

Approved: 5/7/10-
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:32 a.m. on April 23, 2010, in Room 346-S of the Capitol.

All members were present except:

Representative Ray Merrick- excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes
Nobuko Folmsbee, Office of the Revisor of Statutes
Jill Wolters, Office of the Revisor of Statutes
Alan Conroy, Kansas Legislative Research Department
J.G. Scott, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Stephen Huggins, Chief of Staff, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 FY 2011 Agriculture and Natural Resources Budget Recommendations
- Attachment 2 FY 2011 Education Budget Recommendations
- Attachment 3 Education FY 2011 Budget Amendment
- Attachment 4 FY 2011 General Government Budget Recommendations
- Attachment 5 FY 2011 Social Services Budget Committee Recommendations
- Attachment 6 Health Care Cost Containment & Recovery Services Pilot Project
- Attachment 7 Social and Rehabilitation Services Amendment - Community Based Services
- Attachment 8 Social and Rehabilitation Services Amendment - Mental Health Medication
- Attachment 9 Kansas Health Policy Authority Response
- Attachment 10 FY 2011 Transportation and Public Safety Budget Committee Report

Chairman Yoder welcomed committee members, and reviewed the committee meeting agenda. He stated that Representative Siegfried has been appointed Acting Vice Chair for this meeting.

Representative Whitham made a motion to move the contents of House Substitute for SB 73 into SB 572. The motion was seconded by Representative Kelley. Motion carried.

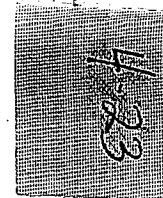
Representative Faber presented the FY 2011 Agriculture and Natural Resources Budget Committee Report recommendations, (Attachment 1).

Representative Faber made a motion to approve the Agriculture and Natural Resources Budget Committee Report. The motion was seconded by Representative Carlin. Motion carried.

Representative Faber responded to questions from committee members. He stated that the Kansas State Fair Board would save approximately \$100,000 by purchasing workers' compensation insurance from the private market. Representative Faber discussed the Department of Wildlife and Parks fee funds, and he noted that the committee recommendation would change the authority to use funds for parks without impacting on the SGF. Discussion was held regarding repayment of bonds.

Representative Faber made a substitute motion to include language in the Interstate Water Litigation Fund that debt incurred by the State would be covered first by money received from litigation from other states. The motion was seconded by Representative Williams. Motion carried.

Leah Robinson, Analyst, Kansas Legislative Research Department, responded to questions from a committee



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member regarding the balance in the Water Litigation Fund. She stated that the original Colorado recovery amount was \$34.5 million, of which \$22.1 million went in to the Water Litigation Fund.

Representative Faber added that with the recent winning of two lawsuits, a significant amount of water will be coming to the state. The bonding authority is capped at \$19 million and will be up to the authority of the Finance Council to determine when this amount would be available for a lawsuit.

Jim Wilson, First Assistant Revisor of Statutes, Office of the Revisor of Statutes, responded to questions from committee members regarding workers' compensation insurance for the Kansas State Fair Board. He stated that this is the only state agency that is purchasing this coverage independently, and all other agencies are covered in the State's self-insured plan. Additional information regarding the savings will be provided, Mr. Wilson stated.

Representative Faber renewed the motion to approve the FY 2011 Agriculture and Natural Resources Budget Committee Report as amended. The motion was seconded by Representative Williams. Motion carried.

Representative Lane presented the FY 2011 Education Budget Committee Report for the Behavioral Sciences Regulatory Board and Board of Healing Arts Committee Report Recommendations, (Attachment 2).

Representative McLeland presented the FY 2011 Education Budget Committee Report for the Board of Regents, Fort Hays State University, School for the Blind and School for the Deaf, (Attachment 2).

Representative McLeland made a motion to approve the FY 2011 Education Budget Committee Report. The motion was seconded by Representative Lane.

Representative McLeland reviewed an amendment that would require the State to make timely payments to school districts, (Attachment 3).

Representative McLeland made a motion to approve the amendment. The motion was seconded by Representative Siegfried. Motion carried.

