

Approved: 5-3-10
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:07a.m. on February 17, 2010, in Room 346-S of the Capitol.

All members were present except:

Representative Owen Donohoe- excused
Representative Carl Schultz - excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes
Nobuko Folmsbee, Office of the Revisor of Statutes
Alan Conroy, Kansas Legislative Research Department
J.G. Scott, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Stephen Huggins, Chief of Staff, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on Kansas Department of Health and Environment - Environment
- Attachment 2 **HB 2544** Fiscal Note

Representative Feuerborn made a motion to introduce legislation regarding the FY 2011 Governor's proposed budget bill. The motion was seconded by Representative Lane. Motion carried.

Representative Feuerborn made a motion to introduce legislation regarding the retirement pension for Kansas police and fire departments. The motion was seconded by Representative Lane. Motion carried.

Representative Feuerborn made a motion to introduce legislation regarding the FY 2011 Governor's proposed capitol improvement bill. The motion was seconded by Representative Gatewood. Motion carried.

Representative Yoder made a motion to introduce legislation regarding post audit on school realignment. The motion was seconded by Representative Merrick. Motion carried.

Representative Faber, Chair, House Agriculture and Natural Resources Budget Committee, presented the FY 2011 Budget Report for the Kansas Department of Health and Environment - Environment, (Attachment 1). The Budget Committee concurs with the Governor's recommendation with the following adjustments and notations: delete 18 full time employee positions; and a proviso requiring fines be deposited into the interstate water litigation account in the State General Fund, (SGF).

Representative Faber made a motion to approve the FY 2011 Budget Report for the Kansas Department of Health and Environment - Environment. The motion was seconded by Representative Williams.

Discussion followed by committee members. Representative Faber discussed the Water Litigation Fund. He stated that in FY 2007, \$19 million was in this account for potential litigation resulting in violation of agreements with Colorado and Nebraska regarding water rights.

Representative Holmes made a motion to amend the report that would remove \$250,000 from the Kansas Department of Health and Environment-Environment budget and transfer to the Office of the Attorney General budget for the purpose of water litigation. The motion was seconded by Representative Faber.

Discussion by committee members followed regarding a recent court order and rules and regulations that are currently being worked.

2-17

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:07a.m. on February 17, 2010, in Room 346-S of the Capitol.

Leah Robinson, Principal Analyst, Kansas Legislative Research Department, reviewed the history of the Water Litigation Fund. She stated that in FY 2006, \$1 million was appropriated as a loan to a underground water district. The Governor recommended lapsing this money back into the State General Fund, as this money was never spent. In doing so, this captured \$19 million, not just the \$1 million, she stated.

Representative Holmes renewed the motion. Motion failed.

Representative Feuerborn made a motion for an amendment that would remove the proviso from item two in the Budget Committee Recommendation. The motion was seconded by Representative Lane.

Representative Faber stated the importance of the water litigation funding. He noted that this is not a fee sweep, but monies received from fines and violations totaling a request for funding in the amount of \$7,200.

Representative Feuerborn renewed the motion. Motion failed.

Representative Faber responded to questions from committee members. He stated that the transfer of \$1.9 million from the Children's Initiative Fund was part of the Governor's recommendation. He reviewed the City of Treece buyout program.

Representative Faber renewed the motion. Motion carried.

HB 2544 - State public trust, superfund sites, Cherokee county, member compensation for meeting attendance.

Representative Gatewood made a motion to approve **HB 2544** favorable for passage. The motion was seconded by Representative Tafanelli.

Representative Gatewood responded to questions from committee members. He reviewed the fiscal note, (**Attachment 2**) and stated that trustee compensation would only include the per diem that the legislators receive, and they will not receive mileage, subsistence or actual expenses with the bill. It was noted that there is no sunset with this bill, as the time frame involved for the land transfer could take as long as eighteen months. This compensation would be eliminated at the time the core function has been completed, Representative Gatewood noted. The rules and regulations are currently being established by the Kansas Department of Health and Environment, he stated.

Jim Wilson, First Assistant Revisor, Office of Revisor of Statutes, responded to questions from committee members. He stated that boards and commissions receive a \$35 per day per diem and mileage at fifty-one cents per mile, in accordance with statutes.

