

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on March 11, 2008, in Room 514-S of the Capitol.

All members were present except:

Representative Barbara Ballard - excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Reed Holwegner, Legislative Research Department
Cody Gorges, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Kimbra Caywood McCarthy, Legislative Research Department
Leah Robinson, Legislative Research Department
Aaron Klaassen, Legislative Research Department
Jim Wilson, Revisor of Statutes
Nobuko Folmsbee, Revisor of Statutes
Nikki Feuerborn, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Ray Dalton, Department of Social and Rehabilitation Services (SRS)
Don Jordan, Secretary, Department of Social and Rehabilitation Services
Dale Dennis, Deputy Commissioner, Department of Education

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on Parsons State Hospital and Training Center, Kansas Neurological Institute, Rainbow Mental Health Facility, Osawatomie State Hospital and Larned State Hospital
- Attachment 2 Budget Committee Report on Department of Education
- Attachment 3 Budget Committee Report on Postsecondary Education Systemwide including University of Kansas, Kansas State University, Kansas State University - Veterinary Medicine, Kansas State University - ESARP, Wichita State University, Board of Regents, University of Kansas Medical Center, Emporia State University, Fort Hays State University and Pittsburg State University
- Attachment 4 Minority Report on Postsecondary Education Systemwide for FY 2009
- Attachment 5 Testimony by Alan Cobb, Americans for Prosperity
- Attachment 6 Testimony on **HR 6017** by Representative Colyer

Parsons State Hospital and Training Center

Representative Henry, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Parsons State Hospital and Training Center for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 1). The motion was seconded by Representative Bethell. Motion carried.

Representative Henry, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Parsons State Hospital and Training Center for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 1). The motion was seconded by Representative Bethell. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 11, 2008 in Room 514-S of the Capitol.

Kansas Neurological Institute

Representative Henry, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Neurological Institute for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 1). The motion was seconded by Representative Bethell. Motion carried.

Representative Henry, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Neurological Institute for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 1). The motion was seconded by Representative Bethell. Motion carried.

- Because the Governor's budget recommendation on vehicles for the Department of Social and Rehabilitation Services and the state hospitals, allocated all of the funding to the Department of Social and Rehabilitation Services (SRS) budget, the Committee requested that the Budget Committee obtain a report from the SRS prior to Omnibus on their allocation of vehicles for SRS and the state hospitals.

Rainbow Mental Health Facility

Representative Kelsey, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Rainbow Mental Health Facility for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 1). The motion was seconded by Representative Bethell. Motion carried.

Representative Kelsey, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Rainbow Mental Health Facility for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 1). The motion was seconded by Representative Bethell. Motion carried.

The Budget Committee reminded the Committee that the federal government did a survey several years ago which indicated inadequate staffing at Rainbow Mental Health Facility and Osawatomie State Hospital. In order to maintain certification from the federal government, the staffing was increased. However, the same problem is recurring and is a priority for the Budget Committee to be further addressed at Omnibus.

With regard to increased patient admissions at the State facilities, the Budget Committee noted that there has been a significant decrease in the number of available private beds. Private hospitals have decreased because they were not profitable.

Osawatomie State Hospital

Representative Henry, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Osawatomie State Hospital for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 1). The motion was seconded by Representative Bethell. Motion carried.

Representative Henry, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Osawatomie State Hospital for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 1). The motion was seconded by Representative Bethell. Motion carried.

Responding to a question from the Committee with regard to Item No. 6, Ray Dalton, Department of Social and Rehabilitation Services, stated that the Hospital and Home Initiative Work Group was formed to review mental health services in Kansas after a recommendation from a legislative interim committee in 2006. Mr. Dalton reported that the core group has been meeting for approximately 8

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 11, 2008 in Room 514-S of the Capitol.

months and has formed 3 sub-groups to review various issues. Reports from these groups are anticipated in April 2008.

Larned State Hospital

Representative Bethell, Chair of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Larned State Hospital for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 1). The motion was seconded by Representative Henry.

Responding to a question from the Committee concerning Item No. 2-a, Don Jordan, Secretary, SRS, indicated that the revenues in the Larned State Hospital Fee Fund come from Medicare payments, private insurance and individual patient fees for their care. At this time, there are not sufficient fees to cover expenses. Secretary Jordan stated that the request for funds from the State General Fund (SGF) would not be deposited into the fee fund but would be deposited into the regular fund with other SGF funds.

