

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Tuesday, February 24, 2015, 112-N of the Capitol.

All members were present except:

Representative Sharon Schwartz – Excused

Representative John Barker – Excused

Committee staff present:

Andy Chiamopoulos, Legislative Research Department

J.G. Scott, Legislative Research Department

Dylan Dear, 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 meeting and stated that the budget analysis notebooks are now available and have been placed in your cabinets. He asked committee member to review budgets where State General Funds have been increased, so as to ensure adequate data supports the recommendations.

Introduction of proposed legislation

Representative Hutton made a motion to introduce proposed legislation for the Board of Regents that adjusts the minimum contract amounts for award of architectural work. Representative Carlin seconded the motion. Motion carried.

Budget Committee Report on:

Representative Carpenter, Chair, Social Services Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Reports for the Kansas Guardianship Program ([Attachment 1](#)).

For FY 2015, the Governor recommended operating expenditures that are same amount approved by the 2014 Legislature as adjusted for allotments. It was noted that the agency is not in the Kansas Public Employee Retirement System (KPERS), which was included in the Governor's recommendation. The rate reduction does not apply to the KPERS Local group, of which the agency employees belong to.

House Sub. for Senate Bill 4 adopted the Governor's recommendation and the Budget Committee concurred with the Governor's recommendation.

Representative Carpenter made a motion to approve the FY 2015 Budget Report for the Kansas

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Guardianship Program. Representative Ballard seconded the motion. Motion carried.

For FY 2016, the Governor recommended a decrease of \$51,738 attributable to a 4 percent operating reduction, and reduced employer contributions for health insurance. As the agency is not part of the state health insurance plan the reduced employer contributions do not apply, it was noted. The Budget Committee recommended adding \$46,493 from State General Fund (SGF) to restore the 4 percent operating reduction.

Discussion followed by committee members. It was noted that there are 771 guardians, who may elect to receive a stipend of \$30 per month.

Representative Carpenter made a motion to approve the FY 2016 Budget Report for the Kansas Guardianship Program. Representative Ballard seconded the motion. Motion carried.

For FY 2017, the Governor recommended a decrease of \$52,049 attributable to a 4 percent operating reduction and reduced employer health insurance contributions. It was noted that this was inadvertently included in the Governor's budget. The reductions are not applicable to the agency, as the agency is not eligible for regular state benefits. The Budget Committee recommended adding \$46,493 from SGF to restore the 4 percent reduction.

Representative Carpenter made a motion to approve the FY 2017 Budget Report for the Kansas Guardianship Program. Representative Ballard seconded the motion. Motion carried.

Budget Committee Report on:

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Adjutant General's Department Budget Reports ([Attachment 2](#)) .

For FY 2015, the Governor's recommendation was a reduction in all funds of \$1.1 million attributable to not recommending the supplement requests, allotment, plan funding reductions and lapses to reappropriations. The Governor did not recommend the supplemental request for expenditures for the Kansas Army National Guard facilities. The Budget Committee concurred with the Governor's recommendations.

Representative Claeys made a motion to approve the FY 2015 Budget Report for the Adjutant General's Department. Representative Finney seconded the motion. Motion carried.

For FY 2016, the Governor recommended an all funds decrease of \$1.6 million attributable to reductions to allotment plan funding, employer contributions for health insurance, refinancing current debt, enhancement requests, SGF additional requests, and additional operating expenditures for Civil Air Patrol. The Governor's recommendation included expenditures for the design of a new State Emergency Management Operations and Training Center. The Budget Committee concurred with the

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Governor's recommendations.

Discussion followed by committee members. As requested, Representative Claeys will provide the total bond debt .

Representative Claeys made a motion to approve the FY 2016 Budget Report for the Adjutant General's Department. Representative Finney seconded the motion. Motion carried.

For FY 2017, the Governor recommended an all funds decrease of \$620,973 attributable reductions to the allotment plan, employer contributions for health insurance, enhancement requests, SGF funding request, increased debt service payments, and additional Civil Air Patrol operating expenditures. The Governor did not recommend five capital improvement enhancements, which was an all funds decrease of \$8 million. The Governor recommended a \$1.2 million request for rehabilitation and repair expenditures. The Budget Committee concurred with the Governor's recommendations.

