

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Wednesday, March 11, 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

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Opening Remarks

Chairman Ryckman called the meeting to order. He stated that committee members have received information requested on the Traditional Lottery Revenue Distribution for FY 2014 ([Attachment 1](#)), and Expanded Gaming Revenue Distribution for FY 2014 ([Attachment 2](#)).

Budget Committee Report on:

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2016 and FY 2017 Budget Reports for the Kansas Department of Revenue([Attachment 3](#)).

For FY 2016, the Governor recommended an all funds decrease of \$3,039,320 below the agency's request attributable to the reduced employer contributions for health insurance, the 4.0 percent reduction in State General Fund (SGF) and State Highway Fund expenditures. The Budget Committee concurred with the Governor's recommendation with the addition of language prohibiting expenditures to regulate or enforce regulations of raffles.

Representative Suellentrop made a motion for an amendment to eliminate funding for Alcohol and Beverage Control (ABC) of \$3,629,695 for FY 2016 and \$3,778,667 for FY 2017. Representative Claeys seconded the motion.

Discussion followed by committee members regarding the motion regarding ABC interpretation of the statutes and the impact on businesses. A review of the services provided, and efforts to communicate concerns regarding ABC practices followed.

Representative Suellentrop renewed the motion. Motion carried.

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Representative Waymaster made a motion to approve the Kansas Department of Revenue Budget Report for FY 2016 as amended. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2017, the Governor's recommendation is an all funds decrease of \$3.1 million below the agency's request attributable to reduced employer contributions for health insurance and a recommended 4.0 percent reduction in SGF and State Highway Fund expenditures. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the Kansas Department of Revenue Budget Report for FY 2017 as amended. Representative Wolfe Moore seconded the motion. Motion carried.

Budget Committee Report on:

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2015, FY 2016, and FY 2017 Budget Reports for the Judicial Branch ([Attachment 4](#)) .

For FY 2015, the Governor recommended a reduction of \$4.3 million below the agency's revised estimate, attributable to not include additional expenditures for reduced DUI Reinstatement Fund, Docket Fee Fund revenue, and reduced employer contribution rate for Kansas Public Employees Retirement System (KPERS). The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2015 Budget Report for the Judicial Branch. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2016, the Governor recommended an all funds reduction of \$23.1 million attributable to not funding the enhancement request, reduced salary increases, reduced SGF money to offset declining docket fee revenues, reduced SGF money to offset low DUI reinstatement revenue, and reduced SGF for employer contributions for health insurance. The Budget Committee adjustments to the Governor's recommendations included the following: recommended legislation to eliminate the one judge per county statute, add language regarding furloughs for low filing volume and in determining adequate staffing levels, encouraged continued tracking dispositive motions, added \$3,386,192 from SGF to offset low Docket Fee fund revenues, added \$648,204 from SGF for low DUI reinstatement fee revenues, added \$1,306,148 from SGF for increased KPERS employer contributions, added \$156,000 from SGF for contractual service for in-state travel, Office of Information Technology Services (OITS) fees and other contractual fees, added \$861,364 from SGF for retirement fees, and added \$313,367 from SGF for fringe benefit costs including longevity.

Discussion followed by committee members regarding the Budget Committee's adjustments including the one judge per county and furlough issues.

Representative Hoffman made a motion for an amendment that would delete the recommendation to

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eliminate the one judge per county requirement, and delete language regarding furlough determination within judicial districts for FY 2016 and FY 2017. Representative Barker seconded the motion.

Discussion followed regarding the motion. Concern was expressed regarding effective and efficient funding for the courts.

Representative Hoffman renewed the motion. Motion carried.

Discussion continued regarding the Budget Committee recommendations. The concern was expressed that the amendment would add \$6.7 million SGF.

Representative Peck made a motion for an amendment to continue discussion on the amendment that adds SGF dollars by the addition of the Budget Committee's recommendations. Representative Grosserode seconded the motion.

