy, Legislative Research Department, presented an update report on the State General Fund Receipts, July through February, FY 2004 (Attachment 2).

The meeting was adjourned at 10:10 a.m. The next meeting will be held at 9:00 a.m. on March 8, 2004.

Melvin Neufeld, Chairman