Representative McLeland responded to questions from committee members. He stated that teacher's salaries for the School for the Deaf and School for the Blind were adjusted to be more competitive with Olathe School District, per legislation that was passed three years ago. It was noted that the teachers are highly qualified and prior to legislation their salaries had dropped below 85% of that of their peers.

Representative McLeland made a motion to approve the FY 2011 Education Budget Committee Report as amended. The motion was seconded by Representative Lane. Motion carried.

Representative Whitham presented the FY 2010 General Government Committee Report, (Attachment 4).

Representative Whitham made a motion to approve the FY 2011 General Government Committee Report. The motion was seconded by Representative Burroughs.

Representative Whitham made a substitute motion to delete \$800,000 from State General Fund from the Judicial Branch for furloughs that have already occurred. The motion was seconded by Representative Tafanelli. Motion carried.

Representative Whitham responded to questions from committee members. Representative Whitham reviewed the committee's recommendation for increased court fees, funding for an improved county-wide voting system and funds transfer from lottery proceeds to the State Gaming Revenues Fund.

Committee members discussed the Pooled Money Investment Board and the committee's recommendation to reduce the transfer from lottery proceeds to the State Gaming Revenues fund.

Representative Hineman made a motion to delete \$2.75 million from the Kansas Racing and Gaming

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Commission to the State General Fund. The motion was seconded by Representative Dillmore.

Discussion followed by committee members. It was noted that repayment of funds would be in accordance with the note agreement between the Kansas Racing and Gaming Commission and the Pooled Money Investment Board.

Representative Hineman renewed the motion. Motion carried.

Representative Whitham made a motion to approve the FY 2011 General Government Report as amended. The motion was seconded by Representative Kelley. Motion carried.

Representative Rhoades presented the FY 2011 Social Services Budget Committee Report for the Health Care Stabilization Fund Board, Commission of Veterans Affairs, Department of Health and Environment - Health and the Department on Aging, (Attachment 5).

Representative Mast presented the FY 2011 Social Services Budget Committee Report for the Health Policy Authority and Social and Rehabilitation Services.

Representative Mast made a motion to approve the FY 2011 Social Services Budget Committee Report. The motion was seconded by Representative Rhoades.

Representative Mast reviewed an amendment regarding health care cost containment and recovery services pilot project, (Attachment 6).

Representative Mast made a motion to approve the amendment. The motion was seconded by Representative Rhoades.

Discussion followed by committee members. Representative Mast stated that this amendment would provide a cost savings to the State, to be performed by an experienced third party, and payment for services would be on a contingency only basis at no additional cost to the state. Concern was expressed for identifying medical fraud and costs versus collections, involvement already in place with the Attorney General's Office, coordination with the Kansas Health Policy Authority, and privacy issues. It was noted that this amendment is a three year proviso that would provide audit information in regards to billing, coding and payments for medical services. It was stated that this amendment would necessitate a trailer bill. Detailed report information was provided on pages 19-24 in the material distributed at the committee meeting yesterday that was prepared by the Legislative Research Department.

Representative Mast renewed the motion to approve the amendment. Motion carried.

Discussion followed by committee members regarding the deletion of \$6.9 million from the State General Fund for the Home and Community Based Services Waiver for individuals with Physical and Developmental Disabilities.

Representative Henry made a motion to remove \$6.9 million from the State General Fund for the Home and Community Based Services Waiver for individuals with Physical and Developmental Disabilities. And provide funding for the waivers from the Oil and Gas Depletion Trust Fund. The motion was seconded by Representative Ballard.

Discussion followed by committee regarding the Oil and Gas Depletion Trust Fund. J.G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department, stated that a portion of the severance tax was placed in the Oil and Gas Depletion Fund. Funds may be used when property tax, within specified counties, have increased due to depletion of gas fields. The fund balance is approximately \$12.8 million, he noted.

A request to divide the motion was ruled out of order by Chairman Yoder.

Representative Henry renewed the motion. Motion carried.

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Representative Rhoades reviewed the language for an amendment to the Social and Rehabilitation Services Budget (SRS), (Attachment 7).

Representative Rhoades made a motion to approve the amendment. The motion was seconded by Representative Mast.