Discussion followed regarding the motion. It was noted that \$11 million would be need to keep the funding flat and the Budget Committee's recommendation was approximately \$6 million based on critical needs identified by the Judicial Branch, with 95 percent of the budget is for salaries. A review of the FY 2015 - FY 2017 Judicial Branch Changes from the Governor's Recommendation followed ([Attachment 5](#)). Distribution of fees from the DUI reinstatement revenue fund were reviewed.

Representative Peck renewed the motion. Motion failed.

Representative Waymaster made a motion to approve the FY 2016 Judicial Branch as amended. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2017, the Governor recommended an all funds reduction of \$30.1 million below the agency's request. The Budget Committee concurred with the Governor's request with the adjustments to include the amendments in the FY 2016 Budget, encouraged continued tracking dispositive motions, added \$4,453,050 from SGF to offset low Docket Fee fund revenue, added \$4,123,600 from SGF to fund the 27th payroll, added \$648,204 from SGF to offset low DUI reinstatement fees, added \$1,423,701 from SGF for KPERS employer contribution increases, and added \$371,528 from SGF for other fringe benefit costs including longevity.

Discussion followed by committee members regarding the funding for the 27th payroll. It was noted that the Budget Committee recommendation adds \$11 million SGF to the Judicial Branch budget for this expenditure that was not included in the Governor's budget.

Representative Waymaster made a motion to approve the FY 2017 Judicial Branch Budget Report as amended. Representative Wolfe Moore seconded the motion. Motion carried.

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Budget Committee Report on:

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Reports for the Judicial Council (See Attachment 4).

For FY 2015, the Governor recommended a reduction of \$4,251 below the agency's revised estimate attributable to the reduced KPERS contribution rate. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2015 Judicial Council Budget Report.
Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2016, the Governor recommended a reduction of \$2,871 below the agency's request attributable to reduced employer contribution rate for health insurance. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2016 Budget Report for the Judicial Council.
Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2017, the Governor recommended a reduction of \$2,928 below the agency's request attributable to reduced employer contributions for health insurance. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2017 Budget Report for the Judicial Council.
Representative Wolfe Moore seconded the motion. Motion carried.

Budget Committee Report on:

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Reports for the Kansas Public Employees Retirement System (KPERS) (See Attachment 4).

For FY 2015, the Governor's recommended a decrease of \$91,504 below the agency's revised estimate attributable to the KPERS employer rate reduction. The Budget Committee concurred with the Governor's recommendation, and commended the agency's performance regarding the Tier 3 plan and deferred compensation program.

Discussion followed by committee members regarding retirement obligations. As requested, additional information will be provided.

Representative Waymaster made a motion to approve the FY 2015 Budget Report for KPERS.
Representative Wolfe Moore seconded the motion. Motion carried.

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For FY 2016, the Governor's recommendation was a decrease of \$77,558 below the agency's request attributable to the reduction of employer contributions for health insurance.

Representative Waymaster made a motion to approve the FY 2016 KPERS Budget Report.

Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2017, the Governor's recommendation was a reduction of \$77,898 below the agency's request attributable to the reduced employer contributions for health insurance. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2017 KPERS Budget Report.

Representative Wolfe Moore seconded the motion. Motion carried.

Budget Committee Report on:

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2015, FY 2016 and FY 2017 Budget Reports for the Department of Administration (See Attachment 4).

For FY 2015, the Governor's recommendation is an all funds reduction of \$112,420 below the agency's estimate attributable to irregularities in accounting for expenditures in the Office of Information Technology Services (OITS). The Budget Committee concurred with the Governor's recommendation.

Discussion followed by committee members regarding the irregularities in accounting expenditures. It was noted that billing did not cover the actual costs. As requested, additional information will be forthcoming regarding the appraised value and outstanding bonds for state owned buildings.

Representative Hutton made a motion to add language in a proviso requesting accounting of incurred debt for the Curtis and Landon State Office Buildings, for review prior to Omnibus. Representative Hoffman seconded the motion. Motion carried.

