

MINUTES OF THE HOUSE APPROPRIATIONS

The meeting was called to order by Chairman Kevin Yoder at 9:05 a.m. on January 15, 2009 in Room 143-N of the Capitol.

All members were present.

Committee staff present:

Christina Butler, Legislative Research Department
Audrey Dunkel, Legislative Research Department
J.G. Scott, Legislative Research Department
Nobuko Folmsbee, Revisor of Statutes
Jim Wilson, Revisor of Statutes
Kelly Cure, Chief of Staff
Kathy Holscher, Committee Assistant

Conferees appearing before the committee:

None

Others attending:

See attached list.

- Attachment 1 SRS Governor's Budget Recommendations FY 2009 and FY 2010
- Attachment 2 SRS Rescission Attachment B FY 2009 and FY 2010
- Attachment 3 Juvenile Justice Authority Budget Overview
- Attachment 4 Kansas State Department of Education Recommendations FY 2008 and FY 2009
- Attachment 5 Kansas State Department of Education Recommendations FY 2009 and FY 2010
- Attachment 6 Kansas State Department of Education State Assessments Results

Chair Yoder announced that an Appropriations 101 briefing will be held on Tuesday, January 20, 2009, Room 143-N. Additional information will be forthcoming.

Don Jordan, Secretary of Social and Rehabilitation Services, presented an agency overview of the Governor's FY 2009 Budget Recommendation ([Attachment 1](#)). Secretary Jordan stated that the budget focus was placed on minimizing the impact on the most vulnerable, minimize overall reductions by targeting programs with a higher percentage of state funds, and sustain state hospital budgets. Two percent reductions were announced in July and another one percent in November, 2008. Those deductions, additional proposals from the Governor, and items submitted the agency's reduced resource list are included in the Governor's Budget Recommendations. In July, the FY 2009 SRS State General Fund (SGF) Budget was \$683.8 million, agency actions and that of the Governor's resulted in reductions of \$12.4 million for FY 2009, and reductions of \$42.6 for 2010.

Secretary Jordan reviewed SRS Rescission ([Attachment 2](#)). Secretary Jordan stated that the later in the fiscal year, the more difficult it is to make cuts and the impact becomes greater. A 5 percent across the board reduction, including the hospitals, this would result in reductions of \$38 million. Secretary Jordan noted that a lot of that money has already been spent resulting in a 12.2 percent reduction in the dollars remaining in the fiscal year. A comparison of impact using different effect dates with a 5 percent reduction was reviewed by Secretary Jordan.

Responding to questions from the Committee, Secretary Jordan discussed community based waivers, the impact reductions would have on waiting lists and placements, re-evaluating lease agreements and the over-all impact on services with the Governor's recommended budget reductions.

●Committee members asked for additional information or recommendation:

CONTINUATION SHEET

MINUTES OF THE House Appropriations at 9:00 a.m. on January 15, 2009, in Room 143-N of the Capitol.

- 1) How much money has been spent sending children to foster care, when the statute requires that the child should have been placed in the custody of a family member when requirements were met;
- 2) number of CINC cases, national average per capita, percent Kansas is above the national average per capita, and the average CINC case cost to the state;
- 3) letters sent to landlords asking for reduced rent/lease payments, renegotiate contractual agreements and client services contracts;
- 4) tabulate, by category, the number of state employees who might be effected by lay-offs based upon the Governor's recommendations; and
- 5) list of program shift residuals.

Roger Werholtz, Secretary of Department of Corrections, responded to questions from his presentation to Committee Members on Wednesday, January 14th. Secretary Werholtz stated that costs for the IT infrastructure in FY 2008 was \$154,000 in hardware and software maintenance, and an estimated replacement cost \$107,000 for the major systems OMIS and TOADS. Secretary Werholtz discussed the Governor's proposed budget and the impact on correctional facilities.

Russell Jennings, Commissioner of Juvenile Justice Authority, presented an overview of the Governor's recommendations for agency budget reductions of 3 percent or \$2.11 million for FY 2009 ([Attachment 3](#)). Commissioner Jennings stated that facility operations and purchase of service represents 70 percent of the agency's operating budget, and the rest of the budget is community funded.

Commissioner Jennings responded to questions from the Committee. Commissioner Jennings explained the Sex Offender Grant Match and the agency's difficulty in meeting the cash match requirement. An amended proposal utilizing an in kind match has been submitted.

Dale Dennis, Deputy Commissioner of Kansas Department of Education, presented the Governor's school finance recommendations for the FY 2008-09 ([Attachment 4](#)) and FY 2009-2010 ([Attachment 5](#)) school years. The Governor's budget cut for FY 2009 is \$17.7 million. The number of students in the poverty level and free lunch applications during FY 2009 has increased significantly. The Governor's recommendations for FY 2008 and FY 2009 school years included a reduced base state aid per pupil of \$22 and \$66 per pupil during FY 2009 and FY 2010.

Deputy Commissioner Dennis responded to questions from the Committee. Commissioner Dennis explained that although the Governor's budget recommendation for FY 2009 and FY 2010 remained flat, there were raised costs in KPERs, capital improvements, bonds and interest, and capital outlays which resulted in budget reductions. Previously received data from Secretary Goossen included 20 mil levy and with that inclusion the budget remains flat. School enrollment numbers may have an impact on the budget projections. Committee members received copies of the State Assessment Results ([Attachment 6](#)).

Chair Yoder stated that **HB 2022** will be worked in Committee beginning next week.

The next meeting is scheduled for January 20, 2009.

The meeting was adjourned at 11:00 a.m.

Kevin Yoder, Chair