

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Friday, February 06, 2015, 112-N of the Capitol.

All members were present except:

Representative Mark Kahrs – Excused

Representative John Barker – Excused

Committee staff present:

J.G. Scott, Legislative Research Department

Dylan Dear, Legislative Research Department

Andy Chiamopoulos, Legislative Research Department

Nobuko Folmsbee, Office of Revisor of Statutes

Kathy Holscher, Kansas Legislative Committee Assistant

Jill Wolters, Office of Revisor of Statutes

Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Opening Remarks

Chairman Ryckman opened the committee meeting. He stated that the Governor has changed the fee funded agencies fee fund percentage transferred to the State General Fund (SGF) from 10 percent to 20 percent. He requested the Budget Committees to remain consistent at 20 percent, with full discussion on approximately March 6th. This action concerns a \$1.7 million adjustment to SGF, he added.

Introduction of proposed legislation

Representative DeGraaf made a motion to introduce legislation regarding the capture of money from the debt set-off program through old tax collections debt from child support, lottery tickets and gambling winnings. Representative Hutton seconded the motion. Motion carried.

Representative Hutton made a motion to introduce legislation regarding changes to the alternative project delivery. Representative Schwartz seconded the motion. Motion carried.

Representative Hutton made a motion to introduce legislation regarding authorizing the Department of Labor to implement a state-wide OSHA Program. Representative Suellentrop seconded the motion. Motion carried.

Representative Moxley made a motion to introduce legislation regarding the donation of the Last Chance Store in Council Grove, Kansas to the State, 15rs0552. Representative Wolfe Moore seconded the motion. Motion carried.

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MINUTES of the Committee on Appropriations at 9:00 am on Friday, February 06, 2015, 112-N of the Capitol.

Representative Ballard made a motion to introduce legislation regarding sexual violence, domestic violence, dating violence and stalking. Representative Henry seconded the motion. Motion carried.

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Budget Report on:

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, provided an overview of the Kansas Corporation Commission and he presented the FY 2015 Budget Committee Report ([Attachment 1](#)). The Governor's recommendation is a decrease of \$141,150 from special revenue funds for Kansas Public Employer contributions. The Budget Committee concurred with the Governor's recommendation, and the Budget Committee concurred with the Governor's recommendation.

Representative Hoffman made a motion to approve the FY 2015 Budget Report for the Kansas Corporation Commission. Representative Carlin seconded the motion.

Discussion followed by committee members regarding well plugging, which is on course it was noted. Chairman Ryckman noted that Budget Chairs were directed to verify performance tied to funding and he stated that the Governor has recommended budget cuts in FY2016 and FY 2017.

Representative Hoffman renewed the motion. Motion carried.

J.G. Scott, Kansas Legislative Research Department, provided information on shrinkage, on an additional pay period in FY 2017 due to the timeframe for payroll in the calendar year, which would normally be 26 as opposed to 27 pay periods.

Representative Hoffman, Chair, Agriculture and Natural Resources Budget Committee, presented the FY 2016 Budget Report for the Kansas Corporation Commission ([See attachment 1](#)). The Governor recommended an all funds decrease of \$93,797 below the agency's request, which is attributable to reduction in employer health insurance contributions. This is an offset in part by an increase in contractual service expenditures, and a one-time transfer of \$1 million from the Conservation Fee Fund to the State General Fund (SGF). The Budget Committee concurred with the Governor's recommendation with the adjustment that the increased expenditures as a result of reduced shrinkage is to be used only for salaries and wages.

Discussion followed by committee members. As requested, J.G. Scott will look into obtaining additional information regarding attrition rates.

Representative Hoffman made a motion to approve the FY 2016 Budget Report for the Kansas Corporation Commission. The motion was seconded by Representative Carlin.

Discussion followed by committee members.

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Representative Hoffman renewed the motion. Motion carried.