Discussion followed by committee members regarding OITS accounting. It was noted that over the past several years, rates for service were not adjusted for actual costs incurred. The rates have since been adjusted.

Representative Waymaster made a motion to approve the FY 2015 Budget Report for the Department of Administration as amended. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2016, the Governor's recommendation is an all funds increase of \$10.3 million, partially offset by and SGF reduction of \$7.3 million. The recommendation included additional debt service for the National Bio and Agro-Defense facility from SGF, which is offset by reduced SGF for debt service payments on the Statehouse and replaced with State Highway funds. The reduction of agency expenditures for operations, reduced employer contributions for health insurance and refinanced bonds

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resulted in a savings of \$752,112. Further recommendations included the relocation of the Public Broadcasting program from the Department of Administration budget to the Department of Commerce, which would reduce EDIF expenditures by \$600,000. The Budget Committee concurred with the Governor's recommendations.

Discussion followed by committee member regarding bonds for the National Bio and Agro-Defense Facility, which has been issued for release.

Representative Waymaster made a motion to approve the FY 2016 Budget Report for the Department of Administration. Representative Wolfe Moore seconded the motion. Motion carried.

For FY 2017, the Governor's recommendation is an all funds increase of \$9.9 million, partially offset by SGF reduction of \$7.2 million from the agency's estimate. The recommendations included additional debt service for the National Bio and Agro-Defense Facility from SGF, which is offset by reduced SGF debt service payment on the Statehouse that is replaced from State Highway Funds. Other recommendations included reduced operating expenditures, reduced employer contributions for health insurance and refinanced bonds resulting in a savings of \$1.8 million. The relocation of the Public Broadcasting program from the Department of Administration to the Department of Commerce was also recommended.

Representative Waymaster made a motion to approve the FY 2017 Budget Report for the Department of Administration. Representative Wolfe Moore 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 Board of Indigents' Defense Services (BIDS) ([Attachment 6](#)) .

For FY 2015, the Governor's recommendation was an increase of \$295,166 in all funds above the approved amount attributable to higher estimates for assigned counsel expenditures. Decreased special revenue funds is attributable to decreased revenue and expenditures for the fee fund and the Governor's reduced KPERS employer contribution rate. **House Sub for SB 4** deleted \$315,955 from SGF for a newly created litigation SGF account, which would be reviewed later in the budget process. The Budget Committee concurred with the Governor's recommendation with the addition of \$315,955 from SGF to fund the newly created litigation account.

Discussion followed by committee members regarding the litigation support fund created for tacking purposes for increased caseloads. Additional information will be provided regarding recovery of expenditures from defendants who would not classify as indigent.

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

For FY 2016, the Governor's recommendation reflects a decrease of \$2.1 million in all funds below the agency's request attributable to four enhancement requests that were not recommended and reduced employer contributions for health insurance. The Budget Committee concurred with the Governor's recommendation with the following adjustments: recommended further consideration at Omnibus the compensation rate for counsel of \$611,000 from SGF, additional \$100,000 from SGF for the enhancement request to increase salaries, and additional \$60,000 from SGF for electronic case management system.

Discussion followed by committee members regarding the hourly rate for public defenders.

Representative Claeys made a motion to approve the FY 2016 Board of Indigents' Defense Budget Report. The motion was seconded by Representative Finney. Motion carried.

For FY 2017, the Governor's recommendation was a decrease of \$1.6 million below the agency's request attributable to not recommending four agency enhancement request and reduced employer contributions for health insurance. The Budget Committee concurred with the Governor's recommendation with the adjustments for further consideration at Omnibus the addition of \$611,000 from SGF for increased salaries for counsel, an additional \$200,000 for increase public defender salaries, and an additional \$40,000 from SGF for an electronic case management system.

Representative Claeys made a motion to approve the FY 2017 Budget Report for the Board of Indigents' Defense Services. Representative Finney seconded the motion. Motion carried.

Chairman Ryckman reviewed the agenda for the next committee meeting.

Meeting adjourned: 10:47 a.m.