

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Rhoades called the meeting to order at 9:09 a.m. on April 29, 2011, in Room 346-S of the Capitol.

All members were present

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes  
Nobuko Folmsbee, Office of the Revisor of Statutes  
J.G. Scott, Kansas Legislative Research Department  
Jarod Waltner, Kansas Legislative Research Department  
Shirley Morrow, Kansas Legislative Research Department  
Cindy O'Neal, Administrative Assistant, Appropriations Committee  
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list

- Attachment 1 Proposal for Reductions to the State Budget

Chairman Rhoades welcomed committee members and reviewed the meeting agenda.

Representative Pottorff made a motion to approve the committee minutes from meetings held on March 9, 10 and 11, and April 18 and 19, 2011. The motion was seconded by Representative Carlin. Motion carried.

**HB 2396: An act abolishing the commission on judicial performance.**

Chairman Rhoades opened discussion on **HB 2396**. He noted that approximately \$800,000 was removed for funding in the Mega bill for Judicial Performance.

**HB 2396: An act abolishing the commission on judicial performance.**

Representative Brown made a motion to move **HB 2396** favorable for passage. The motion was seconded by Representative Peck. Motion carried.

**OMNIBUS BILL**

Chairman Rhoades opened discussion on the **Omnibus Bill**. It was noted that there was an error on the Fiscal Note for KCPOST as there were no costs for FY 2011.

Representative Gatewood made a motion for an amendment that would require KCPOST to investigate profiling complaints with authorized expenditures from docket fees in all funds in the amount of \$95,237 for FY 2012. The motion was seconded by Representative Pottorff. Motion carried.

Discussion followed by committee members. Chairman Rhoades updated committee members on the status of the Conference Committee meetings. The House and Senate proposals includes a list of across the board cuts and is in Conference Committee, he noted.

Representative Gordon made a motion for an amendment to remove \$160,000 from the Board of Healing Arts from the Omnibus bill. The motion was seconded by Representative Denning. Motion carried.

Chairman Rhoades stated, that as requested by committee members, an update by Steve Anderson, Director of the Division of Budget, Secretary Sullivan with the Department on Aging and Secretary Roberts with the Department of Corrections has been scheduled for Monday's committee meeting.

Representative Carlin provided committee members with an update of the Ft. Hays Pipeline program, which just completed the first year. Of the fourteen graduating students, thirteen are enrolled in higher education programs within the state, she added.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:09 a.m. on April 29, 2011, in Room 346-S of the Capitol.


Alan Conroy, Kansas Legislative Research Department, presented an overview of the additional reductions to the State Budget as proposed by Representative Brown, Representative Kelley and Representative Donohoe (Attachment 1). This proposal would provide for an additional SGF reduction of approximately \$138 million or an ending SGF balance of \$203.5 million. The proposal would take the funding to the FY 2011 budget and provide for \$263 million in expenditure increases for replacement of federal stimulus dollars, SGF debt service and KPERS-School payments. He reviewed the budget reductions that will still be maintained and the school finance adjustments. He noted that **HB 2395** provides flexibility to local school districts within existing funds, and employee salary reductions are not included in the proposal. The SGF spending for FY 2011 would be \$5.6 billion and \$5.9 million for FY 2012, he added. The additional information included in the proposal represents adjustments by agency for FY 2010, FY 2011 and FY 2012, he noted.

Alan Conroy, Kansas Legislative Research Department, responded to questions from committee members. He discussed the Department of Corrections adjustment of \$45 million from the previous committee's position in FY 2012. The federal funds would not be replaced with SGF for Department of Corrections, medicaid caseloads are addressed in the proposal but the waivers would not be held harmless with this proposal, he added.

Amy Deckard, Kansas Legislative Research Department, responded to questions from committee members regarding the impact on waivers with this proposal. She stated a large portion of this reduction would be centered on the waivers, due to the increase in SGF for replacement of federal dollars for FY 2012. The impact of the 10% change in the state share and maintenance of effort requirements were discussed. Additional information will be forthcoming from the federal government in regards to replacement requirements of the American Reinvestment and Recovery Act, she added. The reductions to SRS excluding caseloads and waivers by the committee have been recommended. The across the board cuts to SRS represents \$9.9 million or 5% under the current House position, she noted.

