

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Tuesday, March 10, 2015, 112-N of the Capitol.

All members were present

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](#)

**Discussion continues on: HB2403 — Creating the classroom learning assuring student success act; making and concerning appropriations for fiscal years ending June 30, 2015, June 30, 2016, and June 30, 2017, for the department of education.**

Chairman Ryckman opened continued discussion on **HB 2403**.

J.G. Scott, Legislative Research Department, responded to questions from committee members from the prior day's committee meeting. He stated that the intent of the bill is that the amount previously used for supplemental state aid would count towards the school districts' Local Option Budget.

*Representative Claeys made a motion for an amendment that would preserve the new facilities weighting for the school districts that bonded prior to July 31, 2014 and that open their doors in FY 2016 AND FY 2017. Representative Barker seconded the motion.*

Discussion followed by committee members regarding the amendment ([Attachment 1](#)). It was noted that this would be an additional expense of \$3.5 million in State General Fund SGF for six school districts would be impacted statewide in FY 2016 and FY 2017, and this is an extension of the current law.

*Representative Claeys renewed the motion. Motion carried.*

*Representative Waymaster made a motion for an amendment that would insert a sunset date of June 30, 2017. Representative Schwartz seconded the motion.*

## CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:00 am on Tuesday, March 10, 2015, 112-N of the Capitol.

Discussion followed by committee members regarding the motion.

Jill Wolter, Office of Revisor of Statutes reviewed the proposed amendment ([Attachment 2](#)) . The amendment places a sunset on the CLASS Act that would expire after two years, which would be June 30, 2017.

Representative Waymaster renewed the motion. Motion carried.

Representative Kleeb made a motion for an amendment for general obligation bonds approved for issuance at an election held prior to July 1, 2015. Representative Schwartz seconded the motion.

Discussion followed by committee members regarding the motion ([Attachment 3](#)) . It was noted that this amendment is a technical correction to the bill. Jill Wolters, stated that based on the new formula schools would remain whole, and Sharon Wenger, Legislative Research Department added that the proposed language was based on assumptions when preparing the runs.

Representative Kleeb renewed the motion. Motion carried.

Representative Grosserode made a motion for an amendment that would change the funding for Virtual Schools from \$4045 to \$5000 in FY 15 and FY 16, and from \$5000 to \$5600 in FY 16 and FY 17 and adds money for students over 18 years of age at a cost of \$933 per course for class completion. Representative Schwartz seconded the motion.

Discussion followed by committee members regarding the motion ([Attachment 4](#)) . An explanation of the credit reimbursement calculation followed. As it is difficult to estimate course completions, this would be reimbursement upon course completion.

Representative Grosserode renewed the motion. Motion carried.

Representative Schwartz reviewed a technical balloon amendment ([Attachment 5](#)) .

Jill Wolters reviewed the technical corrections of the amendment. She stated the extraordinary need fund is not a separate account, but is a special revenue fund, and the amendment allows for the meeting of the State Finance Council when the legislature is in session.

Representative Schwartz made a motion for the approval of the technical amendments. Representative Suellentrop seconded the motion. Motion carried.

Representative Kleeb made a motion for a technical amendment regarding the school district transfer of funds to the state general fund before paying for operational expenditures. Representative Schwartz seconded the motion.

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Discussion followed by committee members regarding the amendment ([Attachment 6](#)) .

Jill Wolters noted this was a technical correction for similar language contained in other funds. Funds that school districts cannot transfer include Kansas Public Employee Retirement System (KPERS), Special Education, and Bond and Interest funds.

Representative Kleeb renewed the motion. Motion carried.

Discussion continued regarding virtual schools. Concern was expressed that the bill does not have the specific language related to prorating reimbursement for part time students.

Sharon Wenger stated that the amendment drafted is based on full time students.

Representative Grosserode made a motion for an amendment for language that clarifies FTE students. Representative Suellentrop seconded the motion.

Jason Long, Office of Revisor of Statutes, stated that the bill refers to full time equivalent enrollment in virtual schools on a part time basis, and he reviewed the formula. It was noted that additional language would be provided.

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

Discussion continued by committee members regarding the extraordinary need fund. It was noted that that this is an SGF transfer of \$4 million in FY 2015, \$12 million in FY 2016, and \$17 million in FY 2017.

Representative Henry reviewed an amendment regarding KPERS school funding ([Attachment 7](#)) . He stated the amendment would allow the schools to keep the KPERS funding until the payment due date of June 30 of the school year.

Representative Henry made a motion for an amendment that would allow the school districts to keep the KPERS funding until June 30 of the school year for reimbursement to the state. Representative Ballard seconded the motion.

