

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Sharon Schwartz at 8:00 A.M. on April 25, 2007, in Room 514-S of the Capitol.

All members were present except:
Representative Tom Sawyer - excused

Committee staff present:
Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Julian Efird, Legislative Research Department
Aaron Klaassen, Legislative Research Department
Jim Wilson, Revisor of Statutes
Theresa Kiernan, Revisor of Statutes
Nikki Feuerborn, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Others attending:
See attached list.

- Attachment 1 **House Substitute for HB No. 2593**
- Attachment 2 House Proposed Regents Deferred Maintenance Plan
- Attachment 3 Overview of Senate Comprehensive Regents Building Maintenance Plan
- Attachment 4 Comparison of Deferred Maintenance Plans
- Attachment 5 Counties with Regents Institutions Revenue Options
- Attachment 6 Bill Explanation on Omnibus Appropriations Bill and related documents
- Attachment 7 Governor's Budget Amendment (GBA) No. 3

Representative Powell moved to introduce legislation for technical corrections to **HB 2032**. The motion was seconded by Representative Pottorff. Motion carried.

Representative Powell moved to introduce legislation regarding classification of dams and water rights within dams and lakes. The motion was seconded by Representative Beamer. Motion carried.

Representative Feuerborn moved to introduce one or more technical bills as required to allow the Revisor of Statutes to resolve conflicts between statutes. The motion was seconded by Representative Tafanelli. Motion carried.

Continued Hearing on HB 2593 - Postsecondary institutions; infrastructure improvement projects; financing.

There was no further discussion on **HB 2593**.

The Chair closed the hearing on **HB 2593**.

Discussion and Action on HB 2593 - Postsecondary institutions; infrastructure improvement projects; financing.

Representative Tafanelli moved to remove the contents of **HB 2593** and substitute the language contained in an amendment (Attachment 1) into **House Substitute for HB 2593**. The motion was seconded by Representative Powell. Motion carried.

(It was noted that the title of Attachment 1 should read **House Substitute for House Bill No. 2593**.)

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Audrey Dunkel, Legislative Research Department, presented and explained the following documents:

- House Proposed Regents Deferred Maintenance Plan (Attachment 2).
- Overview of Senate Comprehensive Regents Building Maintenance Plan (Attachment 3).
- Comparisons of Deferred Maintenance Plans (Attachment 4).

The Committee discussed the various sections of the substitute bill and addressed concerns with regard to the following items:

- Sales tax generated by the 0.1 cent sales tax in Item No. 2 of the House Plan would remain in the counties where generated (Attachment 5).
- Community colleges are not included in Item No. 2 of the House Plan; however, are addressed with a low-interest revolving loan in Item No. 6. The plan does not include technical colleges or schools.
- Concern for how the legislation would affect Sedgwick County's property tax relief.
- **House Sub for HB 2593** does not address gaming revenue.
- Definition of deferred maintenance is addressed in the language of the substitute bill on Page 1, New Section 2, (f)(1) Lines 22-26.
- Concern that historical and landmark buildings are not addressed in the substitute bill.
- Concern that a referendum from county residents is not required to approve sales tax increase.
- Who has the responsibility for the final decision to "raze" a building or address renovation of university buildings.
- Cost of "razing" buildings is not addressed by the legislation.
- Any tuition increase would be directed to deferred maintenance costs as opposed to financial aid for students.
- Responsibilities and necessity of an oversight committee.
- Concern that the use of the language "moth balled" with regard to unused university buildings could result in unused building or those in need of repair being left unaddressed.
- The amended version of the legislation does not address how the deferred maintenance funds will be allocated to the regent universities.

In response to a question from the Committee, the Chair recognized Erik Sexton, Wichita State University, who indicated that Wichita State University was established in 1964. At that time, the Legislature mandated that the City of Wichita vote to maintain a local property tax to support the existing local bonded indebtedness of the University. Any funds above the bonded indebtedness could be used for university development. In 1987, Sedgwick County and the City of Wichita signed an agreement to extend the property tax county-wide for the same purpose. At this time, there remains outstanding debt.

Eric King, Director of Facilities, Board of Regents, responded to a Committee question, noting that the Board of Regents has developed a priority list of university buildings needing repairs by age, type of building and use of buildings. At the present time, the Board of Regents is reviewing the procedure of determining square footage at the universities.

Representative Tafanelli moved to delete all of "New Section 21" and "Item (e)" of Section 25, Lines 23 through 30 from **House Substitute for HB 2593**. The motion was seconded by Representative Holmes. Motion carried.