Representative Bethell made a substitute motion to include language in the Budget Committee report on the Larned State Hospital for FY 2008 to request a study of the Sexual Predator Treatment Program (SPTP) to determine a long-range plan on how to treat and house these individuals rather than expansion of the current program. The motion was seconded by Representative Kelsey. Motion carried.

Representative Bethell moved to adopt the Budget Committee report on the Larned State Hospital for FY 2008 as amended. The motion was seconded by Representative Henry. Motion carried.

Representative Bethell, Chair of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Larned State Hospital for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 1). The motion was seconded by Representative Kelsey. Motion carried.

- With regard to the Sexual Predator Treatment Program (SPTP), the Committee requested additional information on updated statistics with regard to the population since 2005 and the amount of funding spent by the State of Kansas on treatment programs as compared to other states.

Responding to a question from the Committee with regard to the SPTP, Ray Dalton indicated that constitutionally the State is required to provide treatment for sexual offenders. Mr. Dalton noted that providers within the State are linked to providers in other states in determining programs that are beneficial.

Department of Education

Representative McLeland, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Education for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 2). The motion was seconded by Representative Masterson. Motion carried.

Representative McLeland, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Education for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 2). The motion was seconded by Representative Masterson

Representative Feuerborn made a substitute motion to amend the Budget Committee report on the Department of Education for FY 2009 by adding language to request a review at Omnibus of the Parents As Teachers program waiting list, a program costing \$2.6 million to the State. The motion was seconded by Representative McLeland. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 11, 2008 in Room 514-S of the Capitol.

Responding to a question from the Committee, Dale Dennis, Deputy Commissioner, Department of Education, stated that the Optometric Vision Study was authorized by the Legislature in a recent session to help correct vision problems and reduce the number of students in Special Education. Mr. Dennis indicated that an optometrist receives approximately half salary when assisting in this program.

Representative Bethell made a motion to remove the language in Item No. 7 pertaining to deletion of the \$100,000 from the Children's Initiatives Fund for the Optometric Vision Study and insert language to request a review at Omnibus of the Optometric Vision Study. The motion was seconded by Representative Tafanelli. Motion failed on an 8-10 vote.

Responding to a question from the Committee, Leah Robinson, Legislative Research Department, noted that the agency budget was submitted to the Governor using the April consensus estimates. When the Governor prepared the budget for the agency, the November consensus estimates were used which were higher than the April estimate resulting in an increased budget request.

Representative Schwartz made a motion to introduce legislation to outline the After School Program. The motion was seconded by Representative Bethell. Motion carried.

Representative McLeland made a motion to adopt the Budget Committee report on the Department of Education for FY 2009 as amended. The motion was seconded by Representative Masterson. Motion carried.

**Postsecondary Education Systemwide
including University of Kansas, Kansas State University, Kansas State University -
Veterinary Medicine, Kansas State University - ESARP, Wichita State University, Board of
Regents, University of Kansas Medical Center, Emporia State University, Fort Hays State
University and Pittsburg State University**

Representative McLeland, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Postsecondary Education Systemwide for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 3). The motion was seconded by Representative Sawyer. Motion carried.

Representative McLeland, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Postsecondary Education Systemwide for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 3). The motion was seconded by Representative Masterson.

Representative Sawyer presented the minority report on the Postsecondary Education Systemwide for FY 2009 (Attachment 4).

Representative Bethell made a substitute motion to add language requesting a review of Items No. 2 and 4 at Omnibus. The motion was seconded by Representative Sawyer. Motion carried.

Representative Burroughs made a motion to delete the funding in Items No. 11 and 12 and request a review at Omnibus. The motion was seconded by Representative Bethell. Motion withdrawn with approval from the second.

The meeting was recessed at 11:10 a.m. and reconvened at 12:00 p.m.

Representative Burroughs made a motion to delete Item No. 4 of the Budget Committee report on the Postsecondary Education Systemwide for FY 2009. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Feuerborn made a motion to strike language in Item No. 11 with regard to the additional \$1 million funding from Economic Development Initiative Fund (EDIF) and insert language

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 11, 2008 in Room 514-S of the Capitol.

to fund the \$1 million from the State General Fund (SGF) resulting in a total appropriation of \$5 million from the SGF. The motion was seconded by Representative Lane. Motion failed on a 7-11 vote.