Representative Hoffman, Chairman, Agriculture and Natural Resources Budget Committee, presented the FY 2017 Budget Report for the Kansas Corporation Commission ([See attachment 1](#)). The Governor's recommendation reduces the operating expenditures by \$98,816 all from special revenue funds, which is attributable to the employer health insurance reduction, and which is offset in part by an increase in contractual services expenditures. The Budget Committee concurred with the Governor's recommendation with the adjustment that increased expenditure from reduced shrinkage is to be used only for salaries and wages.

Representative Hoffman made a motion to approve the FY 2017 Budget Report for the Kansas Corporation Commission. Representative Carlin seconded the motion.

Discussion followed by committee members regarding server versus cloud data storage.

Representative Hoffman renewed the motion. Motion carried.

Budget Report on:

Representative Carpenter, Chair, Social Services Budget Committee, presented the FY 2015 Kansas Department of Health and Environment - Health Budget Report ([Attachment 2](#)). The Governor recommended an increase of \$61.9 million in all funds above the agency's revised estimate, attributable to fully fund the Human Services Consensus Caseload estimates. The Budget Committee concurred with the Governor's recommendation.

Representative Carpenter made a motion to approve the FY 2015 Kansas Department of Health and Environment - Health Budget Report. Representative Ballard seconded the motion.

Discussion followed by committee members regarding Human Services Caseload estimates and the cost of pharmaceuticals. J.G. Scott stated that the agencies meet twice a year with the Division of Budget, and Kansas Legislative Research Department (KLRD) staff to review utilization and costs associated to the caseload estimates.

Representative Carpenter renewed the motion. Motion carried.

Representative Carpenter, Chair, Social Services Budget Committee, presented the FY 2016 Kansas Department of Health and Environment - Health Budget Committee Report ([See attachment 2](#)). The Governor's recommendation is an all funds increase of \$168.3 million, attributable to fully fund the November Human Services Consensus Caseload estimates, increased Managed Care Organization privilege fees, and SGF increase to replace the Medical Program Fee Fund transfer. Increases are partially offset by SGF reduction for reduced expenditures due to KanCare policy changes and the 4

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percent SGF funded agency reduction in the Governor's FY 2015 allotment. The Budget Committee concurred with the Governor's recommendation with the following adjustments and notations: transfer \$378,000 from the SGF operation expenditures account for administration to the Primary Care-Safety Net Clinics; add language require the agency to submit reports as related to implementation and transition of eligibility responsibilities; recommended that the agency improve the error rate of 12.8 percent; requested that the Legislative Post Audit conduct an audit of the Kansas Eligibility and Enforcement System; and noted the Governor's recommendations are based on anticipated Policy savings from KanCare.

Discussion followed by committee members regarding concerns with the error rate, emphases placed on the importance of conducting an audit, and concerns for proposed policy changes was expressed.

Representative Hill made a motion for an amendment that would adjust the Governor's recommendation of \$57 million to \$49 million in all funds, based on policy savings related to caseload cost reductions, and which would be revisited after SB 123 has been settled. Representative Wolfe Moore seconded the motion.

Discussion followed by committee members regarding the motion, which pulls back the target for later review. **SB 123** has been introduced in the Senate, it was noted.

Representative Hill renewed the motion. Motion failed.

Representative Schwartz made a motion to amend that would include the language that the Appropriations Committee would review item 4 at Omnibus. Representative Grosserode seconded the motion.

Discussion continued by committee members regarding the motion.

Representative Schwartz renewed the motion. Motion carried.

Representative Hill, Chairman, Social Services Budget Committee, presented the FY 2017 Kansas Department of Health and Environment - Health Budget Report (See attachment 2). The Governor recommended an all funds increase of \$143.2 million, largely attributable to fully fund the November Human Services Consensus Caseload estimates, Managed Care Organization increased privilege fee, and replacing the Medical Program Fee Fund transfer to the SGF as part of the Governor's allotment Plan. The Budget Committee concurred with the Governor's recommendation with the following adjustments: transfer \$378,000 for Primary Care-Safety Net Clinics; add language requiring the agency to submit reports regarding implementation and transition of eligibility responsibilities and staff; noted eligibility payment error rate percentage needs improved; noted the Governor's recommended reductions are based on anticipated savings from KanCare policy changes.

