

Approved: March 15, 2012

(Date)

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Marc Rhoades at 9:15 AM on Wednesday, March 7, 2012 in Room 346-S of the Capitol.

All members were present except:

Kasha Kelley – excused

Committee staff present:

Dylan Dear, Senior Fiscal Analyst, Legislative Research Department
Michael Wales, Fiscal Analyst, Legislative Research Department
Jim Wilson, First Assistant, 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

Others in attendance:

See attached list.

Chairman Rhoades called the meeting to order. He acknowledged the sponsors of yesterday's lunch, AT&T, Sprint, Verizon and Century Link. A response to committee member's questions from the Kansas Department of Transportation was distributed to committee members, (Attachment 1). He reviewed the agenda for the remainder of the week and stated that the goal of the committee will be to fold bills into the Mega bill by Friday of this week for work on the House floor on March 15, 2012.

Representative Ballard made a motion to introduce legislation regarding obesity in juveniles and adults. The motion was seconded by Representative Feuerborn. The motion carried.

Representative Gordon, Chair, Education Budget Committee, presented the FY 2012 Education Budget Committee Report (Attachment 2). The Budget Committee concurred with the Governor's recommendation with the following adjustment: add \$50,000 from State General Fund (SGF) for Uniform Financial Accounting and Reporting Act.

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 9:15 AM on Wednesday, March 7, in Room 346-S of the Capitol.

Representative Gordon made a motion to approve the FY 2012 Education Budget Committee Report. The motion was seconded by Representative Feuerborn.

Representative Gordon responded to questions from committee members regarding the uniform reporting system. She stated that the Budget Committee members noted the importance of funding the system and that the costs are from existing funds which were not shifted in FY 2012. An overview of the Education Jobs Fund followed.

Reagan Cussimano, Legislative Research Department, responded to questions regarding the Education Jobs Fund. She stated that this is not a new program, but additional federal funding to assist in creating jobs that would then be maintained by the state or support current jobs. The money has been distributed through the general state aid formula for each school district, she added.

Dale Dennis, Deputy Director, Department of Education, responded to questions from committee members regarding the Uniform Reporting Act. He stated that an update would be available at the end of the fiscal year.

Representative Gordon renewed the motion. The motion carried.

Representative Gordon, Chair, Education Budget Committee, presented the FY 2013 Education Budget Committee Report (Attachment 2). The Budget Committee concurred with the Governor's recommendation with the following adjustments: delete \$615,663 from SGF for the Mentor Teacher Program; add \$500,000 from SGF for Kansas Educator Evaluation Protocol; add \$65,663 from SGF for increased fee for the Financial Management System; add \$50,000 from SGF to fill 1 FTE position; and review the Children's Initiative Fund and the Parents As Teachers Program and the Pre-School program at Omnibus.

Representative Gordon made a motion to approve the FY 2013 Education Budget Committee Report. The motion was seconded by Representative Feuerborn.

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Discussion followed by committee members regarding the funding for the Mentor Teacher Program. Funding from the tobacco settlement may be available in April for further funding consideration for the Children's Initiative Fund.

Dale Dennis, Deputy Director, Department of Education, responded to questions from committee members. He stated that there was no money in the Mentor Teacher Program in FY 2012. The Governor's recommendation for FY 2013 is \$1.1 million in FY 2013, and the committee's recommendation reduced funding to \$485,000.

Reagan Cussimmano responded to questions from committee members regarding the department's enhancement requests, which reflects fully funded programs of approximately \$500 million, professional development, the Mentor Teacher and other smaller programs that had been reduced in the past. These funding requests are at the statutory state aid amount of \$4,492 versus the consensus revenue estimate of \$3,780.

Discussion continued by committee members. It was noted that the Senate is working a legislation regarding technical education grants. The state standards for No Child Left Behind Act would be incorporated in the new testing.

Dale Dennis responded to questions from committee members. He stated that the application for exempt status for the Not Child Left Behind act has been submitted. It was noted that the department's lease agreement expires the end of December. Bids and location determinations are handled through the Department of Administration and realized savings would remain with the department and would be carried over in to the next fiscal year, he noted.

Representative McLeland made a substitute motion to delete \$1 million from the Education Budget to the Mentor Teacher Program for FY 2013. The motion was seconded by Representative Peck.

Discussion followed by committee members regarding the impact of the motion, would reduce the program by \$123,000 from accreditation requirements and eliminate the No Child Left Behind. A review of the Mentor Teacher program followed.

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Representative McLeland renewed the substitute motion. The motion failed.

Representative Gordon renewed the motion to approve the Budget Committee Report. The motion carried.

Chairman Rhoades opened discussion on **HB 2572- Adjutant general; funding for disasters; creating the disaster reimbursement fund; insurance fees and premium taxes; KUSF**

Representative Peck made a motion to pass the bill favorable for passage. The motion was seconded by Representative Ballard.

Representative Denning reviewed proposed amendments to the bill.

Representative Denning made a substitute motion to add language creating the emergency management and homeland security fund, and deleting KUSF funding. The motion to amend was seconded by Representative Schwartz.

Discussion followed by committee members regarding the motion.

Jill Wolters, Office of the Revisor of Statutes, responded to questions from committee members regarding insurance fees and premium taxes.

Representative Denning renewed the substitute motion. The motion carried.

Representative McLeland made a substitute motion that would remove the language referring to insurance monies that go in to the SGF and that \$12 million in SGF would go to disaster relief. The motion was seconded by Representative Crum.

Discussion followed by committee members.

Jill Wolters, Office of the Revisor of Statutes, reviewed the process for receiving disaster funding. She noted that a no limit fund would expedite the process and would not require legislative action.

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Representative McLeland renewed the substitute motion. The motion carried.

Discussion continued by committee members regarding the timeframe for addressing disaster relief. It was noted that the Adjutant General could come before the State Finance Council with a request up to \$10 million on a yearly basis, in order to expedite the access of funds.

Representative Kleeb reviewed a proposed amendment to the bill.

Representative Kleeb made a substitute motion regarding no disaster relief payment to any municipality that does not have insurance. The motion was seconded by Representative Brown.

Discussion followed by committee members regarding policy coverage for replacement costs.

Dylan Dear, Legislative Research Department, stated that there are a variety of policies in place and added that the Capitol is self-insured.

Jill Wolters, Office of the Revisor of Statutes, provided a brief overview of K.S.A. 75-6102. It was noted that this statute includes counties, cities, townships, school districts or other political or taxing subdivisions of the state, an agency, authority or institution.

Discussion continued regarding fiscal responsibility at the municipal level.

Representative Kleeb renewed the substitute motion. The motion carried.

Aaron Klaassen, Legislative Research Department, responded to questions from committee members regarding the use of surplus fund for indirect and direct operating expenses.

Discussion followed by committee members. It was noted that most of the FEMA and state costs are related to public infrastructure as oppose to individual insurance policies. The recommendation was made to table further discussion until such time information could be provided regarding emergencies and how funds are dispersed.

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Chairman Rhoades closed discussion on the bill, which may be continued at a future committee meeting.

The meeting was adjourned at: 10:56 a.m.

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