Representative Pottorff made a motion to add language to the Budget Committee report on the Postsecondary Education Systemwide for FY 2009 to request a review of Item No. 3 at Omnibus. The motion was seconded by Representative Carlin. Motion carried.

Representative Beamer made a motion to add language to Item No. 5 to request the Budget Committee obtain additional information from the agency on the KAN-ED program and review the deletion of \$2 million from the program budget at Omnibus. The motion was seconded by Representative Feuerborn. Motion carried on a 13-5 vote.

The Committee expressed a concern on how state funding is being used by the KAN-ED program.

Representative Masterson made a motion to delete the entire \$10 million budget for KAN-ED and review the KAN-ED program at Omnibus. The motion was seconded by Representative Watkins. Motion carried.

Representative McLeland made a motion to adopt the Budget Committee report on the Postsecondary Education Systemwide for FY 2009 as amended. The motion was seconded by Representative Sawyer. Motion carried.

The Budget Committee stated that all items included in the individual state university budgets were addressed in the Postsecondary Education Systemwide budget report. Because this was not understood by the full Committee, the following action was taken.

Representative Bethell made a motion to reconsider the action of the Committee on the Budget Committee report on Postsecondary Education Systemwide for FY 2009. The motion was seconded by Representative Wolf. Motion carried.

Representative Bethell made a substitute motion to request the Budget Committee to review the Professional Science Masters Program at Fort Hays State University and make a recommendation on funding and how it should be funded at Omnibus. The motion was seconded by Representative Pottorff. Motion carried.

Representative Bethell made a motion to fund the students who are being educated at the Kansas Academic of Math and Science program (KAMS) at Fort Hays State University at the average annual cost of a K-12 student with funding from the Department of Education budget. The motion was seconded by Representative Feuerborn. Motion carried.

The Committee noted that state funding for a K-12 student is currently \$10,500.

Representative Powell made a motion to remove \$309,430 funding from the Fort Hays State University budget directed at a wildlife center at Cheyenne Bottoms. The motion was seconded by Representative McLeland. Motion failed on a 7-9 vote.

The Budget Committee noted that although the building is not complete at this time, it is proposed to be operational by the fall of 2008.

Representative McLeland made a motion to adopt the Budget Committee report on the Postsecondary Education Systemwide for FY 2009 as amended. The motion was seconded by Representative Bethell. Motion carried.

Americans for Prosperity - Kansas

Alan Cobb, State Director for Americans for Prosperity, and Steven Anderson, appeared before the

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 11, 2008 in Room 514-S of the Capitol.

Committee to present testimony on research performed by the entity to address the tax burden in Kansas (Attachment 5). The full report titled "Commonsense Budget Proposal, Fiscal Year 2009" was distributed to the Committee at their individual offices. (A copy of the full report on "Commonsense Budget Proposal" is available from the Americans for Prosperity-Kansas office in Topeka.)

The Committee suggested that it would be beneficial to the Legislature to have information on a review of a single state agency by looking at each line item in their budget to determine where there could be savings of state funds throughout the agency.

- The Committee requested detail information on proposed long-term savings with elimination of the economic development credits.
- The Committee requested additional information on AFP's proposed reduction in the budget for Osawatomie State Hospital over the Governor's recommended budget. In addition, were other funds, besides SGF, considered in AFP's research.
- The Committee requested additional information on possible reductions in public safety budgets.

Hearing on HB 6017

Hearing on HR 6017 - Resolution prescribing state budget guidelines and controlling principles for the House of Representatives for FY2009 and for ensuing fiscal years.

Representative Jeff Colyer appeared before the Committee in support of **HR 6017**. Representative Colyer stated that the resolution prescribes state budget guidelines and controlling principles for the House of Representatives during the 2008 regular session in the consideration and passage of appropriation bills for the state budget for fiscal year 2009 and for ensuing fiscal years (Attachment 6). Representative Colyer stated that the resolution directs the Appropriations Committee to keep total FY 2009 State General Fund (SGF) to less than \$6.417 billion or 5 percent over the revised 2008 budget.

There were no other proponents or opponents to appear on **HR 6017**.

The hearing on HR 6017 was closed.

The meeting was adjourned at 1:30 p.m. The next meeting of the Committee will be held at 9:00 a.m. on March 12, 2008.

Sharon Schwartz, Chair