Chairman Rhoades stated that all amendments to the Omnibus Bill will be considered in committee.

Meeting adjourned at 10:03 a.m.

  
Marc Rhoades, Chairman

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4-29-11

[illegible]



## Additional Reductions to the State Budget

- Provide for a total FY 2012 State General Fund budget of \$5.9 billion which is \$137.9 million or 2.3 percent below the House approved budget.
- This would provide a State General Fund ending balance of \$203.5 million or 3.4 percent of expenditures.
- Provide for \$263 million in mandatory and vital State General Fund expenditure increases in three areas:
  - Human services caseloads - Provides for replacement of federal stimulus funds and provides for caseload growth;
  - Provides for State General Fund debt service, including School District Capital Improvement Fund (debt service); and
  - Provides for KPERS-School payments.
- Still maintain specific budget reductions in the following areas:
  - 10.0 percent reduction in information technology projects;
  - Prohibition of dues and subscriptions;
  - Cell phone reduction of 50 percent;
  - Capture of employee travel rewards;
  - Self-funding of state employee longevity payments.
- The school finance adjustment would require an additional Base State Aid Per Pupil reduction of \$160 in FY 2012. Base Aid Per Pupil in FY 2012 would be \$3,660 compared to the current House position of \$3,762.
- Note HB 2395 which provides flexibility to local school districts within their existing funds.



- All other areas would be receive the same amount as in FY 2011 or a total of \$137.9 million below the Committee's FY 2012 recommendation. However, the individual agencies budgets (with the exceptions above) would be adjusted accordingly back to the FY 2011 level. The action would replace the House Committee of the Whole across-the-board reduction (1.193 percent) amendment of Representative Goico.
- The State employee salary reductions (7.5 percent for state officers and employees who earn more than \$100,000, and the straight-line methodology for for employees between \$40,000 and \$100,000) would not be included in the proposal.
- Total State General Fund spending in FY 2011 would be \$5.676 billion and FY 2012 would total \$5.925 billion. Actual FY 2010 State General Fund spending was \$5.268 billion.



STATE GENERAL FUND EXPENDITURES  
FY 2010 ACTUAL, FY 2011 HOUSE COMMITTEE RECOMMENDATION, FY 2012 WITH ADJUSTMENTS, AND FY 2012 HOUSE COMMITTEE RECOMMENDATION  
Adjustments Include Human Services Caseloads, Debt Service, KPERs School, and K-12 School Finance

