Approved: February 04, 2016

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Thursday, January 28, 2016, 112-N of the Capitol.

All members were present except:
Representative J. R. Claeys – Excused
Representative John Barker – Excused

Committee staff present:
Kathy Holscher, Kansas Legislative Committee Assistant
David Fye, Legislative Research Department
Jennifer Ouellette, Legislative Research Department
Jill Wolters, Office of Revisor of Statutes
Daniel Yoza, Office of Revisor of Statutes
J.G. Scott, Legislative Research Department
Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:
No conferees present

Others in attendance:
See Attached List

Bill introductions
Chairman Ryckman called the meeting to order.

Representative Suellentrop made a motion to introduce legislation regarding consumer incentive items and nutritional labeling of food. Representative Carpenter seconded the motion. Motion carried.

Representative Suellentrop made a motion to introduce legislation regarding employer's regulation of employee scheduling by certain county or city resolutions or ordinances. Representative Carpenter seconded the motion. Motion carried.

Hearing on: HB2513 — Limitation on meeting days of legislative sessions.
Chairman Ryckman opened the hearing on **HB 2513.**

Daniel Yoza, Office of the Revisor of Statutes, provided a briefing on the bill (Attachment 1) . The bill requires that regular legislative sessions during odd-numbered years will not exceed 60 calendar days, unless two-thirds of the legislature votes to extend the session. In the Kansas constitution the regular legislative session during even-numbered years will not exceed 90 days, unless two-thirds of the legislature votes to extend the session. He stated that **SB 223** contains both odd-numbered and even-numbered session years will not exceed 60 calendar days. **SB 85** is identical to **HB 2513,** and both bills

have been referred to the Senate Federal and State Affairs Committee. If passed, this would reflect approximately $1.6 million savings to the state, he added.

Daniel Yoza responded to questions from committee members. The odd calendar year would be a 60 day session and the even calendar year would be a 90 day session. The constitution provides for a 90-day session in the even years but is silent on session length in odd years, he stated. It was suggested that should the Governor return to a single year budget process, the session should be for 90 days.

Representative Kleeb presented testimony as a proponent of the bill (Attachment 2) . Committee members received a copy of comparative data by states (Attachment 3) . He stated that the State Constitution intended to have a part-time legislature, however, in recent sessions have taken much more time than intended. Emphasis was placed on prioritizing, focus on real issues and needs of Kansas, completion of legislative duties in an efficient and cost-effective manner.

Representative Kleeb responded to questions from committee members. Committee members expressed appreciation of the bill. Discussion followed regarding prioritizing and pre-filing bills prior to the start of the session. Concern was expressed regarding the impact on the budget process with a shortened time frame. The recommendation for the even calendar year should be for 60 session days and the odd calendar year should be 90 session days, with the two year budgeting process in place. It was noted that leadership would be instrumental in ensuring the budget process completion.

Senator Holland presented testimony as a proponent of the bill (no written testimony was provided). He is in support of a 90 day session for the odd years and a 60 day session for the even years with the state's current bi-annual budget process. He referenced **SB 347, which ties compensation and substance to 90 day odd and 60 day even.**

Chairman Ryckman closed the hearing on the bill.

Presentation on: Statewide Efficiency Study: Budget Review - Alvarez and Marsal Staff
Chairman Ryckman welcomed Alvarez and Marsal staff.
John Rust addressed the committee and introduced Nancy Zielke. Mr. Rust provided an overview of the collaborative efforts with the Government Finance Officers Association (GFOA), in regards to evaluating the state's current budget process and best practices. The primary focus was on fiscal stability, improved accountability and budget transparency. Ms. Zielke provided background information and reviewed 15 Budget Process Recommendations (Attachment 4) . Financial stability recommendations included the following: a risk-based reserve policy to determine how the rainy day fund would be funded, replenished and implement legislative oversight; a balanced budget policy which funds reoccurring revenues and on-going expenditures; revenue forecasts that includes other industry experts involved in the process; long-term financial plans that evaluates trends, revenues, and identifies deficiencies; development of a user fee policy for public services; debt management policy developed; and pension liabilities policy and other postemployment benefit obligations adopted. Improved accountability recommendations included a program/service inventory assessment; goals

developed to guide budget decisions which includes program effectiveness evidence and implementation of performance based budgeting. Budget Transparency recommendations included on-line access to budget documents and supplemental data; improved transparency and accessibility of budget transfer documents. She stated that page 232 of the full report contains more detailed information on these recommendations.

J.W. Rust and Nancy Zielke responded to questions from committee members. Discussion was held regarding managing cash flow and the issuance of bonds. Managing the operations of cash flow by extending the payment cycle, and the need for a debt policy was reviewed. It was noted that additional information regarding sales tax and interest only notes will be necessary when determining funding decisions. Discussion followed regarding zero based and performance based budgeting. It was noted that performance based budgeting provides a better understanding of the prior year in order to evaluate, monitor and manage overall outcomes. Concern was expressed by a committee member regarding the inability to collect program data. More information on what other states have implemented for a system based data program for personnel and program tracking was
requested. Discussion continued on the advantage of long-term financial planning and the impact on the budgeting issues. Information on the judicial issues with education funding among other states was requested, and Mr. Rust stated he would follow up on this request. Regarding other states and higher education funding, Ms. Zielke responded that they may have their own Board of Regents or a separate governing body, and a review or approval process conducted by the state's legislature. Concern was expressed by a committee member regarding the consensus revenue estimating process and projections used for budgeting purposes, and the need for industry leaders to be involved in the estimating process.

Chairman Ryckman reviewed the upcoming meeting agenda.

Representative Hoffman made a motion to approve the January 21 minutes. Representative Highland seconded the motion. Motion carried.

Meeting adjourned at: 10:30 am