Representative Crum made a motion to amend Section C, which would state in lieu of legislative compensation of \$35 per day the bill would read compensation plus mileage at the established legislative rate. The motion was seconded by Representative Whitham.

Discussion followed by committee members. Representative Crum stated this amendment would only include \$35 per diem per day and mileage reimbursement. Representative Gatewood noted that the fiscal note would not change as these are expenditures within the trust, which is money transferred from the State Water Plan Fund and matching funds of 10% from state funds and 90% federal funds, he added.

Representative Crum made a motion to renew the amendment. Motion failed.

Discussion followed by committee members regarding the term for trustee and the need to include language in the bill.

Representative McLeland made a motion for an amendment stating that the term of the trustee will sunset after four years. The motion was seconded by Representative Kelley.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:07a.m. on February 17, 2010, in Room 346-S of the Capitol.

Representative Tafanelli made a substitute motion to include that the trust would end upon completion of the transfer of property from the trust or the sunset within four years.

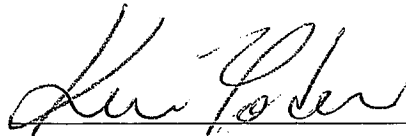
Jim Wilson, First Assistant Revisor, Office of Revisor of Statutes, responded to committee members questions. His understanding of the motion was for the abolishment of the trust upon the transfer of property from the trust fund or within four years.

Representative McLeland renewed the motion as amended. Motion carried.

Representative Gatewood made a motion to approve **HB 2544** favorable for passage as amended. The motion was seconded by Representative Tafanelli. Motion carried.

The next meeting is scheduled for February 24, 2010.

The meeting was adjourned at 10:15 a.m.


Kevin Yoder, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2-17-10

NAME	REPRESENTING
Rob Menely	Kearney Assoc
RS Wilson	ICOFI
John Mitchell	KDFE

FY 2011

HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE

Kansas Department of Health and Environment - Environment



Representative John Faber, Chair



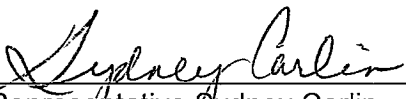
Representative Carl Holmes



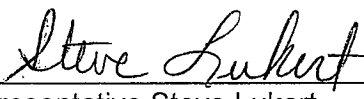
Representative Larry Powell, Vice-Chair



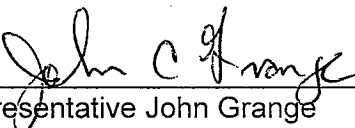
Representative Bill Light



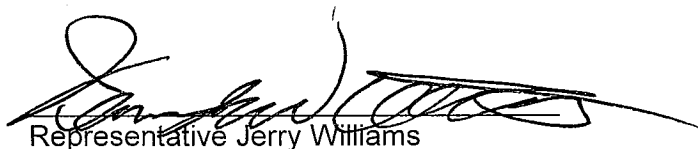
Representative Sydney Carlin,
Ranking Minority Member



Representative Steve Lukert



Representative John Grange



Representative Jerry Williams

Appropriations Committee
Date 2-17-10
Attachment 1-1

House Budget Committee Report

Agency: Kansas Department of Health and Environment - Environment

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 227

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 8,792,138	\$ 7,779,768	\$ 0
Other Funds	64,210,149	62,923,614	0
Subtotal	<u>\$ 73,002,287</u>	<u>\$ 70,703,382</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 73,002,287</u></u>	<u><u>\$ 70,703,382</u></u>	<u><u>\$ 0</u></u>
FTE positions	438.0	431.0	(18.0)
Non FTE Uncl. Perm. Pos.	65.0	65.0	0.0
TOTAL	<u><u>503.0</u></u>	<u><u>496.0</u></u>	<u><u>(18.0)</u></u>

Agency Request

The **agency** requests expenditures of \$73.0 million for the Environment Function, which is a decrease of \$2.9 million, or 3.8 percent, below the revised FY 2010 estimate. Enhancements of \$1.5 million, including \$0.9 million from the State General Fund, are requested. Absent enhancements, the request totals \$71.5 million, which is a decrease of \$4.4 million, or 5.8 percent, below the revised FY 2010 estimate. State General Fund expenditures of \$8.8 million are requested, which is an increase of \$0.8 million, or 9.6 percent, above the revised FY 2010 estimate. Absent enhancements the State General Fund request totals \$7.9 million, which is a decrease of \$130,779, or 1.6 percent, below the revised FY 2010 estimate. The request also includes \$1.9 million from the Children's Initiatives Fund, \$3.8 million from the State Water Plan Fund, \$18.7 million in federal funds, and \$39.8 million from all other funding sources.