Discussion followed by committee members regarding the motion. It was noted that the amendment allows additional funding flexibility for the schools versus reimbursing the state within a 24 hour time frame. The bill does not accurately reflect an increase of \$30 million. Concern was expressed regarding the impact of this motion. It was noted that the KPERS funding is part of the classroom expense as a benefit to teachers.

CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:00 am on Tuesday, March 10, 2015, 112-N of the Capitol.

Representative Henry renewed the motion. Motion failed.

Discussion continued by committee members on the bill regarding funding source accountability.

In response to questions from committee members, Jason Long stated that all funds will continue in existence for operating purposes for the schools. Tracking transfers or computerization of accounting measures rules and regulations would be the responsibility of the State Board of Education. It was noted that the Joint Committee on Rules and Regulation will be discussing data reporting this week.

Committee members discussed the impact of the bill regarding building construction and repairs. It was noted that the bill does not appropriate new state money for projects that have not had prior commitments for the next two years.

In response to questions, Jill Wolters stated that the legislature could add new money next year to any account for disbursement, as supplemental requests are not prohibited.

Chairman Ryckman reviewed the impact of the bill on funding school districts. He stated that the appropriated money for FY 2014 and FY 2015 would be held constant for the next two years, with the addition of the KPERS funding, a slight increase in the 20 mills, the addition of the extraordinary needs fund, new facility weightings, flexibility to get the money to the classroom, and control for school boards and superintendents to make decisions based on district needs to provide the best education for children.

In response to questions from committee members, Chairman Ryckman responded that a majority of the money is in KPERS increases, a portion of the 20 mills go to the school district, and the bill restores the Governor's allotment this year and carries forward.

Discussion continued by committee members.

Meeting recessed at: 10:41 a.m.

Meeting reconvened at 11:40 a.m.

Discussion continued by committee members regarding **HB 2403**.

Representative Grosserode made a motion for an amendment regarding virtual students on a part time basis in virtual schools. Representative Claeys seconded the motion ([Attachment 8](#)).

Discussion followed by committee members regarding the motion. It was noted that the motion would be \$630,000 higher than estimated in a prior amendment for FY 2015 and FY 2016, and reflects a decrease in FY 2016 and FY 2017.

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Representative Grosserode renewed the motion. Motion carried.

Representative Hutton made a motion for an amendment that provides language that ensures money goes to the classroom as opposed to property tax relief. Representative Kleeb seconded the motion.

Jason Long, Office of Revisor of Statutes, reviewed the amendment ([Attachment 9](#)) . He noted that the amendment removes the five year limitation on Capital Outlay resolutions.

Representative Hutton renewed the motion. Motion carried.

Representative Claeys made a motion for an amendment that would add appropriation language to add \$3.5 million in SGF for new facilities weighting. Representative Hoffman seconded the motion. Motion carried.

Discussion continued by committee members regarding the impact of the bill.

**Hearing on: SB7 — Office of information technology services; for budgetary purposes, such office shall be considered a separate agency. Legislative post audit conducting information technology audits.**

Chairman Ryckman opened the hearing on **SB 7**.

Jill Wolters, Office of Revisor of Statutes, provided an overview of the bill ([Attachment 10](#)) . The bill allows the Legislative Division of Post Audit to conduct audits of any state agency and entities listed in K.S.A. 46-114(c) regarding assessment of security practices and continued audits of ongoing information technology projects and establish Office of Information Technology Services (OITS) as a separate state agency for budgetary purposes.

Chairman Ryckman asked if there were proponents, opponents or neutral position conferees of the bill that would like to address the committee. As there was no response, the Chairmen closed the hearing on the bill.

Representative Schwartz made a motion for favorable passage of **SB 7**. Representative Suellentrop seconded the motion.

Representative Schwartz withdrew the motion with the approval of the second to the motion.

Chairman asked if there was any objection to working the bill. As no committee member objected, he opened discussion on the bill.

Representative Proehl made a motion to remove the contents of **SB 7** and replace with the contents of

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**HB 2403**, which includes all previously approved amendments by committee members, favorable for passage of **House Sub SB 7**. Representative Schwartz seconded the motion.

Discussion followed by committee members regarding the motion. Jill Wolters noted that as there was no objection by committee members work could continue discussion and action on the bill. It was noted by the Chairman that the contents of **SB 7** passed in the House and the bill was sent to the Senate, the contents of **HB 2403** as amended is now contained in **SB 7** as **House Sub SB 7**. If the bill passes favorably in committee it will go on to the House floor for debate.

Representative Proehl renewed the motion. Motion carried.

Members requesting their vote in opposition of the motion be recorded included are as follows: Representative Ballard, Representative Carlin, Representative Finney, Representative Henry and Representative Wolfe Moore.

Meeting adjourned at: 12:19 p.m.