Discussion followed by committee members. It was noted that more money is being paid on the bonds, increasing the pay off balance as the bonds mature.

Representative Claeys made a motion to approve the Budget Report for the Adjutant General's Department. Representative Finney seconded the motion. Motion carried.

Budget Committee Report on:

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Reports for the Emergency Medical Services Board (See Attachment 2).

For FY 2015, the Governor recommended an increase of \$1,874 attributable to the acceptance of a Federal grant, which is partially offset by the reduced KPERS employer contribution. **House Sub. for SB 4** adopted the Governor's recommendation, and the Budget Committee concurred with the Governor's recommendation.

Discussion followed by committee members regarding the escalating fund balances. Chairman Ryckman reminded the committee that there will be global discussion on fee fund balances in the next few weeks. It was noted that fees for educational training is not an operational expenditures, but part of the budget. The revolving grants are from fines and penalties that finance EMS equipment and assist with training education.

Representative Claeys made a motion to approve the FY 2015 Budget Report for the Emergency Medical Services Board. Representative Finney seconded the motion. Motion carried.

For FY 2016, the Governor recommended a reduction of \$8,655 for reduced employer contributions for

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health insurance. The Budget Committee concurred with the Governor's recommendation with the addition of language requiring the agency to conduct an analysis of regulations and operations regarding nurses, trained professions staffing ambulance, and report the findings to the Appropriations Committee on the first day of the 2016 session. It was noted that there are no SGF dollars in this budget.

Representative Claeys made a motion to approve the FY 2016 Budget Report for the Emergency Medical Services Board. Representative Finney seconded the motion. Motion carried.

Representative Claeys made a motion to approve the FY 2016 Budget Report. Representative Finney seconded the motion. Motion carried.

For FY 2017, the Governor recommended a reduction of \$8,829 for reduced employer contributions for health insurance. The Budget Committee concurred with the Governor's recommendation.

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

Budget Committee Report on:

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Reports for the Kansas Bureau of Investigation (KBI) (See Attachment 2).

For FY 2015, the Governor's recommendation was an all funds decrease of \$1.3 million attributable to not recommending the supplemental request for Kansas Criminal Justice Information System (KCJIS) Line Fund funding, reduced expenditures to the KCJIS Line Fund, SGF expenditures for salary savings and reduced employer contributions to KPERS. The Budget Committee concurred with the Governor's recommendation with the adjustment to add \$232,154 from SGF for the KCJIS.

Discussion followed by committee members regarding the Budget Committee's recommendation to add \$232,154 from SGF to cover revenue shortfall.

Representative Hoffman made a motion for an amendment to delete the request of \$232,154 from SGF for revenue shortfall. Representative Kleeb seconded the motion. Motion carried.

Representative Claeys made a motion to approve the FY 2015 Kansas Bureau of Investigation Budget Report as amended. Representative Finney seconded the motion. Motion carried.

For FY 2016, the Governor recommended an all funds decrease of \$3 million, which included a decrease of 5 non-FTE positions for KCJIS enhancement request for maintenance and support, reduced expenditures to the KCJIS Line Fund, and two enhancement requests for renovation planning and

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access control upgrades. The Budget Committee concurred with the Governor's recommendation with the adjustment that would add \$1,008,000 from SGF and 5.0 non-FTE positions for the KCJIS Line Fund.

Discussion followed by committee members regarding the agency's enhancement requests and staffing issues. It was noted that if **SB14** passes, the bill would address any budget shortfalls with the increase revenues from penalties received in FY 2016 and FY 2017.

Representative Hoffman made a motion for an amendment to remove the Budget Committee adjustment that added approximately \$1,008,000 from SGF, and the addition of 5.0 non-FTE positions. Representative Peck seconded the motion. Motion carried.

Representative Claeys made a motion to approve the FY 2016 Budget Report from the Kansas Bureau of Investigation as amended. Representative Finney seconded the motion. Motion carried.

For FY 2017, the Governor recommended an all funds decrease of \$2.8 million attributable to the decrease of 5.0 non-FTE positions, enhancement requests that were not recommended, reduced expenditures to the KCJIS Line Fund and reduced employer contributions for health insurance. The Budget Committee concurred with the Governor's recommendation with the adjustment to add approximately \$1 million from SGF and 5.0 non-FTE positions for the KCJIS.

