

Approved: 5-3-10  
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:14 a.m. on February 15, 2010, in Room 346-S of the Capitol.

All members were present except:

Representative Owen Donohoe- excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes  
Nobuko Folmsbee, Office of the Revisor of Statutes  
Heather O'Hara, Kansas Legislative Research Department  
J.G. Scott, Kansas Legislative Research Department  
Jonathan Tang, Kansas Legislative Research Department  
Stephen Huggins, Committee Assistant, Appropriations Committee  
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on Kansas Bureau of Investigation, Kansas Highway Patrol and Adjutant General's Department
- Attachment 2 Kansas Highway Patrol Response to Budget Committee Questions
- Attachment 3 Kansas Highway Patrol Action Plan to Meet Reduced Budget
- Attachment 4 SCR 1614 Amendment

Chairman Yoder called the meeting to order. Representative Tafanelli, Chair, House Transportation and Public Safety Budget Committee, presented the FY 2011 Budget Committee Report for the Kansas Bureau of Investigation, (Attachment 1). The Budget Committee concurs with the Governor's recommendation with the following notation: the following bills seek to address shortfalls in revenues collected: HB 2637 and HB 2605.

Representative Tafanelli made a motion to approve the FY 2011 Kansas Bureau of Investigation Budget Committee Report. The motion was seconded by Representative Gatewood.

Representative Tafanelli responded to questions by committee members. He stated that the backlog for DNA testing is the result of staff turn-over, training time for new staff and increased requests for testing. Discussion on the status of HB 2637 and HB 2605 was held. Representative Tafanelli noted that the 5% State General Fund reduction was a shift in funds in the amount of \$736,000 for DNA backlog for testing.

Representative Tafanelli renewed the motion to approve the FY 2011 Kansas Bureau of Investigation Budget Committee Report. Motion carried

Representative Tafanelli, Chair, House Transportation and Public Safety Budget Committee, presented the FY 2011 Budget Committee Report for the Kansas Highway Patrol, (Attachment 1). The Budget Committee concurs with the Governor's recommendation with the following notation: concerns for shifting State General Fund expenditure into special revenue funds; and construction for a new Troop F Headquarters.

Representative Tafanelli made a motion to approve the FY 2011 Budget Committee Report for the Kansas Highway Patrol. The Motion was seconded by Representative Gatewood.

Representative Tafanelli responded to questions by committee members. He distributed and reviewed a copy of the Kansas Highway Patrol response to the Budget Committee's questions, (Attachment 2), and action plan for meeting reduced budget issues, (Attachment 3). Representative Tafanelli stated that the balance in the training center fund is \$333,588. When transferred to the operating budget this will leave zero cash balance, and there is a 60 day expenditure cash flow of \$207,000. Representative Tafanelli stated that the debt service request in the amount of \$1.1 million was for a new headquarter facility that could be shared with other public safety agencies. He reported that over the last several years money has been appropriated out of the Highway

2-15

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:14 a.m. on February 15, 2010, in Room 346-S of the Capitol.

Fund and placed in the Highway Patrol operating budget. As requested, a list of all of the Kansas Highway Patrol budget cuts and the impact of those reductions will be made available to committee members. Discussion was held regarding counties working together to address emergency needs.

Colonel Terry Maples, Kansas Highway Patrol, discussed the impact of budget reductions in regards to compensatory time, 10% reduction on travel time, and collaborative efforts to address emergency needs.

Representative Tafanelli renewed the motion to approve the FY 2011 Budget Committee Report for the Kansas Highway Patrol. Motion carried.

Representative Tafanelli, Chair, House Transportation and Public Safety Budget Committee, presented the FY 2010 Budget Committee Report for the Adjutant General's Department, (Attachment 1). The Budget Committee concurs with the Governor's recommendation with the following adjustment: add \$459,357 from the State General Fund to the National Guard Museum Assistance Fund.

Representative Tafanelli made a motion to approve the FY 2010 Adjutant General's Department Budget Committee Report. The motion was seconded by Representative Gatewood.

Representative Tafanelli responded to questions from committee members. He stated that the \$61 million was for the facility in Wichita. A committee member stated concern that there is a budget request for a museum project at a time when 19 National Guard Armories are scheduled for closure.

Representative Tafanelli renewed the motion to approve the FY 2010 Adjutant General's Department Budget Committee Report. Motion carried.

Representative Tafanelli, Chair, House Transportation and Public Safety Budget Committee, presented the FY 2011 Budget Committee Report for the Adjutant General's Department, (Attachment 1). The Budget Committee concurs with the Governor's recommendation with the following notation and adjustment: renovation bonds should not be used on any armory scheduled for closure; and add \$247 million from the State General Fund for disaster assistance obligations.

Representative Tafanelli made a motion to approve the FY 2011 Adjutant General's Department Budget Committee Report. The motion was seconded by Representative Gatewood.

Representative Tafanelli responded to questions from committee members. He stated that \$24.8 million was for expenditures for disasters which have already occurred and have been approved by Federal Emergency Management Agency, (FEMA). Representative Tafanelli stated that 75% of the disaster funding is from federal dollars, 25% state and local dollars. He added that disaster projects may be on-going due to the nature of the damage experienced and some open disasters and have not been calculated at this time. Representative Tafanelli reviewed the disaster claim process.

Janice Harper, Adjutant General's Department, stated that bills are received and payments are made throughout the year as projects are completed. At the time a federal disaster is declared, the state is required to pay the 25% match, at the time the project is approved by FEMA, federal funds are available through the SmartLink Program. Project worksheets for projects that are on-going, due to the nature of the damages, receive payments which are made in increments, she noted. Ms. Harper added that the time frame for payments made to the electric cooperatives were due to the extensive damages caused by the ice storm and the initial denial for disaster funds from FEMA.

