

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Tuesday, February 17, 2015, 112-N of the Capitol.

All members were present except:

Representative Richard Proehl – Excused

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 committee meeting. He stated that for the remainder of the session, all bill introductions should be approved by the Chair and Speaker of the House. It will be important to know if the Chair of the standing committee referred the bill and would be willing to hear the bill, he added.

Chairman Ryckman stated that Representative Peck has permanently replaced Representative DeGraaf on the committee.

Introduction of proposed legislation

Representative Wolfe Moore made a motion to introduce legislation regarding the regulation of tanning facilities. Representative Henry seconded the motion. Motion carried.

Representative Schwartz made a motion to introduce legislation regarding the new installation loan. Representative Suellentrop seconded the motion. Motion carried.

Budget Committee Report on:

Representative Claeyes, Chair, Transportation and Public Safety Budget Committee, presented the FY 2015 Kansas Department Transportation (KDOT) Budget Report ([Attachment 1](#)). The Governor recommended a reduction of \$1.4 million from special revenue funds attributable to reduced Kansas Public Employees Retirement System, (KPERs) employer contribution rate, reduction of \$58.8 million from special revenue funds for reduced capital improvement projects, allotment expenditures, and a

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transfers from the State Highway Fund to the State General Fund (SGF). The Governor recommended an increase of \$1 million to the State Highway Fund revenues. The Budget Committee concurred with the Governor's recommendations.

Discussion followed by committee members regarding State Highway Fund transfers to SGF ([Attachment 2](#)). It was noted that over the past 10 years approximately \$2.1 billion has been transferred from the fund.

Representative Claeys made a motion to approve the FY 2015 Department of Transportation Budget Report. Representative Finney seconded the motion. Motion carried.

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, presented the FY 2016 KDOT Budget Report ([See Attachment 1](#)). The Governor recommended a decrease of \$506 million attributable to the reduced employer contributions for health insurance, allotment expenditures, building projects and included an increase of \$1 million to the State Highway Fund revenues. The Budget Committee concurred with the Governor's recommendation.

Representative Suellentrop made a motion for amendment to increase the Affordable Airfares from \$4 million to \$5 million in FY 2016 and delete this funding to zero in FY 2017. Representative Hoffman seconded the motion.

Discussion followed by committee members regarding the motion. It was noted that the contract ends in FY 2016. The Governor's recommended funding of \$4 million in FY 2016 and \$3 million in FY 2017, for a realized savings of \$2 million from the State Highway funds. Southwest Airlines is in agreement, as they do not want to be subsidized. The funds are administered through the Department of Commerce, it was noted.

Representative Suellentrop renewed the motion. Motion carried.

Discussion continued by committee members regarding the flexibility of transportation funding, and concern for borrowing from the fund was expressed. It was noted that \$250 million was authorized for bonding in FY 2015 and \$250 million was requested in FY 2016. The agency has requested a suspension of the 18 percent cap on bonding after FY 2016, which was included in the Governor's recommendation.

Jill Wolters, Office of Revisor of Statutes, stated that the suspension of the statutory requirement that the amount of bonds authorized to be issued can't exceed 18% of projected state highway funds revenue for fiscal years 2016 and 2017 was in the mega bill, **HB 2370**, in sec. 152, which amends K.S.A. 2014 Supp. 68-2320. This action requires a statutory amendment not a proviso.

Discussion continued by committee members regarding the bonding issues as related to projects and

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maintenance, the impact on bonding scores, and interest rates. It was noted that the Budget Committee's meeting at the Rail reversed the decision to restore some of the highway transfers. The committee's review on the impact of the transfer of sales tax dollars was needed, Representative Claeys stated. And he noted that the cap is set annually and is not an aggregate cap. The revenue stream that goes into the State Highway Fund is what effects bonding, which is the percentage the dollars are based on, and determines what the bonding companies look at for ratings. In accordance with the constitution, fuel taxes go into the State Highway Fund, and not into any other fund, he stated. Bonding authority for the T-Works program was estimated at \$1.73 billion, and presently this program is \$400 million below estimate.

Representative Claeys made a motion to approve the FY 2016 Budget Report for the Kansas Department of Transportation as amended. Representative Finney seconded the motion. Motion carried.

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, presented the FY 2017 Kansas Department of Transportation Budget Report (See Attachment 1). The Governor recommended a decrease of \$46.3 million attributable to reduced employer contributions for health insurance, allotment expenditures, budget reductions and reduced building projects. The Governor recommended an increase of \$1 million to the State Highway Fund revenues. The Budget Committee concurred with the Governor's recommendation.

A review of the agency's performance measurements followed by committee members. It was noted the performance measurements were based on the Governor's budget recommendations.

Chairman Ryckman expressed appreciation of the Budget Committee's work on the KDOT budget.

Representative Claeys made a motion to approve the FY 2017 KDOT Budget Report as amended. Representative Finney seconded the motion. Motion carried.

Chairman Ryckman stated that further discussion may take place in committee, when the statutory language in **HB 2370**, Governor's Budget bill, has been reviewed.

Meeting adjourned: 10:20 a.m.