

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Thursday, January 29, 2015, 112-N of the Capitol.

All members were present

Committee staff present:

J.G. Scott, Legislative Research Department
Dylan Dear, Legislative Research Department
Andy Chiamopoulos, Legislative Research Department
Nobuko Folmsbee, Office of Revisor of Statutes
Kathy Holscher, Kansas Legislative Committee Assistant
Jill Wolters, Office of Revisor of Statutes
Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Opening Remarks

Chairman Ryckman opened the hearing on **HB 2133**.

Hearing continuation on:HB 2133

J.G. Scott, Kansas Legislative Research Department, provided an update on the Summary Overview of the bill ([Attachment 1](#)). He stated that corrections included an all funds decrease of \$35 million for transfer funds to the universities building fund, which was added but the money was not deleted from the Board of Regents. He noted that \$42 million was realized in tuition increases, \$34 million increase in restricted fee funds, \$10 million increase in federal funding, and \$22 million in housing funds for the Board of Regents. Language was added to the bill which allows the Chief Justice to transfer money from the electronic filing management fund to the docket fee fund.

J.G. Scott responded to questions from committee members. He stated that the revisions would only affect the all funds revenue and expenditures ending balances. The Capital Outlay demand transfer payment was delayed until June 15, 2015. The bond and interest payments to be released, would require legislation to postpone payment, he added. A review of the school funding formula followed. He stated that this bill does not include \$34 million of the \$109 million to fully fund the Local Option Budget (LOB). Items not included in this bill will be in the Governor's Mega bill. Discussion followed regarding the Department of Transportation deferred maintenance projects, which will be discussed in the budget committee and project completions to coincide with T-Works projects, it was noted. The transfer of funds from the Reinvestment Act for Lansing and Norton Correctional Facilities has been completed. It was noted that the new fund requested for the Board of Indigent's Defense Fund would likely be removed and reviewed in budget committee. J.G. Scott review the Kansas Endowment Youth

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Fund (KEY Fund). KPERS has the authority to invest money in this fund, with the balance transferred in to the Children's Initiative Fund and any remaining balance is transferred to the SGF. The intent is to fund KEY Fund with the interest only on the investment.

Chairman Ryckman closed the hearing on the bill.

Representative Schwartz made a motion to work **HB 2133**. Representative Hoffman seconded the motion. Motion carried.

Discussion followed by committee members discussed the procedure for working the bill. Chairman Ryckman stated the intent is to work the bill in committee for discussion and final action on the bill on Monday of next week.

Representative Grosserode reviewed a balloon amendment ([Attachment 2](#)) .

Representative Grosserode made a motion for an amendment to distribute \$25.2 million of the Capital Outlay funds to be distribution based on a formula as a whole for the school districts. The remaining funds would be delayed until June 15, 2015. Representative Schwartz seconded the motion.

Discussion followed by committee members regarding the motion. The formula was approximately 54 percent of what the districts were expecting to receive. This includes \$25.2 million from legislative approved 2014, \$20 million for revised Capital Outlay and cash flow for the state and school districts. Chairman Ryckman stated that the purpose of the bill was to close out FY 2015. The Governor's proposal brought in additional transfers and this gives the flexibility to meet the \$25 million needed to meet our cash flow needs. To obtain a zero budget beginning balance, \$280 million is needed to be captured in FY 2015. The Governor's combined recommendation for FY 2015 leaves an ending balance of \$69.9 million. It was noted that the motion would not have an impact on the ending balance, this is a cash flow issue for timing of when the money is distributed. Capital Outlay equalization and mill levy increases per school districts were briefly discussed.

Chairman Ryckman noted that the committee will continue to evaluate and recommend budget adjustments. This bill addresses cash flow concerns for conducting business.

Representative Grosserode renewed the to amend. Motion carried.

Representative Hutton made a motion to delete the Governor's recommendation which removed \$3 million in worker's compensation second injury fund. Representative DeGraaf seconded the motion.

Discussion followed by committee members regarding the motion.

Representative Hutton renewed the motion. Motion carried.

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.

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Chairman Ryckman reviewed the upcoming agenda for next week's committee meetings.

J.G. Scott stated that a copy of the Budget Committee Report out dates have been distributed to committee members ([Attachment 3](#)) .

Meeting adjourned at: 9:44 a.m.