

Approved: April 30, 2012

(Date)

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Marc Rhoades at 9:06 AM on Thursday, April 26, 2012 in 346-S of the Capitol.

All members were present except:

Kasha Kelley – excused

Peggy Mast - excused

Clark Shultz – excused

Committee staff present:

J.G. Scott, Chief Fiscal Analyst, Legislative Research Department

Michael Wales, Fiscal Analyst, Legislative Research Department

Jill Wolters, Senior Assistant Revisor, Office of Revisor of Statutes

Nobuko Folmsbee, Senior Assistant Revisor, Office of Revisor of Statutes

Cindy O'Neal, Administrative Assistant

Kathy Holscher, Committee Assistant

Others in attendance:

See attached list.

Chairman Rhoades called the meeting to order and reviewed the agenda. He stated that the committee will meet tomorrow to continue work on the Omnibus Bill.

Chairman Rhoades made a motion to introduce legislation regarding clarification of the attorney exemption to the Credit Services Organization Act (K.S.A. 50-1116 et.seq.) made necessary by a recent decision by the Kansas Court of Appeals. The motion was seconded by Representative Crum. Motion carried.

Shawn Sullivan, Secretary, Department on Aging, discussed the impact on the department regarding the Executive Reorganization Order, which will take effect on July 1, 2012. He stated that over the next few weeks, meetings will continue to be scheduled with the centers to discuss improvements or reform and to finalize details for recommended changes. He reviewed audit information regarding waivers and provisions within KanCare. Areas offering options and

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CONTINUATION SHEET

Minutes of the HOUSE APPROPRIATIONS Committee at 9:06 AM on Thursday, April 26, in 346-S of the Capitol.

flexibility for change included: conference free eligibility process for all waivers; conflict free case management system; policy standardization for the physically disabled waiver; and working with the centers credentialing process, peer review process, independent financial audits, and general training. He stated that a summary of the options that he reviewed would be provided to committee members, as requested.

Secretary Sullivan presented information on the market pay ranges for the nursing staff at Larned State Hospital (Attachment 1), and he reviewed the three units within the hospital. He noted that the Governor's Budget Adjustments (GBA) should be available today. Several meetings have been held with the Larned leadership team to review and develop a plan to resolve issues. The summary of these meetings included a written plan to address accreditation, procedures and staffing issues. He reviewed the market rate survey for registered nurses and licensed practical nurses that would be a state-wide pay range recommendation. The total cost, which includes benefits, for the salary adjustment is \$940,378. The market study does not include benefits. The request for funding twenty-three direct care positions at Larned State Hospital for FY 2013 would be at a cost of \$993,000, he noted.

Secretary Sullivan responded to questions from committee members. The criteria for determining wages are based on experience, education and job responsibilities. Secretary Sullivan reviewed the twelve step pay range as determined by the state and based upon job performance. He noted that the market survey did not distinguish between various classifications of licensed practical nurses or registered nurses. Discussion on the voluntary retirement program followed. It is projected that overtime costs will be approximately \$2.2 million at the end of the fiscal year and that there is a 44 % vacancy rate for licensed practical nurses and a 27 % vacancy rate for registered nurses. Addressing the Larned accreditation findings was a priority this session. However, the other four hospitals will be assessed within the next six months for recommendations to address efficiencies next session.

Discussion continued by committee members. It was recommended that a review of pay metrics within the state should be conducted, particularly within the Highway Patrol, Forensic scientists and KBI lab. The recommendation was made to include benefit information with the base wages and comparatives with market and state benefits, which Secretary Sullivan will provide. Gary

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Haulmark, Legislative Director, Department of Social and Rehabilitation Services and Secretary Sullivan's efforts to identify efficiencies within the department were acknowledged.

Chairman Rhoades stated that the Governor's Budget Adjustments should be ready today and will be helpful for the continued work on the Omnibus Bill.

The meeting adjourned at: 9:57 a.m.

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