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Representative Carpenter made a motion to approve the FY 2017 Kansas Department of Health and Environment-Health Budget Report. Representative Ballard seconded the motion.

Representative Grosserode made a substitute motion to review item 3 in the budget report at Omnibus. Representative Schwartz seconded the motion. Motion carried.

Representative Carpenter renewed the motion as amended. Motion carried.

Budget Report on:

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2015 Office of Administrative Hearings Budget Report ([Attachment 3](#)). The Governor recommended an operational decrease of \$8,586 attributable to reduced KPERS employer contributions. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2015 Office of Administrative Hearings Budget Report. Representative Wolfe Moore seconded the motion. Motion carried.

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2016 Office of Administrative Hearings Budget Report ([See attachment 3](#)). The Governor recommended an operational decrease of \$5,202 attributable to the reduced employer health contributions. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2016 Office of Administrative Hearings Budget Report. Representative Wolfe Moore seconded the motion. Motion carried.

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2017 Office of Administrative Hearings Budget Report ([See attachment 4](#)). The Governor recommended reduced operating expenditures of \$5,306 attributable to reduced employer health insurance contributions. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2017 Office of Administrative Hearings Budget Report. Representative Wolfe Moore seconded the motion.

Discussion followed by committee members regarding the motion. It was noted that the Department of Administration is increasing rent on all state agencies.

Representative Waymaster renewed the motion. Motion carried.

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MINUTES of the Committee on Appropriations at 9:00 am on Friday, February 06, 2015, 112-N of the Capitol.

Budget Report on:

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2015 Board of Examiners in Optometry Budget Report (See Attachment 3). The Governor's recommendation is a decrease of \$428 from special revenue funds, attributable to proposed KPERS employer contribution rate reductions. The Budget Committee concurred with the Governor's recommendation.

Representative Waymaster made a motion to approve the FY 2015 Board of Examiners in Optometry Budget Report. Representative Wolfe Moore seconded the motion.

Discussion followed regarding combining the agency with the Board of Healing Arts, board structure and staffing issues.

Representative Waymaster renewed the motion. Motion carried.

Representative Waymaster, Chairman, General Government Budget Committee, presented the FY 2016 Board of Examiners in Optometry Budget Committee Report (See attachment 3). The Governor recommended a decrease of \$853 for operating expenditures, attributable to the reduction to employer health insurance contributions and recommended increasing the amount withheld from the fee fund and deposited in the SGF, for reimbursement of administrative services. The Budget Committee concurred with the Governor's recommendation with the adjustment to add language increasing the transfer from 10 percent to 20 percent the fee fund to the SGF.

Representative Waymaster made a motion to approve the FY 2016 Board of Examiners in Optometry Budget Committee Report. Representative Wolfe Moore seconded the motion.

Discussion followed by committee members.

Representative Claeys made a motion to strike the fee fund transfers from 20 percent to 10 percent for FY 2016 and FY 2017. Representative Grosserode seconded the motion. Motion carried.

Discussion followed regarding handling of complaints requiring legal action. The Board of Examiners

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in Optometry staff member was commended for their work.

Representative Waymaster renewed the motion as amended. Motion carried.

Representative Waymaster, Chair, General Government Budget Committee, presented the FY 2017 Board of Examiners in Optometry Budget Committee Report ([See attachment 3](#)). The Governor recommended decreasing operating expenditures by \$3,261, attributable to the reduced employer contribution for health insurance, and increased the amount withheld from the fee fund revenue to be deposited in the SGF to reimburse the state for administrative services. The Budget Committee concurred with the Governor's recommendation with the adjustment to delete language increase the transfer from 10 percent to 20 percent from the fee fund to SGF.

Representative Waymaster made a motion to approve the FY 2017 Board of Examiners in Optometry Budget Report, as amended. Representative Wolfe Moore seconded the motion. Motion carried.

Closing Remarks

Chairman Ryckman reviewed the agenda for next week's committee meetings. He stated that committee members received a response to questions from the Department of Transportation that was distributed on February 2, 2015 ([Attachment 4](#))

Meeting adjourned: 11:03 a.m.