	Actual FY 2010	House Committee Rec. FY 2011	Caseload Adjustments	Debt Service KPERs School	K-12 School Finance Adjustment	Adjusted FY 2012	House Committee Rec. FY 2012	Change From Adjusted FY 2012 House Comm. Recommendation	
								Dollar	Percent
<b>General Government</b>									
Governmental Ethics Commission	\$ 415,015	\$ 420,616	\$ -	\$ -	\$ -	\$ 420,616	\$ 180,656	\$ 239,960	57.0 %
Legislative Coordinating Council	714,940	735,126				735,126	653,344	81,782	11.1
Legislature	16,068,969	16,538,251				16,538,251	16,211,014	327,237	2.0
Legislative Research Department	3,325,324	3,831,507				3,831,507	3,523,783	307,724	8.0
Revisor of Statutes	3,146,055	3,329,034				3,329,034	3,153,798	175,236	5.3
Division of Post Audit	2,540,447	2,448,314				2,448,314	2,396,726	51,588	2.1
Office of the Governor	7,293,978	6,796,266				6,796,266	6,762,611	33,655	0.5
Lieutenant Governor	200,279	192,353				192,353	185,773	6,580	3.4
Attorney General	2,630,987	2,717,204				2,717,204	1,604,584	1,112,620	40.9
Secretary of State	-	-				-	-	-	-
State Treasurer	-	-				-	-	-	-
Judicial Council	-	-				-	-	-	-
Board of Indigents' Defense Services	22,591,109	21,865,935				21,865,935	20,563,306	1,302,629	6.0
Judicial Branch	101,166,366	101,251,259				101,251,259	101,251,259	-	-
Kansas Public Employees Retirement System (KPE)	638,812	3,213,748		(294,898)		2,918,850	3,210,092	(291,242)	(10.0)
Kansas Human Rights Commission	1,483,223	1,440,212				1,440,212	1,189,084	251,128	17.4
Department of Administration	47,135,817	69,488,285		9,788,843		79,277,128	76,615,994	2,661,134	3.4
Court of Tax Appeals	1,376,801	1,308,004				1,308,004	653,756	654,248	50.0
Department of Revenue	16,332,472	16,196,926				16,196,926	16,607,719	(410,793)	(2.5)
Kansas Technology Enterprise Corp.	-	-				-	-	-	-
Kansas, Inc.	-	-				-	-	-	-
Racing and Gaming Commission	-	-				-	-	-	-
Department of Commerce	9,966	-				-	15,000,000	(15,000,000)	-
<b>Total General Government</b>	<b>\$ 227,070,560</b>	<b>\$ 251,773,040</b>	<b>\$ -</b>	<b>\$ 9,493,945</b>	<b>\$ -</b>	<b>\$ 261,266,985</b>	<b>\$ 269,763,499</b>	<b>\$ (8,496,514)</b>	<b>(3.3) %</b>
<b>Human Services</b>									
Social and Rehabilitation Services	\$ 535,198,821	\$ 576,975,477	\$ 34,396,516	\$ -	\$ -	\$ 611,371,993	\$ 645,063,941	\$ (33,691,948)	(5.5) %
Rainbow Mental Health Facility	5,762,638	4,548,471				4,548,471	4,621,758	(73,287)	(1.6)
Kansas Neurological Institute	8,068,115	10,707,006				10,707,006	10,490,181	216,825	2.0
Parsons State Hospital	7,549,433	10,236,775				10,236,775	10,634,504	(397,729)	(3.9)
Osawatimie State Hospital	16,044,017	14,701,695				14,701,695	14,784,970	(83,275)	(0.6)
Larned State Hospital	42,466,987	43,155,120				43,155,120	44,465,747	(1,310,627)	(3.0)
<b>Subtotal SRS and Institutions</b>	<b>\$ 615,090,011</b>	<b>\$ 660,324,544</b>	<b>\$ 34,396,516</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 694,721,060</b>	<b>\$ 730,061,101</b>	<b>\$ (35,340,041)</b>	<b>(5.1) %</b>
Commission on Veterans Affairs	\$ 8,189,261	\$ 8,330,406	\$ -	\$ -	\$ -	\$ 8,330,406	\$ 7,878,879	\$ 451,527	5.4 %
Dept. of Health and Environment - Health	23,441,018	23,341,879				23,341,879	598,813,956	(575,472,077)	(2,465.4)
Department of Labor	453,981	441,578				441,578	425,989	15,589	3.5
Kansas Guardianship Program	1,118,640	1,158,265				1,158,265	1,113,847	44,418	3.8
Department on Aging	142,148,326	161,699,701	43,317,973			205,017,674	211,120,608	(6,102,934)	(3.0)
Health Policy Authority	371,030,412	414,672,305	182,076,368			596,748,673	-	596,748,673	100.0
<b>Total Human Services</b>	<b>\$ 1,161,471,649</b>	<b>\$ 1,269,968,678</b>	<b>\$ 259,790,857</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,529,759,535</b>	<b>\$ 1,549,414,380</b>	<b>\$ (19,654,845)</b>	<b>(1.3) %</b>

