

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on March 7, 2006 in Room 514-S of the Capitol.

All members were present except:

Representative Bob Bethell- excused
Representative Shari Weber- excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Matt Spurgin, Legislative Research Department
Amy Deckard, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Julian Efird, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Assistant
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Tom Hayes, President, Cargill
Lyndon Wells, Executive Vice President, INTRUST Bank
Richard Taylor, Business Manager of Plumbers and Pipefitters Local 441
John Waltner, Mayor of Hesston and Chairman of the Regional Economic Area Partnership

Others attending:

See attached list.

- Attachment 1 Budget Committee reports on State Corporation Commission and Citizen Utility Ratepayer Board
- Attachment 2 Budget Committee report on Department of Corrections
- Attachment 3 Budget Committee reports on El Dorado Correctional Facility, Ellsworth Correctional Facility, Hutchinson Correctional Facility, Lansing Correctional Facility, Larned Correctional Mental Health Facility, Norton Correctional Facility, Topeka Correctional Facility and Winfield Correctional Facility
- Attachment 4 Information on Economic Development Initiatives Fund (EDIF) and Lottery Sales and Transfers

Testimony on **SB 475** was received from:

- Attachment 5 Tom Hayes, President, Cargill
- Attachment 6 Lyndon Wells, Executive Vice President, INTRUST Bank
- Attachment 7 Richard Taylor, Business Manager of Plumbers and Pipefitters Local 441
- Attachment 8 John Waltner, Mayor of Hesston and Chairman of the Regional Economic Area Partnership
- Attachment 9 Allen Bell, Economic Development Director, City of Wichita
- Attachment 10 Ben Sciortino, Chairman, Sedgwick County Commissioners
- Attachment 11 Duane Ross, High Plains Journal, Dodge City
- Attachment 12 Steve Harper, Network Management Group Inc. (NMGI), Hutchinson

Representative Schwartz moved to introduce a resolution pertaining to a vision for the state of Kansas to be less dependent on fossil fuels by 2025. The motion was seconded by Representative Powell. Motion carried.

Representative Tafanelli moved to introduce legislation to establish a grant program for handling

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of veterans' service claims and moving from a joint employment agreement process to a grant program. The motion was seconded by Representative Henry. Motion carried.

Representative Tafanelli moved to introduce legislation to establish the state disaster relief fund. The motion was seconded by Representative Henry. Motion carried.

Representative Pottorff moved to approve the Committee meeting minutes as written of February 13, February 14, February 15, February 16, February 17, February 20, February 21 and February 22. The motion was seconded by Representative McCreary. Motion carried.

Action on Sub for HB 2594 - Former Kansas legislators experience history project grant awards authorized, appropriations for such project.

Representative Schwartz moved to reconsider the action of the Committee on **HB 2594**. The motion was seconded by Representative Hutchins. Motion carried.

Representative Schwartz moved to amend **HB 2594** into **Substitute for HB 2594**, strike the language in Section 3 pertaining to appropriations and insert language "subject to appropriations". The motion was seconded by Representative Pottorff. Motion carried.

Representative Pottorff moved to recommend **HB 2594** favorable for passage as amended and to report the bill as **Substitute for HB 2594**. The motion was seconded by Representative Yoder. Motion carried.

Representative Williams, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Corporation Commission for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 1). The motion was seconded by Representative Schwartz. Motion carried.

Representative Williams, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Corporation Commission for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 1). The motion was seconded by Representative Schwartz. Motion carried.

Representative Powell, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Citizen Utility Ratepayer Board for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 1). The motion was seconded by Representative Schwartz. Motion carried.

Representative Powell, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Citizen Utility Ratepayer Board for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 1). The motion was seconded by Representative Schwartz. Motion carried.

Representative Light, Chair of the Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Corrections for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 2). The motion was seconded by Representative Tafanelli. Motion carried.

The Budget Committee noted that it appears that Wyandotte County has little interest in establishing a day reporting center.

Representative Light, Chair of the Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Corrections for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007

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(Attachment 2). The motion was seconded by Representative Sharp. Motion carried.

Representative Powell moved to amend the Budget Committee report on the Department of Corrections for FY 2007 relating to Item No. 8 by adding "Larned Correctional Facility" as one of the facilities considered for expansion. The motion was seconded by Representative Schwartz. Motion failed.