Governor's Recommendation

The **Governor** recommends expenditures of \$73.0 million for the Environment Function, which is a decrease of \$2.9 million, or 3.8 percent, below the revised FY 2010 estimate. The recommendation is a reduction of \$2.3 million, or 3.1 percent, below the agency's request. The recommendation includes State General Fund expenditures of \$7.8 million, which is a decrease of \$0.1 million, or 1.8 percent, below the revised FY 2010 recommendation, and a reduction of \$1.0 million, or 11.5 percent, below the agency's recommendation, largely as the result of

requested enhancements that are not recommended. The recommendation also includes \$1.9 million from the Children's Initiatives Fund, \$3.0 million from the State Water Plan Fund, \$18.6 million in federal funds, and \$39.4 million from all other funding sources. The Governor's recommendation includes \$350,000, all from the State Water Plan Fund, to match federal funding to provide \$3.5 million in funding for the Treece buyout program.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. Delete a total of 18.0 FTE positions. The Department indicated that as of February 1, 2010, there were a total of 39.0 vacant positions within the Division of Environment. The Department indicated that 12.0 of these positions were being held vacant specifically to meet shrinkage rates included in the current year approved budget. The remaining 27.0 positions are the result of regular turnover from retirements and resignations. This recommendation reduces slightly less than half of the currently vacant positions. The Budget Committee notes that the agency can return to the Legislature during the 2011 Legislative Session should any of those positions need to be restored.
2. Add a proviso requiring that fines collected by the Department for environmental violations which normally are deposited in the agency's fee funds be deposited instead to the interstate water litigation account of the State General Fund. This proviso would not apply to the Air Quality Fee Fund or the Mined Land Reclamation Fee Fund. The fines represent a small amount of money (\$7,200 for violations in the Underground Petroleum Storage Tank program were collected and deposited into the Underground Petroleum Storage Tank Fund in FY 2009), but the Budget Committee believes some steps must be taken to begin to restore the funding for water litigation activities that was accidentally deleted at the end of FY 2007.

February 5, 2010

The Honorable Kevin Yoder, Chairperson
House Committee on Appropriations
Statehouse, Room 351-S
Topeka, Kansas 66612

Dear Representative Yoder:

SUBJECT: Fiscal Note for HB 2544 by House Committee on Appropriations

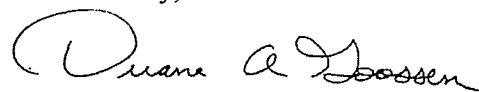
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2544 is respectfully submitted to your committee.

Current law provides that the trustees of the state public trust established for certain communities within superfund sites receive subsistence and travel reimbursement for the days they meet. To this reimbursement, HB 2544 would add the daily rate of compensation in the amount currently paid to members of the Legislature.

Estimated State Fiscal Effect				
	FY 2010 SGF	FY 2010 All Funds	FY 2011 SGF	FY 2011 All Funds
Revenue	--	--	--	--
Expenditure	\$13,299	\$13,299	\$35,464	\$35,464
FTE Pos.	--	--	--	--

The trustees for the state public trust created to administer relocation assistance for Treece, Kansas will begin meeting upon receipt of federal funds in early 2010. Funding for trustee compensation is not included in the federal funds allocation and must come from state funds. According to the Kansas Department of Health and Environment, passage of HB 2544 would cause an increase in expenditures from the Relocation Assistance Trust Fund established for the Treece community. The amount in this fund is limited, so additional State General Fund in the amounts of \$13,299 in FY 2010 and \$35,464 in FY 2011 would be needed. These amounts are based on 30 meetings in FY 2010 and 80 meetings in FY 2011 for five trustees at a rate of \$88.66 per day ($30 \times 5 \times \$88.66 = \$13,299$ and $80 \times 5 \times \$88.66 = \$35,464$). Any fiscal effect associated with HB 2544 is not reflected in *The FY 2011 Governor's Budget Report*.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Pat Kuester, KDHE