Discussion followed by committee members regarding repairs to the parking garage.

Representative Hutton made a motion for an amendment to add \$500,000 for renovation to the parking garage from SGF. Representative Hoffman seconded the motion.

Discussion followed by committee members regarding the motion.

Representative Hutton withdrew the motion at the approval of the second to the motion.

Representative Hutton made a motion for an amendment that would add language to the report to revisit this issue later in the session. Representative Hoffman seconded the motion. Motion carried.

Representative Hoffman made a motion for an amendment to remove the Budget Committees addition of approximately \$1 million and 5 non-FTE positions. Representative Waymaster seconded the motion. Motion carried.

Representative Henry made a motion for an amendment requesting a additional information from the Budget Committee regarding the adjustment to add 5 non-FTE positions and approximately \$1 million from different funding sources. Representative Ballard seconded the motion. Motion carried.

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Representative Claeys made a motion to approve the FY 2017 Budget Report for the Kansas Bureau of Investigation as amended. Representative Finney seconded the motion. Motion carried.

Budget Committee Report on:

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Report for the Kansas Highway Patrol (See Attachment 2).

For FY 2015, the Governor recommended an all funds decrease of \$605,980 below the agency's request due to reduced special revenue funds included in the allotment plan, reduced KPERS employer contributions, and the reduction of 7.0 vacant FTE positions. The Governor recommended capital improvements of \$631,300 for replacement walls at the Training Academy in Salina. The Budget Committee concurred with the Governor's recommendations.

Representative Claeys made a motion to approve the FY 2015 Budget Report for the Kansas Highway Patrol. Representative Finney seconded the motion. Motion carried.

For FY 2016, the Governor recommended an all funds decrease of \$6.2 million and did not recommend the agency request that would change the funding transfer from State Highway Funds to SGF, reductions from special revenue funds as part of the allotment plan, reduced employer contributions for health insurance, reduce the enhancement request for pay increases, and reduction of 7.0 vacant FTE positions. The Budget Committee concurred with the Governor's recommendation with the adjustments to add language suspending the provisions of KSA 60-4117, and added \$2.9 million from special revenue funds for enhancement requests.

Discussion followed by committee members regarding enhancement requests. It was noted that aid to local units comes from grants from Homeland Security funding and not SGF. Additional information will be forthcoming regarding vehicle replacement cycle and replacement costs of \$1.6 million. Reference was made that funding for Homeland Security may be discontinued by the federal government

Representative Carlin made a motion for an amendment that would add language to the Budget Report to review Homeland Security issues later in the session. Representative Henry seconded the motion. Motion failed.

Discussion followed regarding the fund balance for the asset seizure and forfeiture proceeds. It was noted that the funds can be used for qualified hardships, such as retention and hiring issues. Major

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Bruce was commended for moving the agency forward.

Representative Peck made a motion for an amendment to reduce the pay raises in half. Representative Lunn seconded the motion.

Discussion followed regarding the motion and the variances with rank and pay scales for determining the reduction. It was noted that the seizure and forfeiture proceeds cannot be swept for other purposes and would not impact the taxpayer.

Representative Peck renewed the motion. Motion failed.

Representative Claeys made a motion to approve the FY 2016 Budget Report for the Kansas Highway Patrol. Representative Finney seconded the motion. Motion carried.

For FY 2017, the Governor recommended an all funds decrease of \$6.3 million due to reduced allotment plan, reduction to employer contributions for health insurance, enhancements that were not recommended for pay increases, and a reduction of 7.0 vacant FTE positions. The Budget Committee concurred with the Governor's recommendations with the adjustments to add language suspending the provisions of KSA 60-4117, and add approximately \$2.9 from special revenue funds for enhancement request.

Discussion followed by committee members regarding staffing issues.

Representative Claeys made a motion to approve the FY 2017 Budget Report for the Kansas Highway Patrol. Representative Finney seconded the motion. Motion carried.

Budget Committee Report on:

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Kansas Sentencing Commission Budget Report (See Attachment 2).

