

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:06 a.m. on February 12, 2009, in Room 143-N of the Capitol.

All members were present except:

Representative Harold Lane- excused

Committee staff present:

Nobuko Folmsbee, Office of the Revisor of Statutes
Jim Wilson, Office of the Revisor of Statutes
Raegan Cussimano, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Kelly Cure, Chief of Staff
Kathy Holscher, Committee Assistant

Conferees appearing before the committee:

None

Others attending:

See attached list.

- Attachment 1 Performance Audits
- Attachment 2 Budget Committee Reports on Animal Health Department, Department of Agriculture and Kansas State Fair
- Attachment 3 Staff Vacancy Spreadsheet

Chairman Yoder welcomed Committee members. He stated that an agreement on the Conference Committee Report had been reached.

Introduction of Legislation

Representative Tafanelli moved to introduce legislation relating to driver's licenses for military spouses and dependents that are overseas. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Watkins moved to introduce legislation to abolish the Kansas Parole Board and create a prisoner review board within the Kansas Department of Corrections. The motion was seconded by Representative Whitham. Motion carried.

Barb Hinton, Legislative Post Auditor, presented an overview of Performance Audits, (Attachment 1). Based on FY 2009 revised estimated spending levels, agencies that received some state funding were asked to identify programs that have the lowest priority, and their operating costs. Five state agencies and their programs were reviewed for the purpose of this presentation. The data reflects the program description, FY 2009 estimated program expenditures and agency comments or rationale for ranking. The audit was reviewed and operational efficiencies discussed. It was noted that the Legislative Post Audit Committee introduced **SB 230**, which would implement the recommendation to consolidate the regulation of banks and credit unions into a single agency and consider consolidating the regulation of securities under the same financial-regulatory agency.

Barb Hinton responded to questions from Committee members regarding funding sources. The management structure, the use of updated organization charts to analyze staffing issues, and priorities identified that were not a part of an agency's core mission and outcomes.

Representative Faber, Chair of the Agriculture and Natural Resources Budget Committee, presented the Animal Health Department's budget report, (Attachment 2). The Budget Committee concurred with the Governor's FY 2010 recommendation with the adjustments noted to the Special Revenue Funds Transfer and Restoring the 3.0 percent State General Fund (SGF) Reduction.

Representative Faber made a motion to approve the Animal Health Department budget report. The motion was seconded by Representative Light.

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Heather O'Hara, Kansas Legislative Research Department, responded to questions from Committee members regarding the transfer of special revenue funds to SGF.

George Teagarden, Livestock Commissioner, Kansas Animal Health Department, provided an explanation of monies received that are placed in special revenue funds. Funding sources come from surplus property sales, attorney sub-contract fees, FEMA reimbursement, and parts and machinery.

Representative Faber stated that the recommendation would be to move \$87,803 from the special revenue funds to the SGF, which would reduce the budget by approximately 10 percent from the Governor's recommendation.

Representative Faber renewed the motion. Motion Carried.

Representative Faber, Chair of the Agriculture and Natural Resources Budget Committee, presented the Department of Agriculture budget report, (Attachment 2). The Budget Committee concurred with the Governor's FY 2010 recommendation with adjustments noted on the Lodging Inspection Program, Vacant FTE Positions, and Subbasin Water Resources Management Program.

Representative Faber made a motion to accept the budget committee report. The motion was seconded by Representative Light.

Representative Faber responded to questions from Committee members in regards to vacant positions.

A spreadsheet identifying programs, vacant positions and rationale, and classifications is was distributed to members, (Attachment 3).

Heather O'Hara responded to questions from Committee members regarding unfilled but funded positions. The shrinkage rate of 6.4 percent was increased to 7.4 percent for FY 2010, she noted.

Alan Conroy, Kansas Legislative Research Department, provided an explanation on budget preparation which includes every vacant position as though they are filled, determining shrinkage rates and where excess dollars for these unfilled positions go.

Discussion followed by Committee members regarding the need to re-evaluate the shrinkage component included in the budgeting process, rent options and consolidating facilities

Constantine Cotsoradis, Deputy Secretary, Department of Agriculture, reviewed the restaurant and lodging inspection process.

Representative Faber renewed the motion to approve the budget committee report on Agriculture. Motion carried.

Representative Faber presented the Kansas State Fair budget committee report. The Budget Committee concurred with the Governor's FY 2010 recommendation with adjustments and notations regarding competitive premiums, debt service principal payments and increased electrical rates.

Representative Faber made a motion to approve the Kansas State Fair budget committee report. The motion was seconded by Representative Carlin.

Representative Light responded to Committee members regarding the Economic Development Initiative Fund (EDIF), debt service, other funds, additional cuts and enhancements.

Alan Conroy, Kansas Legislative Research Department, noted that a revised table would be provided after the recision bill is passed.

Heather O'Hara, Kansas Legislative Research Department, stated that there are two parts to the debt service; 1) interest is part of the operating budget and 2) principle is part of capital improvement budget. It was noted

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that the Governor's recommendation is less in SGF expenditures and more in expenditures from fee funds.

Alan Conroy, Kansas Legislative Research Department, responded to questions from Committee members regarding issuance of bonds and requirements.

Representative Faber renewed the motion to approve the Kansas State Fair budget committee report. Motion carried.

The next meeting is scheduled for February 13, 2009.

The meeting was adjourned at 10:50 a.m.

Kevin Yoder, Chairman