Appropriations Committee  
Date April 29, 2011  
Attachment 1-3



	Actual FY 2010	House Committee Rec. FY 2011	Caseload Adjustments	Debt Service KPERS School	K-12 School Finance Adjustment	Adjusted FY 2012	House Committee Rec. FY 2012	Change From Adjusted FY 2012 House Comm. Recommendation	
								Dollar	Percent
<b>Education</b>									
Board of Regents	\$ 170,012,170	\$ 175,638,249	\$ -	\$ (113,967)	\$ -	\$ 175,524,282	\$ 168,251,382	\$ 7,272,900	4.1 %
Kansas State University	104,210,728	104,922,032				104,922,032	104,667,630	254,402	0.2
KSU - Extension Systems and Agricultural Research Program	48,699,791	49,101,825				49,101,825	49,050,123	51,702	0.1
KSU - Veterinary Medical Center	10,336,516	10,415,617				10,415,617	10,417,710	(2,093)	(0.0)
University of Kansas	136,006,908	137,782,012		2,448,168		140,230,180	140,045,576	184,604	0.1
University of Kansas Medical Center	109,719,229	110,581,911		10,400		110,592,311	105,783,797	4,808,514	4.3
Fort Hays State University	33,079,736	34,122,340				34,122,340	33,918,200	204,140	0.6
Emporia State University	31,352,716	31,535,322				31,535,322	31,505,676	29,646	0.1
Pittsburg State University	34,189,010	34,613,223		(1,800)		34,611,423	34,568,256	43,167	0.1
Wichita State University	66,137,368	68,002,127		(3,661)		67,998,466	67,930,375	68,091	0.1
Subtotal Regents and Institutions	\$ 743,744,172	\$ 756,714,658	\$ -	\$ 2,339,140	\$ -	\$ 759,053,798	\$ 746,138,725	\$ 12,915,073	1.7 %
Department of Education	\$ 2,709,551,484	\$ 2,971,317,289	\$ -	\$ (11,335,620)		\$ 2,959,981,669	\$ 3,068,224,852	\$ (108,243,183)	(3.7) %
State Library	4,545,907	4,363,021				4,363,021	4,174,511	188,510	4.3
Kansas Arts Commission	1,137,624	767,980				767,980	-	767,980	100.0
School for the Blind	5,394,758	5,530,223				5,530,223	5,327,944	202,279	3.7
School for the Deaf	8,776,736	8,833,103				8,833,103	8,592,341	240,762	2.7
State Historical Society	5,573,651	5,370,179				5,370,179	5,396,630	(26,451)	(0.5)
Total Education	\$ 3,478,724,332	\$ 3,752,896,453	\$ -	\$ (8,996,480)	\$ -	\$ 3,743,899,973	\$ 3,837,855,003	\$ (93,955,030)	(2.5) %
<b>Public Safety</b>									
Department of Corrections	\$ 100,980,052	\$ 102,608,917	\$ -	\$ 38,750	\$ -	\$ 102,647,667	\$ 106,154,150	\$ (3,506,483)	(3.4) %
Topeka Correctional Facility	12,569,394	13,121,989				13,121,989	13,222,652	(100,663)	(0.8)
Hutchinson Correctional Facility	8,358,197	8,537,375				8,537,375	30,116,393	(21,579,018)	(252.8)
Lansing Correctional Facility	37,263,240	38,468,744				38,468,744	38,849,714	(380,970)	(1.0)
Ellsworth Correctional Facility	12,609,618	12,996,404				12,996,404	13,071,970	(75,566)	(0.6)
Winfield Correctional Facility	2,355,977	2,777,088				2,777,088	12,718,627	(9,941,539)	(358.0)
Larned Correctional Mental Health Facility	9,866,860	9,985,213				9,985,213	10,164,587	(179,374)	(1.8)
Norton Correctional Facility	3,365,028	5,396,338				5,396,338	15,285,154	(9,888,816)	(183.3)
El Dorado Correctional Facility	23,481,569	23,913,274				23,913,274	24,063,354	(150,080)	(0.6)
Subtotal Corrections and Institutions	\$ 210,849,935	\$ 217,805,342	\$ -	\$ 38,750	\$ -	\$ 217,844,092	\$ 263,646,601	\$ (45,802,509)	(21.0) %
Juvenile Justice Authority	\$ 40,396,230	\$ 48,201,023	\$ 2,269,041	\$ -	\$ -	\$ 50,470,064	\$ 45,666,945	\$ 4,803,119	9.5 %
Kansas Juvenile Correctional Complex	17,194,830	16,942,661				16,942,661	17,274,266	(331,605)	(2.0)
Atchison Juvenile Correctional Facility	-	-				-	-	-	-
Beloit Juvenile Correctional Facility	787,751	-				-	-	-	-
Larned Juvenile Correctional Facility	8,464,847	8,803,177				8,803,177	8,944,586	(141,409)	(1.6)
Subtotal JJA and Institutions	\$ 66,843,658	\$ 73,946,861	\$ 2,269,041	\$ -	\$ -	\$ 76,215,902	\$ 71,885,797	\$ 4,330,105	5.7 %
Adjutant General	\$ 32,239,756	\$ 18,550,945	\$ -	\$ 301,704	\$ -	\$ 18,852,649	\$ 12,471,493	\$ 6,381,156	33.8 %
Kansas Parole Board	496,459	509,237				509,237	-	509,237	100.0
Highway Patrol	32,128,443	31,891,689				31,891,689	31,984,379	(92,690)	(0.3)
Kansas Bureau of Investigation	14,607,892	15,506,680				15,506,680	15,838,542	(331,862)	(2.1)
Sentencing Commission	8,156,594	7,379,269				7,379,269	7,003,825	375,444	5.1
Total Public Safety	\$ 365,322,737	\$ 365,590,023	\$ 2,269,041	\$ 340,454	\$ -	\$ 368,199,518	\$ 402,830,637	\$ (34,631,119)	(9.4) %

