

Approved: February 6, 2012

(Date)

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Marc Rhoades at 9:04 AM on Tuesday, January 24, 2012 in 346-S of the Capitol.

All members were present except:

Kasha Kelley - excused

Committee staff present:

Alan Conroy, Director, Legislative Research Department
J.G. Scott, Chief Fiscal Analyst, Legislative Research Department
Dylan Dear, Senior Fiscal Analyst, Legislative Research Department
Michael Wales, Fiscal Analyst, Legislative Research Department
Jim Wilson, First Assistant Revisor, Office of Revisor of Statutes
Jill Wolters, Senior Assistant Revisor, Office of Revisor of Statutes
Nobuko Folmsbee, Senior Assistant Revisor, Office of Revisor of Statutes
Cindy O'Neal, Administrative Assistant
Kathy Holscher, Committee Assistant

Conferees appearing before the Committee:

Representative Mast – proponent
Richard Patersen Klein - neutral

Others in attendance:

See attached list.

Chairman Rhoades opened the meeting at 9:04 a.m., and reviewed the meeting agenda.

Representative Schwartz made a motion to introduce legislation regarding the addition of a definition within the Department of Labor's program relating to undocumented workers. The motion was seconded by Representative Lane. Motion carried.

Pat George, Secretary, Department of Commerce, introduced staff members and provided an overview of the department (Attachment 1). He stated that the Community Development Block Grant Program receives \$15 million in federal funds and reviewed the federally mandated criteria. The Economic Revitalization and Reinvestment Act passed 4

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.

CONTINUATION SHEET

Minutes of the HOUSE APPROPRIATIONS Committee at 9:04 AM on Tuesday, January 24, in 346-S of the Capitol.

years ago allows for the approval of bonds for eligible aviation projects, and wind or solar manufacturing projects. The Expensing Tax Deduction recaptured money for equipment. The H1B-Technical Skills Training Grants is federal funded and provides training for engineers and retraining for skilled workers. The Performance Incentive Program provides a 10% income tax credit for eligible capital investments and the Individual Development Account Tax Credit Program is a matched- savings program for low-income families. The Job Creation Fund was implemented last year to attract new business to Kansas. Jobs and Innovative Industry Skills Grant funds program development for highly skilled workers.

Steve Kelly, Deputy Secretary, Department of Commerce, reviewed components when implementing a typical project.

Secretary George responded to questions from committee members. He noted the importance of funds for job creation in hopes that funds would be available to companies looking at establishing business in Kansas. Technical training and higher levels of education to meet the workforce demands was emphasized. The loss of Boeing in Wichita included of the elimination of work projects, discrepancies in waiver payment and the loss of bids due to the wage structure, which resulted in the need to shut down various locations including Wichita. Economic development within the department includes an incentive package which is performance based with checks and balances in place and verified with the Department of Revenue. Distribution of the Job Creation Fund would require approval by the Department of Commerce, Department of Revenue and the Governor's Office. Once the contracts are approved they are released to the public. He stated that there are no ELARF dollars to fund the program.

Zulma Toro-Ramos, Dean College of Engineering, Wichita State University, discussed the progress achieved by the university's engineering program and expressed appreciation for the state funding of the Engineering Expansions Grant and Engineering Initiative Act (Attachment 2). The impact of this funding will grow engineering talent to meet workforce requirements and maintain competitiveness in the global economy, as well as attract new companies to Kansas, she stated.

Dr. Zulma Toros-Ramos responded to questions from committee members. She stated that three grants, approved by the legislature, were targeted to fulfill the goals of the legislation; to develop the engineering talent, connect higher education more closely with industry needs and economic development with focus on growth and strength within the engineering workforce in Kansas.

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HB 2410- Racing and Gaming Commission; meeting and compensation of members

Nobuko Folmsbee, Senior Assistant Revisor, Office of the Revisor of Statutes, provided an overview of the amendment for **HB 2410** (Attachment 3). If adopted the amendment would no longer provide for compensation for members of the Kansas Racing and Gaming Commission, except for subsistence allowances, mileage and other expenses for up to 12 meetings per year.

Representative Mast provided testimony regarding **HB 2410** (Attachment 4). As a proponent of **HB 2410**, she stated that the compensation level should be reduced to the same standard across the state for board and commission members.

Representative Mast responded to questions from committee members. The Lottery Commission followed the same reimbursement plan as other commissions, however, the Racing and Gaming Commission members are compensated for meetings as well as salaries, she stated. It was noted that the Governor determines the reimbursement amount and the amendment would establish a pay rate the same as all commission members. Currently the Racing and Gaming Commissioners receive \$2,000 a month and a per diem, Representative Mast noted.

J.G. Scott, Legislative Research Department, responded to a committee member's question and stated that most commissions submit reimbursable compensation do not receive a salary.

Jim Wilson, Office of Revisor of Statutes, responded to questions from committee members and reviewed allowable reimbursements.

Richard Petersen Klein, Executive Director, Kansas Racing and Gaming Commission, responded to questions from committee members. He noted that the FY 2012 budget does not include compensation for salaries, which would be approximately a budget reduction of \$142,000. A review of the Expanded Lottery Act followed.

Chairman Rhoades reviewed the agenda for next committee meeting.

The meeting was adjourned at 10:57 a.m.