Representative Tafanelli renewed the motion to approve the FY 2011 Adjutant General's Department Budget Committee Report. Motion carried.

Representative Whitham, Chair, House General Government Budget Committee, presented the FY 2011 Court of Tax Appeals Budget Committee Report, (Attachment 4). The Budget Committee concurs with the Governor's recommendation.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:14 a.m. on February 15, 2010, in Room 346-S of the Capitol.

Representative Whitham made a motion to approve the FY 2011 Court of Tax Appeals Budget Committee Report. The motion was seconded by Representative Burroughs.

Discussion followed by committee members. It was noted that this budget remains flat as compared to the FY 2011 budget. The Court of Tax Appeals has caught up with all of the cases carried over. Two-thirds of this budget is from State General Fund and one-third from fee funds, he noted.

Representative Whitham renewed the motion to approve the FY 2011 Court of Tax Appeals Budget Committee Report. Motion carried.

Representative Hineman, Member, House General Government Budget Committee, presented the FY 2011 Kansas Department of Labor Budget Committee Report, (Attachment 4). The Budget Committee concurs with the Governor's recommendation.

Representative Hineman made a motion to approve the FY 2011 Kansas Department of Labor Budget Committee Report. The motion was seconded by Representative Burroughs.

Representative Hineman responded to questions from committee members. He discussed the increased budget, which was due to additional staff who are handling the influx of unemployment insurance benefit claims. Functions performed in support of other agencies were reviewed. He noted that budgeting information is tracked within the various budgets and not included in the Department of Labor's budget report.

Jim Garner, Secretary, Department of Labor, responded to questions from committee members. He stated that the federal off-set fund represents a portion of the interest and penalty funds collected from past due payments. Bill Schaeffer, Chief Fiscal Officer, Kansas Department of Labor, stated that as the State General Fund decreased, the budget authority was moved from State General Fund to the federal and indirect off-set fund. The principal and interest fund was established to help administer the unemployment insurance benefits program, but instead was used to assist State General Funded programs. Secretary Garner discussed the role of labor relations. Concern was expressed regarding the unemployment insurance benefit balance. Currently \$14.5 million is in the trust fund, he stated. Secretary Garner stated that he would provide additional information to the committee regarding a list of ideas on how to help employers pay unemployment insurance taxes and ideas on how to shore-up the fund for employees and employers, the loss of revenue from employers who did not have to pay in to the unemployment insurance benefit fund, the three year reduced fund loss of enhanced revenue from 2007-2008, as well as how many people applied for unemployment and those seeking that revenue at this time.

Representative McLeland made an amendment to the motion for the Department of Labor to report back to the House Appropriations Committee at Omnibus on the projected unemployment reductions for next year, in order to determine if \$400 million is the projected number; and the amount of money borrowed from the federal government and a plan to pay back the interest borrowed. The motion was seconded by Representative Mast. Motion carried.

Representative Hineman responded to questions from committee members regarding the transfer of funds from the worker's compensation fund into State General Fund, and discussion was held regarding the significant decrease in the fund balance.

Representative Hineman renewed the motion to approve the FY 2011 Department of Labor Budget Committee Report as amended. Motion carried.

SCR 1614 - Constitutional amendments; creating a budget stabilization fund in the state treasury; annual .25% transfer of general state revenues; transfers only under certain circumstances.

Representative Merrick made a motion to approve SCR 1614 favorably for passage. The motion was seconded by Representative Mast.

Discussion followed by committee members and the ideas and suggestions were as follows: there is no

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:14 a.m. on February 15, 2010, in Room 346-S of the Capitol.

provision to pay down debt; the constitutional amendment and the bill could be done statutorily, allowing future legislators the flexibility to pay down debt or meet other shortfalls; the 7.5 percent carryover is a good idea as we prepare for the future, and residents would have the opportunity to support the concept of a rainy day fund; concern was raised regarding the fiscal impact to put this in the constitution and additional expenses; the resolution calls for this to be placed on the 2010 general election ballot, or a part of an election; that 1/4% may not be a high enough percentage; if this would have been in effect in 1990, the state would have had \$211 million in the fund and that would not be enough to cover this year's shortfall; Kansas is one of two states that does not have a rainy day fund to address the core responsibility of the government; with no reserves during the recession we had nothing to draw down ; and this amendment addresses the concern to protect basic services.

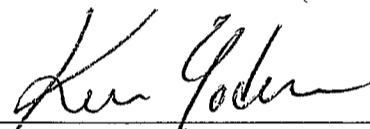
Representative Mast made a motion to amend SCR 1614, (Attachment 4).

Chairman Yoder stated that this amendment includes all funds, and was corrected to read actual state revenues as opposed to estimated state revenues.

Chairman Yoder stated that due to the need to be on the House Floor, continuation of SCR 1614 will be on tomorrow's committee meeting agenda.

The next meeting is scheduled for February 16, 2010

The meeting was adjourned at 11:14 a.m.



Kevin Yoder, Chairman

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2-15-10

NAME	REPRESENTING
Dan McLaughlin	KSFMO
Rose Rasmussen	KSFMO
Robert E. Blech, owner	KBI
Bill Schep	KDOL
Hannah Samler	KHDA
MARK BORANYAK	CAPITOL STRATEGISTS
DAVID HUTCHINGS	KBI
KOB MEALY	KEMMERT & ASSOC
Brook Trout	
TERRY FORSYTH	KWEA
Dennis Phillips	KSCFF
Ed Redman	KSCFF
Peter Brodie	ESD
Mayorie Werly	ESD
Dean Fitzsimmons	4-H