

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Representative Kenny Wilk at 9:00 a.m. on January 15, 2002 in Room 514-S of the Capitol.

All members were present except: Representative Thomas Klein
Representative Jeff Peterson

Committee staff present: Martha Dorsey, Legislative Research
Trevor Steinert, Legislative Research
Amy Kramer, Legislative Research
Alan Conroy, Legislative Research
Leah Robinson, Legislative Research
Robert Chapman, Legislative Research
Robert Waller, Legislative Research
Becky Krahl, Legislative Research
Julian Efrid, Legislative Research
Audrey Nogle, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Duane Goossen, Director of the Budget

Chairman Wilk welcomed the Committee back and introduced Representative Dean Newton as a new member. Also introduced were Travis Lenkner, Administrative Assistant, and Adam Hill, intern.

Duane Goossen, Director of the Budget, presented the Governor's budget which contains relatively few changes in the current budget and the Governor's recommendation for spending cuts and tax increases for the state's FY 2003 fiscal year (Attachment 1). In an attempt to balance the budget for FY 2003, a proposed tax increase of \$228,000,000 would come from increased vehicle registration fees and sales, cigarette and motor fuels taxes. In addition, the FY 2003 budget assumes spending cuts. Mr. Goossen said the Governor was reluctant to ask state agencies to reduce spending and make cuts in the FY 2002 budget as the year is half gone and many of the agencies have spent more than half of their budgets by this time. The Governor is requesting that all agencies work with a 4% reduction for FY 2003.

Mr. Goossen explained that with revenue dropping dramatically from last May's estimates and the huge increase in caseloads in SRS, Aging, welfare, foster care, adoption, and Medicaid, a very serious budget problem for the state has developed. It is expected the entitlement programs, for which the state is required to pay, are expected to increase by 12% per year. This is a trend throughout the nation.

Mr. Goossen said he was opposed to lowering the statutorily required ending balance of 7.5% percent in the budget. This causes problems the following year if the state is required to make additional appropriations to agencies due to rising costs or unexpected expenses.

Representative Bethell moved for the introduction of legislation which would allow law enforcement in certain situations to use suppressors (silencers) on weapons. Motion was seconded by Representative Campbell. Motion carried.

The meeting was adjourned at 10:30 a.m. The next meeting is scheduled for January 16, 2002.

CONTINUATION SHEET