

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Rhoades called the meeting to order at 9:09 a.m. on May 2, 2011, in Room 346-S of the Capitol.

All members were present except:

Representative Gordon – excused
Representative Peck - excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes
Nobuko Folmsbee, Office of the Revisor of Statutes
J.G. Scott, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Shirley Morrow, Kansas Legislative Research Department
Cindy O'Neal, Administrative Assistant, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list

- Attachment 1 FY 2012 Department on Aging Budget Plan
- Attachment 2 FY 2012 Proposed Budget Reductions to the State Budget
- Attachment 3 FY 2012 Additional Targeted 2% State General Fund Reduction

Chairman Rhoades welcomed committee members and reviewed the meeting agenda.

Shawn Sullivan, Secretary, Department on Aging, provided information on the reorganization and projected savings within the department, as previously requested by committee members in the FY 2012 Department on Aging Budget Plan ([Attachment 1](#)). He stated that the department was requested to identify \$1.2 million in budget through staff reductions. This reduction has been increased to \$4.5 million to prevent waiting lists and service cuts in three core programs that includes the Frail Elderly waivers, Senior Care Act and Meals on Wheels. Additional reductions included transfers, staff reductions and Electronic Visit Verification savings.

Secretary Sullivan responded to questions from committee members. He discussed staffing issues with combining the Lawrence and Topeka surveyor offices and electronic visit procedures by caregivers. He stated that this plan restores the Frail Elderly waivers, Senior Care Act and Meals on Wheels from operations to program funding. Secretary Sullivan stated that staff budgeted \$1.4 million for the Regulatory Commission and \$500,000 would be placed in reserves for programs. If this money is not used it would most likely be swept into State General Funds (SGF), he added.

Ray Roberts, Secretary, Department of Corrections, provided information, as previously requested by committee members, on the impact of the 1.193% proposed budget reduction for the department (no written material was provided). In an effort to get to a \$3.1 million cut, targeted areas were reviewed.

Secretary Roberts responded to questions from committee members. He discussed staffing duties as related to the Parole Board and video conferencing of parole hearings. To date, 40 positions will be laid off as of June 11, 2011, he added.

Steve Anderson, Director of the Budget, provided information on ELARF, as previously requested by committee members, (no written material was provided). He discussed the need for these funds to remain in the SGF.

Director Anderson responded to questions from committee members in regards to the specific use of these dollars and for purposes of the established criteria as stated in the statutes. He stated that this money was spread among the agencies. It was noted that the legislative intent with the criteria was that agencies would not back down SGF to retire debt, but where possible pay down the principal. Historically these funds have not done what it was supposed to do and appropriating these funds should be the responsibility of the Legislature, he stated. Director Anderson noted that he is in support of buying down taxes with ELARF dollars. The department submits proposals for the Governor's review and recommendations, he

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 1:30 p.m. on May 2, 2011, in Room 346-S of the Capitol.
added.

OMNIBUS BILL

Discussion on the **Omnibus Bill** continued by committee members.

Representative Donohoe withdrew the conceptional motion for the amendments presented by Alan Conroy on April 29, 2011, with the approval of the second to the motion.

Representative Brown reviewed additional reductions to the State budget (Attachment 2). He stated that these are recommended changes to the amendment reviewed at the April 29 committee meeting. He noted that this includes the addition of \$22 million received from April tax revenues for an ending balance of \$285 million. Additional funding for the Department of Corrections of \$46 million, increase waivers \$65 million, \$60 back-filled for base state aid of \$100 per pupil would leave an ending balance of \$134 million, he reported.

Representative Brown made a motion for an amendment to include the additional reductions to the State budget as presented. The motion was seconded by Representative Donohoe.

Discussion followed by committee members. The current House position is \$3672 per pupil and the recommended adjustment for FY 2012 would be \$3664 base state aid per pupil. It was noted the budget reduction recommendation does not include increase employee health insurance costs or 2,000 vacant FTE positions that were removed from the Governor's recommendations, and additional amendments would be forthcoming with this proposal. It was noted that line itemization of each agency budgets will be helpful next fall. Discussion continued regarding the impact of the additional reductions.

The motion to amend was renewed. Motion failed.

0Representative Sullentrop reviewed an amendment for an additional 2% budget reduction (Attachment 3). He stated that this would increase the SGF ending balance by \$30 million and he discussed the SGF exclusions, savings area and revised Human Services caseloads.

Representative Sullentrop made a motion for an amendment for an additional 2% reduction to the state budget. The motion was seconded by Representative Donohoe.

Discussion followed by committee members regarding the impact on additional reduction for agency's programs and services.

The motion was renewed. Motion failed.

Representative Mast's amendment regarding the Gaming and Racing Commission will be addressed in committee at tomorrow's meeting, Chairman Rhoades stated.

Meeting adjourned at 3:06 p.m.

Marc Rhoades, Chairman