

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Tuesday, February 02, 2016, 112-N of the Capitol.

All members were present

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:

Gary Steed, Commission on Peace Officers' Standards and Training
Pat Scalia, Board of Indigents' Defense Services

Others in attendance:

[See Attached List](#)

Opening Remarks

Chairman Ryckman called the meeting to order. At the request of the Speaker of the House, bill introductions will be germane for the Appropriations Committee as the non-exempt deadline approaches for bill introductions.

Hearing on: HB2530 — Appropriation revisions for FY 2016, FY 2017 and FY 2018 for various state agencies.

Chairman Ryckman opened the hearing on **HB 2530**.

J.G. Scott, Legislative Research Department, presented an overview of the rescission bill discussed in committee last week ([Attachment 1](#)). The bill includes the Governor's budget adjustments and excludes the adjustments made during the interim. Approximately \$240 million in all funds, a reduction of \$23 million in SGF attributable primarily to social services caseload adjustments, as well as tuition fees and federal funds for the Board of Regents, transfers from the Highway Fund and Economic Development Initiatives Fund (EDIF), and eliminates funding for the Kansas Bioscience Authority for FY 2016, FY 2017 and FY 2018, he reported.

J.G. Scott responded to questions from committee members regarding maintenance of effort requirements. He stated that most of the requirements are in Medicaid, Department of Transportation

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and tuition fees. A review of the fee sweeps followed.

Gary Steed, Executive Director, Commission on Peace Officers' Standards and Training (CPOST), presented testimony as a proponent of **HB 2530** ([Attachment 2](#)). He stated that a recent Legislative Post Audit found that the replacement of the agency's database is critical to the data security. Approval of an additional \$60,000 in expenditure authority for FY 2016 was requested to replace the Central Registry database. CPOST is funded by Municipal Docket fees, it was noted.

In response to questions from committee members, Mr. Steed stated that the audit was at the request of CPOST.

Pat Scalia, State Board of Indigents' Defense Services, presented testimony in neutral position of the bill ([Attachment 3](#)). She stated the request for supplemental funding of \$548,000 SGF would address the cost of the state's habeas defense for capital cases. As required by the Kansas Constitution and state law, United States Supreme Court, Kansas Supreme Court, Kansas Rules of Professional Conduct and the American Bar Association outside experts must be retained to provide experienced capital habeas defense counsel in death penalty cases.

Pat Scalia responded to questions from committee members. Each year budget re-appropriations are requested, due to continuation of cases from one year to the next, she noted. Consensus caseload are conducted twice a year. The suggestion was made to review the possibility of training in-house counsel with increase salary as opposed to outsourcing at a higher rate.

Written testimony as opponents of the bill was provided by the following: Linda Coon, Kansas County Treasurers Association ([Attachment 4](#)); Debbie Pack, Director of Revenue/Treasury, Unified Government of Wyandotte County ([Attachment 5](#)); Gayla Shields, Miami County Treasurer ([Attachment 6](#)); E. Rebecca Fields, Harvey County Treasurer ([Attachment 7](#)); Linda Kizzire, Sedgwick County Treasurer ([Attachment 8](#)); and Doug Wareham, Kansas Bankers Association ([Attachment 9](#)).

In response to questions, J.G. Scott discussed the funds transfer from the Highway Fund to the Division of Vehicles operating fund,

Jill Wolters responded to questions regarding the law suit regarding fee fund sweeps, which is presently in the district court. As requested, the fund balance for the State Bank Commissioner and Board of Tax Appeals will be forthcoming.

Chairman Ryckman closed the hearing on the bill.

Briefing by staff on: FY 2017 Supplemental Bill

Chairman Ryckman opened discussion on **HB 2577**.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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J.G. Scott, Legislative Research Department, provided an overview of the Governor's recommendations ([Attachment 10](#)) The recommendation totals approximately \$16 billion from all funding sources including \$6.3 billion from the State General Fund (SGF) . Total expenditures were increased by \$249 million, and SGF expenditures were reduced by \$3.8 million from the approved amount for FY 2017.

J.G. Scott reviewed the 2017 Appropriations Supplemental Bill, which reflects the Governor's Budget Adjustments for FY 2017 and FY 2018 ([Attachment 11](#)) . The highlighted agency adjustments were as follows: the Office of the Governor; Department of Revenue; Department of Commerce; Department of Health and Environment-Health & Health Care Finance; Kansas Department for Aging and Disability Services; Department for Children and Families; Department of Education and Kansas Department of Transportation.

J. G. Scott responded to questions from committee members. He stated that the oil and gas severance tax rate was lower than projected. The increased caseload estimates were primarily due to rate adjustments for foster care and Medicare and realigning the Department on Aging with the Kansas Department of Health and Environment. Discussion followed regarding the Children's Initiative Fund (CIF) and the tobacco settlement dollars. If the CIF was eliminated, the programs would continue from funding by SGF, the only program change that would be effected is the Parent's as Teachers program, which would be funded by Temporary Assistance for Needy Families (TANF). CIF program funding recommendation are made by the Governor and approved by the legislature. The programs moving in to the Department of Education are as follows: Infant/Toddler Program; Children's Cabinet and Block Grant; Early Childhood Smart Start; and Child Care Initiatives, J.G. Scott noted. A review of the balance transfer to Osawatomie State Hospital from Rainbow of \$1.5 million was expended and reduced the SGF by the same amount. It was noted that the information on the Kansas Bioscience Authority regarding budget data for maintaining current investments through the maturity date as compared to liquidation, has not been received to date. Discussion followed regarding the flexible funding source for increased salaries for state troopers and Highway Patrol supervisors. As requested, additional information will forthcoming regarding the Department of Education and the mill levy adjustments that occurred in 2016, which that did not happen in 2017, as well as the actions taken during the last session regarding SGF dollars that went in to the Block Grant for reductions in property values.

Meeting adjourned at: 10:05 a.m.