

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 11:30 a.m. on February 9, 2004 in Room 514-S of the Capitol.

All members were present except:

Representative Steve Huebert - excused.

Committee staff present:

Alan Conroy, Legislative Research
J. G. Scott, Legislative Research
Amy VanHouse, Legislative Research
Michele Alishahi, Legislative Research
Leah Robinson, Legislative Research
Amy Deckard, 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 Overview of Governor's Proposed Budget by Legislative Research Department
- Attachment 2 Budget Recommendations from the General Government and Commerce Budget Committee on the Office of the Governor, Lieutenant Governor, Secretary of State, Insurance Commissioner and Health Care Stabilization Fund Board of Governors

Chairman Neufeld recognized J. G. Scott, Legislative Research Department, who presented an overview of the FY 2005 Governor's Budget Report (Attachment 1). The data compares actual expenditures for FY 2003, the Governor's revised estimates for FY 2004, and the Governor's recommendations for FY 2005. Responding to a question from the Committee, Mr. Scott noted that there is no increase in State General Funds (SGF) moneys for the Highway Patrol for FY 2004; however, the Governor recommends shifting some FY 2005 funding from the SGF to the State highway fund. With regards to a question concerning the local compensating use tax, Mr. Scott indicated this tax is not included in the SGF revenues because it is a part of local fee revenues. Mr. Scott stated that a portion of the decrease in the Department of Transportation expenditures is actual savings and a portion is the result of using the bonding authority which moves the expense from a reportable budget to a non-reportable budget.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Governor's office for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendations for FY 2004 and FY 2005 (Attachment 2). Motion was seconded by Representative Shriver. Motion carried.

Responding to a question from the Committee, Leah Robinson, Legislative Research Department, noted that the \$469,000 SGF increase in the Governor's budget is a result of unused funds in FY 2003 and carried forward through the use of the unlimited reapportionment.

Representative Shriver, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Lieutenant Governor's office for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendations for FY 2004 and FY 2005 (Attachment 2). Motion was seconded by Representative Pottorff. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Secretary of State for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 2). Motion was seconded by Representative Shriver. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on February 9, 2004 in Room 514-S of the Capitol.

The Budget Committee noted that the Secretary of State's budget estimate did not include the \$225,000 State General Fund (SGF) that was appropriated for FY 2004 as part of the five percent state match to the federal funds for the Help America Vote Act (HAVA). The agency has indicated that they do not intend to spend the money in the current year, but wish to carry forward the funds until FY 2006.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Secretary of State for FY 2005 and moved for the adoption of the Budget Committee recommendation with comments for FY 2005 (Attachment 2). Motion was seconded by Representative Shriver. Motion carried.

The Budget Committee re-emphasized their request that the Secretary of State's office explore the use of local moneys spent on elections as part of the state match for HAVA funds. Since the Secretary of State's budget is funded from fees, the Budget Committee expressed a concern to the Committee that further research take place on the issue of providing free copies of documents by the Secretary of State.

Representative Howell, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Insurance Department for FY 2004 and moved for the adoption of the Budget Committee recommendations for FY 2004 (Attachment 2). Motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Insurance Department for FY 2005 and moved for the adoption of the Budget Committee recommendations with adjustment and concern FY 2005 (Attachment 2). Motion was seconded by Representative Howell. Motion carried.

Representative Shriver, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Healthcare Stabilization Fund for FY 2004 and moved for the adoption of the Budget Committee recommendations for FY 2004 (Attachment 2). Motion was seconded by Representative Pottorff. Motion carried.

Representative Shriver, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Healthcare Stabilization Fund for FY 2005 and moved for the adoption of the Budget Committee recommendation with notation for FY 2005 (Attachment 2). Motion was seconded by Representative Howell.

Representative Shultz moved to amend the Budget Committee recommendation to eliminate the transfer of \$3,035 to the State General Fund (SGF) in the Healthcare Stabilization Fund per the Governor's budget recommendation. The motion was seconded by Representative Landwehr. Motion carried.

In addressing concerns of the Committee, it is noted that the Healthcare Stabilization Board of Governors is not a state agency and was established to provide excess professional liability and mandate certain providers to maintain liability insurance and is funded by doctors through an insurance premium.

Representative Shriver moved to renew his motion for the adoption of the Budget Committee recommendation as amended. The motion was seconded by Representative Howell. Motion carried.

Representative Pottorff moved to adopt the Budget Committee recommendation to report **HB 2669** favorably for passage. The motion was seconded by Representative Howell. Motion carried.

Representative Pottorff moved to adopt the Budget Committee recommendation to report **HB 2670** favorably for passage. The motion was seconded by Representative Shriver. Motion carried.

Because the Budget Committee has an unaddressed concern on **HB 2671**, they requested that the bill be passed over at this time.

Representative Pottorff moved to adopt the Budget Committee recommendation to report **HB 2673** favorably for passage. The motion was seconded by Representative Howell. Motion carried.

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SB 306, HB 2688, HB 2748, HB 2749, HB 2750 and HB 2752 are referred to the General Government and Commerce Budget Committee.

HB 2705 is referred to the Agriculture and Natural Resources Budget Committee.

HB 2734 and HB 2671 are referred to the Education Budget Committee.

The Committee requested a copy of the list showing the Budget Efficiency Savings Teams (BEST) reductions included in the FY 2005 Governor's budget recommendations.

Chairman Neufeld requested a meeting of Budget Committee chairpersons in his office upon adjournment.

The meeting was adjourned at 1:50 p.m. The next meeting of the Committee will be held at 9:00 a.m. on February 10, 2004.

Melvin Neufeld, Chairman