Roger Werholtz, Secretary, Department of Corrections, stated that the Department has a number of options for expansion including Larned Correctional Facility. Mr. Werholtz indicated that the reason El Dorado and Ellsworth Correctional Facilities were recommended to the Budget Committee was because the Department does not know the effect of legislature or the number of beds that will be needed plus these two facilities would have the lowest cost in doing expansion.

The Committee noted that they felt it is important to provide education and rehabilitation for inmates with possible parole rather than build additional prison bed space.

Representative Light, Chair of the Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the El Dorado Correctional Facility, Ellsworth Correctional Facility, Hutchinson Correctional Facility, Lansing Correctional Facility, Larned Correctional Mental Health Facility, Norton Correctional Facility, Topeka Correctional Facility and Winfield Correctional Facility for FY 2006 and FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2006 and FY 2007 (Attachment 3). The motion was seconded by Representative Sharp.

Representative Sharp moved to amend the Ellsworth Correctional Facility and Lansing Correctional Facility budgets for FY 2006 by adding \$51,000 State General Fund (SGF) for Ellsworth Correctional Facility and \$161,000 SGF for Lansing Correctional Facility as a supplemental to fund for 1.25 percent pay increase. The motion was seconded by Representative Lane. Motion failed.

Representative Sharp moved to amend the Ellsworth Correctional Facility and Lansing Correctional Facility budgets for FY 2007 by reviewing the funding for the 1.25 percent pay increase at Omnibus. The motion was seconded by Representative Light. Motion carried.

Representative Light moved to adopt the Budget Committee report on the Correctional Facilities for FY 2007 as amended. The motion was seconded by Representative Sharp. Motion carried.

Hearing on SB 475 - Creating the state affordable airfare fund; moneys from the economic development initiatives fund; implementing a program to provide more flight options, more competition and affordable airfares.

Audrey Dunkel, Kansas Legislative Research Department, explained that **SB 475** would create the State Affordable Airfare Fund to be administered by the Department of Commerce. The fund would be funded from transfers of \$5 million each year from the Economic Development Initiatives Fund (EDIF). If funds were not available in EDIF, then the balance would come from the State General Fund (SGF). An overview of the Economic Development Initiatives Fund (EDIF) and a chart showing Lottery Sales and Transfers were distributed to the Committee (Attachment 4).

Chairman Neufeld recognized Tom Hayes, President of Cargill Meat Solutions, who presented testimony in support of **SB 475** (Attachment 5). Mr. Hayes noted that Wichita has the largest airport in the state. Mr. Hayes indicated that affordable airfares are important to Cargill and the agricultural industry as well as other industries.

The Chair recognized Lyndon Wells, Executive Vice President, INTRUST Bank, who presented testimony in support of **SB 475** (Attachment 6). Mr. Wells indicated that many of the bank's customers are dependent on affordable airfare. Also representing the Wichita Chamber of Commerce, Mr. Wells indicated that they have heard from businesses in Wichita and around the state who are dependent on having access to affordable airfare, noting it is important for the economy of the state. Mr. Wells felt that affordable airfare is critical to the economic development in Wichita and the state.

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Chairman Neufeld recognized Richard Taylor, Business Manager of Plumbers and Pipefitters Local 441, who presented testimony in support of **SB 475** (Attachment 7). Mr. Taylor noted that jobs and trades in the state are dependent on having access to affordable air service.

Chairman Neufeld recognized John Waltner, Mayor of Hesston and Chairman of the Regional Economic Area Partnership, who presented testimony in support of **SB 475** (Attachment 8). Mr. Waltner included a map with his testimony showing the portion of Kansas from which passengers have accessed the Wichita airport.

Andy Schlapp, Sedgwick County, stated that passengers traveling out of Wichita has grown from 1 million to 1.5 million and anticipates, with the passage of **SB 475**, this usage will grow to 2.5 million.

Written testimony in support of **SB 475** was received from:

- Allen Bell, Economic Development Director, City of Wichita (Attachment 9)
- Ben Sciortino, Chairman, Sedgwick County Commissioners (Attachment 10)
- Duane Ross, High Plains Journal, Dodge City (Attachment 11)
- Steve Harper, Network Management Group Inc. (NMGI), Hutchinson (Attachment 12)

The hearing on SB 475 was closed.

The meeting was adjourned at 11:00 a.m. The next meeting of the Committee will be held at 9:00 a.m. on March 8, 2006.

Melvin Neufeld, Chairman