The meeting was recessed at 10:00 a.m. and reconvened at 1:30 p.m.

Afternoon Session

Representative Watkins moved to amend **House Substitute for HB 2593** by removing the language referring to the sales tax increase in the home counties of the regent universities. The motion was seconded by Representative Carlin. Motion withdrawn with approval by the second.

Representative Watkins moved to amend **House Substitute for HB 2593** by deleting all of New Section 27. The motion was seconded by Representative Carlin. Motion failed on a 7-11 vote. Representative Watkins and Representative Carlin requested to be recorded as voting "in favor"

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of the motion.

Representative George moved to amend **House Substitute for HB 2593** by adding language allowing any regents institution, including community colleges, technical colleges and state universities, to add a local sales tax option in the home county for operation of the institution and any moneys gained from the sales tax option by the home county could be used to decrease property tax in that county if the property tax supports the regent institution. The motion was seconded by Representative Powell. Motion carried.

Some members of the Committee opposed the above motion, noting that they felt it should be a statewide sales tax.

Representative Pottorff moved to amend **House Substitute for HB 2593** by deleting "New Section 10". The motion was seconded by Representative Feuerborn. Motion carried on a 11-9 vote.

The Committee discussed whether the Oversight Committee as provided in the legislation is a duplication of services with the Joint Committee on State Building Construction. It was noted that the Oversight Committee would be composed for individuals with skills in construction, engineering and architectural services.

Representative Watkins moved to amend **House Substitute for HB 2593** by removing language allowing county commissions to authorize the 0.1 cent sales tax increase in their county and mandate that a majority vote of the citizens of the county is required to impose the sales tax increase. The motion was seconded by Representative Wolf. Motion carried.

Representative Henry moved to remove all language from any reports addressed by the Appropriations Committee on this date, that refers to the use of gaming revenue for deferred maintenance funding and report in the minutes of the meeting that the Committee made no recommendation to include gaming revenue for funding of the deferred maintenance issue on this date. The motion was seconded by Representative Ballard. Motion carried.

Representative McLeland moved to amend **House Substitute for HB 2593** by adding language to indicate if Sedgwick County imposes an additional 0.1 cent sales tax increase that property tax be reduced corresponding. The motion was seconded by Representative Pottorff. Motion withdrawn with approval of the second.

Representative Burroughs moved to amend **House Substitute for HB 2593** by adding language to exclude historical and landmark buildings. The motion was seconded by Representative Ballard. Motion failed.

Some members of the Committee felt it is important to establish a description of historical and landmark buildings and separate from the funding policy until they can be identified and determination made on their status.

Representative Henry moved to amend **House Substitute for HB 2593** to add language to exclude all athletic facilities, residence halls and president residences from the deferred maintenance funding. The motion was seconded by Representative Bethell. Motion carried.

Representative McLeland moved to amend **House Substitute for HB 2593** by indicating that no deferred maintenance funds would be used for president's home whether located on campus or off campus. The motion was seconded by Representative Holmes. Motion was withdrawn with approval of the second.

Representative Feuerborn moved to amend **House Substitute for HB 2593** by striking all language and inserting language to add \$30 million State General Fund (SGF) for deferred maintenance to be allocated on the current square footage formula and provide a \$100 million interest-free loan for community colleges for FY 2008. The motion was seconded by Representative Burroughs. Motion failed on a 9-12 vote.

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Representative Burroughs moved to amend **House Substitute for HB 2563** by striking all language and inserting language to recommend \$35 million SGF for the Board of Regents to be used for deferred maintenance and submit a letter requesting an interim study of the deferred maintenance issue. The motion was seconded by Representative Feuerborn. Motion failed on a 9-12 vote.

Representative Feuerborn stated that, according to House Rules, it is necessary to have a two-thirds favorable vote to move a piece of legislation out of Committee to the House floor when the bill is worked and has action on the same day as a hearing on the bill and the hearing closed.

Representative Tapanelli moved to recommend **House Substitute for HB 2593** favorable for passage as amended. The motion was seconded by Representative Powell. Motion failed on a 12-10 vote because of a two-thirds majority rule.

Chair Schwartz noted that copies of the Bill Explanation on Omnibus Appropriations Bill and related documents (Attachment 6) and the Governor Budget Amendment (GBA) No. 3 were distributed to the Committee (Attachment 7).

The meeting was adjourned at 2:55 p.m. The next meeting of the Committee will be on "call of the Chair".

Sharon Schwartz, Chair