Discussion followed by committee members. Representative Rhoades clarified that the amendment would reflect across the board reductions for community based services. Jim Wilson stated that this amendment would authorize the Secretary of SRS to transfer or re-allocate money in the event that reductions were greater than \$1 million for community based services.

Representative Rhoades moved the amendment. Motion carried.

Representative Crum reviewed a proviso regarding medicaid access to medications for mental health purposes, (Attachment 8).

Representative Crum made a motion to approve the amendment. The motion was seconded by Representative Rhoades. Motion carried.

Comments followed by a committee member regarding concerns in funding reductions for Centers for Independent Living and Early Childhood Education programs.

Representative Henry reviewed a response to committee questions from the Kansas Health Policy Authority, (Attachment 9). He discussed the impact of the budget reductions.

Representative Mast made a motion to approve the FY 2011 Social Services Budget Report as amended. The motion was seconded by Representative Rhoades. Motion carried.

Representative Tafanelli presented the FY 2011 Transportation and Public Safety Budget Committee Report, (Attachment 10).

Representative Tafanelli made a motion to approve the FY 2011 Transportation and Public Safety Budget Committee Report. The motion was seconded by Representative Gatewood.

Representative Tafanelli made a motion for an amendment to delete \$500,000 from the Kansas Bureau of Investigation DNA lab service enhancement; and add \$500,000 for the Juvenile Justice Authority for their Incentive Grant Program. The motion was seconded by Representative Gatewood. Motion carried.

Representative Tafanelli made a motion for an amendment to transfer \$500,000 to SGF from the Prisoners Industries Fund, of which \$250,000 would be transferred in October, 2010 and \$250,00 in January, 2011. The motion was seconded by Representative Gatewood. Motion carried.

Representative Tafanelli made a motion to approve the FY 2011 Transportation and Public Safety Budget Committee Report as amended. The motion was seconded by Representative Gatewood. Motion carried.

Representative Whitham made a substitute motion to delete the \$11 million expenditure in the Omnibus Appropriations Act that was intended to reimburse 25% of the slider. The motion was seconded by Representative Donohoe.

Representative Whitham renewed the motion. The motion carried.

Concern was expressed for the burden placed on local government. It was noted that the ending balance is approximately \$96.9 million, further debate on the floor with anticipated amendments are to be expected, and expressed concern for \$171 million reduction in education.

Representative Feuerborn made a motion to move \$85.9 million from SGF for FY 2011 and place in to

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Supplemental State Aid for FY 2011. The motion was seconded by Representative Henry.

Favorable comments followed the motion by a committee member.

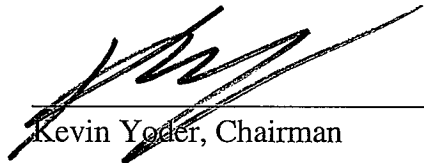
Representative Feuerborn renewed the motion. Motion carried.

Representative Whitham made a motion to adopt ~~SB 572~~ as a substitute bill favorable for passage as amended. The motion was seconded by representative Kelley. Motion carried.

Representative McLeland made a motion to introduce legislation regarding the use of money by school districts. The motion was seconded by Representative Mast. Motion carried.

Representative Mast made a motion to introduce legislation for a trailer bill on the contract with the Department of Administration. The motion was seconded by Representative McLeland. Motion carried

The meeting was adjourned at 12:08 a.m.



Kevin Yoder, Chairman

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DATE: 4-23-10

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Russ Jennings	JJA
James Holthaus	KFC
Don Cuny	KOZG
Alex Weiss	SKCL
Lillie Kaufman	Kis Coop Council
Jonathan Krueger	KBOR
Berend Koops	Hein Law Firm
Erk Wisner	KOA
Bill Astop	KDOL
Susan Zelenko	Jtg
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Wendy Casey	GDA
Jocelyn Mesimann	Parco of KS
Jan Brant	KSC
Bob Powell	FHSC
Kirk Bradshaw	JJA
C. Wheeler	HCSF Bd of Govs
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Henry Brown	Cap. Lab. Rep.
Amy Campbell	KMHIC
Bob Vanman	Lakeview, GeoSolutions, GRCA & Blue Valley
Martin Kennedy	Secretary, KWOA
JEREMY BARCLAY	KDOC
Melissa Wangemann	KAC