Appropriations Committee  
Date April 29, 2011  
Attachment 1-4



	Actual FY 2010	House	Caseload Adjustments	Debt Service KPERs School	K-12 School Finance Adjustment	Adjusted FY 2012	House	Change From Adjusted FY 2012		
		Committee Rec. FY 2011					Committee Rec. FY 2012	House Comm. Recommendation		
								Dollar	Percent	
<b>Agriculture and Natural Resources</b>										
Department of Agriculture	\$ 9,796,750	\$ 9,306,496	\$ -	\$ -	\$ -	\$ 9,306,496	\$ 10,420,624	\$ (1,114,128)	(12.0) %	
Dept. of Health and Environment - Environment	7,468,006	7,550,243				7,550,243	6,976,572	573,671	7.6	
Animal Health Department	858,810	779,478				779,478	-	779,478	100.0	
Kansas State Fair Board	341,861	1,549,854		616		1,550,470	1,850,469	(299,999)	(19.3)	
State Conservation Commission	743,973	739,156				739,156	-	739,156	100.0	
Kansas Water Office	1,962,416	1,879,209				1,879,209	1,806,036	73,173	3.9	
Department of Wildlife and Parks	5,438,265	5,160,233				5,160,233	4,888,363	271,870	5.3	
Total Agriculture and Natural Resources	\$ 26,610,081	\$ 26,964,669	\$ -	\$ 616	\$ -	\$ 26,965,285	\$ 25,942,064	\$ 1,023,221	3.8 %	
<b>Highways and Other Transportation</b>										
Department of Administration	\$ 8,845,148	\$ 16,150,975	\$ -	\$ (199)	\$ -	\$ 16,150,776	\$ 16,150,775	\$ 1	0.0 %	
Department of Transportation	-	-				-	-	-	-	
Total Highways and Other Transportation	\$ 8,845,148	\$ 16,150,975	\$ -	\$ (199)	\$ -	\$ 16,150,776	\$ 16,150,775	\$ 1	0.0 %	
Current Year Savings	\$ -	\$ (6,316,263)				\$ -	\$ -	\$ -	- %	
10.0 Percent Information Technology Reduction						(4,749,419)	(8,645,361)	3,895,942	(82.0)	
Dues and Subscription Prohibition						(8,082,434)	(5,354,025)	(2,728,409)	33.8	
Cell Phone Contract Reduction						(632,183)	(416,111)	(216,072)	34.2	
Employee Travel Rewards Savings						(300,000)	(300,000)	-	-	
Longevity Savings						(6,912,712)	(5,300,000)	(1,612,712)	23.3	
<b>7.5 Percent Pay Reduction for Certain State Officers</b>										
7.5 Percent Pay Reduction for State Employees on a Sliding Scale	\$ -	\$ (964,864)					(19,039,979)	19,039,979	-	
Grand Total	\$ 5,268,044,507	\$ 5,676,062,711	\$ 262,059,898	\$ 838,336	\$ -	\$ 5,925,565,324	\$ 6,062,900,882	\$ (137,335,558)	(2.3) %	

Appropriations Committee

Date April 29, 2011

Attachment 1-S