For FY 2015, the Governor recommended a decrease of \$11,020 attributable to the allotment plan, and reduced KPERs employer contributions. The **House Sub. SB 4** adjustment included delete language creating expenditure limitation for official hospitality, for review later in the budget process. The Budget Committee concurred with the Governor's recommendation as adjusted by **House Sub. for SB 4**.

Representative Claeys made a motion to approve the FY 2015 Budget Report for the Kansas Sentencing Commission. Representative Finney seconded the motion. Motion carried.

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For FY 2016, the Governor recommended a decrease of \$335,875 attributable to not recommending the enhancement request, and reduced employer contributions to health insurance. The recommendations partially offset funding request for substance abuse treatment expenditures. The Budget Committee concurred with the Governor's recommendation with the adjustments to add \$280,832 from SGF for the Substance Abuse Treatment program, and add \$20,000 from SGF and .5 FTE position for processing backlogged journal entries.

Representative Claeys made a motion to approve the FY 2016 Budget Report for the Kansas Sentencing Commission. Representative Finney seconded the motion. Motion carried.

For FY 2017, the Governor recommended a decrease of \$49,041 attributable to not recommending the enhancement request, and reduced employer contributions for health insurance. The Budget Committee concurred with the Governor's recommendation with the addition of \$20,000 from SGF and .5 FTE positions for processing backlogged journal entries.

Representative Claeys made a motion to approve the FY 2017 Budget Report for the Kansas Sentencing Commission. Representative Finney seconded the motion. Motion carried.

Budget Committee Report on:

Representative Claeys, Chair, Transportation and Public Safety Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Report for the State Fire Marshal (See Attachment 2).

For FY 2015, the Governor recommended a decrease of \$24,021 attributable to reduced employer contributions to KPERS, and a decrease of 6.0 FTE vacant positions. The Budget Committee concurred with the Governor's recommendations.

Representative Claeys made a motion for an amendment to reduce 8.0 FTE vacant funded positions. Representative Hoffman seconded the motion. Motion carried.

Representative Claeys made a motion to approve the FY 2015 Budget Report for the State Fire Marshal as amended. Representative Finney seconded the motion. Motion carried.

For FY 2016, the Governor recommended a decrease of \$42,618 attributable to reduced employer contributions for health insurance, a transfer of \$1 million to the SGF from fee funds, recommended increased amounts withheld from the fee funds from 10 percent to 20 percent for SGF reimbursement for administrative services, and a reduction of 6.0 vacant FTE positions. The Budget Committee concurred with the Governor's recommendation with the adjustment to add \$200,000 from the Fire Marshal Fee Fund, and 2 FTE positions, subject to passage of **HB 2097**.

Representative Claeys made a motion for an amendment to reduce 8.0 vacant FTE positions.

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Representative Peck seconded the motion. Motion carried.

Representative Claeys made a motion to approve the FY 2016 Budget Report for the State Fire Marshal as amended. Representative Finney seconded the motion. Motion carried.

For FY 2017, the Governor recommended a decrease of \$43,582 attributable to reduced employer contributions for health insurance, transfer of \$1 million for the Fire Marshal Fee Fund to SGF, increased amounts withheld from the fee funds from 10 percent to 20 percent, and a reduction of 6.0 vacant FTE positions. The Budget Committee concurred with the Governor's recommendations with the adjustment to add \$200,000 from the Fire Marshal Fee Fund , and 2.0 FTE positions subject to the passage of **HB 2097**.

Discussion followed by committee members. It was noted that **HB 2097** passed on the floor on the 13th of February.

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

Closing Remarks

Chairman Ryckman stated that committee members received information, that was requested on the Kansas Public Broadcasting Council ([Attachment 3](#))

Representative Ballard made a motion to approve the committee minutes from January 13 through January 29, and February 2 through February 18, 2015. Representative Carpenter seconded the motion. Motion carried.

J.G. Scott, Legislative Research Department, stated that as requested by the committee, staff is drafting information on vacant funded and unfunded FTE positions. He reminded the committee that FTE limitations were removed during a prior session, and the limitations were vetoed by the Governor. Therefore, at this time there are no limitations on FTE positions or salaries. He asked committee members if they also wanted vacant positions within the Board of Regents, along with those of all other agencies. When asked for the committees preference, members agreed to continue this discussion at the March 4th committee meeting.

Meeting adjourned: 10:57 a.m.