

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Friday, February 13, 2015, 112-N of the Capitol.

All members were present except:

Representative Pete DeGraaf – Excused

Representative Gene Suellentrop – Excused

Committee staff present:

Andy Chiamopoulos, Legislative Research Department

J.G. Scott, Legislative Research Department

Dylan Dear, 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

The minutes reflect that there were two committee meetings held today.

Introduction of Proposed Legislation

Representative Lunn made a motion to introduce legislation regarding a legislative award for teacher excellence. Representative Schwartz seconded the motion. Motion carried.

Representative Schwartz made a motion to introduce legislation regarding a veterinarian training program. Representative Barker seconded the motion. Motion carried.

Budget Committee Report on:

Representative Carpenter, Chair, Social Services Budget Committee, presented the FY 2015 Kansas Department for Aging and Disability Services ([Attachment 1](#)). The Governor recommended a State General Fund (SGF) increase of \$44.2 million to fully fund Human Services Caseloads, a reduction of \$599,235 as a result of the Governor's allotment plan, a transfer of \$3 million from DADS Social Welfare Fund and \$1.2 million from the Problem Gambling Fund, an SGF reduction of \$52,017 as a result of reduced Kansas Public Employer Retirement System (KPERS) reduced contribution rate, and a reduction \$113,056 from special revenue funds. The Budget Committee concurred with the Governor's recommendation with the following notations: requested an agency report on expenditures from the proceeds of sales from the Rainbow Mental Health Facility, acknowledged one-time money for innovative programs, Community Engagement Project that assists nine high risk counties, and

CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:00 am on Friday, February 13, 2015, 112-N of the Capitol.

Community grants. The committee is planning to revisit these projects at Omnibus.

Discussion followed by committee members regarding the sale of the Rainbow Mental Health Facility. It was noted that the intent for the use of proceeds of this sale will go towards mental health services like those provided by Com Care, in Wichita. The monies from the Problem Gambling and Addiction Fund provision ensures that no one goes without services. A review of the transfers followed by Representative Carpenter.

Representative Carpenter made a motion to approve the FY 2015 Budget Report for the Department on Aging and Disability Services. Representative Ballard seconded the motion. Motion carried.

Representative Carpenter, Chair, Social Services Budget Committee, presented the FY 2016 Kansas Department for Aging and Disability Services Budget Report (See Attachment 1). The Governor's recommendation is an addition of \$79.9 million from SGF to fully fund Human Services Caseload estimates, a decrease of \$1.2 million for the 4 percent operating budget reduction, and the addition of \$66.6 million for the increased Managed Care Organization privileged fee, which is partially offset by the decrease of \$57 million associated with the implementation of KanCare policy changes. The recommendation also shifts \$9.8 million from SGF from the State Highway Fund into a special revenue fund, an increase of \$1 million from SGF for mental health services, an additional funding to reduce Community based services waivers for individuals on waiting lists with developmental disabilities of \$6.8 million and the addition of \$2.3 million for individuals with physical disabilities. The Budget Committee concurred with the Governor's recommendations with several notations and adjustments: concerned that the projected savings from proposed policy changes may result in inadequate funding for entitlement services and recommended a review of the policy changes at Omnibus; six out-of-state individuals are receiving services for Traumatic brain injuries at a cost of \$1 million per year and a review for treatment in Kansas facilities; requested an agency review and evaluation of the implementation of best practices; noted the importance of nutrition programs and its intention to review additional funding during Omnibus; review the possibility of restoring funding for the Community Developmental Disability Organization contracts at Omnibus; and concern was expressed for adequate funding for the Senior Care Act; further review at Omnibus of specific contracts to determine if funding should be restored. The Budget Committee also recommended that DADS Social Welfare Fund remain a limited special revenue fund.

Discussion followed by committee members regarding costs associated with bringing the out-of-state individuals with Traumatic brain injuries back to the state, and ensuring that their needs are met.

Representative Carpenter made a motion to approve the FY 2016 Budget Report for the Kansas Department for Aging and Disability Services. Representative Ballard seconded the motion. Motion carried.

Representative Carpenter, Chair, Social Services Budget Committee, presented the FY 2017 Kansas

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CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:00 am on Friday, February 13, 2015, 112-N of the Capitol.

Department for Aging and Disability Services Budget Report ([See Attachment 1](#)). The Governor recommended an increase of \$111.2 million to fully fund the Human Services consensus caseload estimates, a decrease of \$4.2 million for the 4 percent operating reduction, a reduction of \$194,267 for employer health insurance contributions; an additional \$66.6 million associated with the Managed Care Organization privilege fee increase, which is partially offset by the implementation of KanCare policy changes; and shifting \$9.8 million for SGF as a transfer from the State Highway Fund into a special revenue fund. The recommendations include a total savings of \$14.8 million associated with the state's payment error rate measurement. The transfer of Medicaid eligibility to the Kansas Department for Health and Environment would be effective January 1, 2016. He stated that the Budget Committee report recommendations and notations are the same as those contained in the FY 2016 Budget Report.

Discussion followed by committee members regarding the nutrition programs. An overview of the Managed Care Privilege Fee was provided by Representative Carpenter. Managed Care organizations currently pay 1 percent, with the recommendation to increase this amount to 5.5 percent, which would generate \$64.4 million in all funds and \$28.2 million in SGF for FY 2016, and \$66.6 million in all funds and \$29.3 million in SGF for FY 2017, which would come back to the state from the federal government, it was noted. Policy changes reflect a savings of \$57 million in all funds for FY 2016 and FY 2017, as well as a \$29 million savings in all funds for rate reductions. The program and services provided by Meals on Wheels was highlighted.

Representative Lunn made a motion to add an item # 10 for FY 2016 and FY 2017 within the Budget Committee's notations to recommend exploring volunteer training opportunities for high school students and their parents interested in providing outreach services through the Meals on Wheels program. Representative Ballard seconded the motion. Motion carried.

Representative Carpenter made a motion to approve the FY 2016 and FY 2017 Kansas Department for Aging and Disability Services Budget Report as amended. Representative Ballard seconded the motion. Motion carried.

Closing Remarks

Chairman Ryckman stated that budget materials for the next committee meeting has been distributed. Committee members received information on the Problem Gambling and Addictions Grant Fund ([Attachment 2](#)).

Meeting adjourned: 9:50 a.m.

Introduction of Proposed Legislation

Chairman Ryckman opened the meeting at 11:32 a.m. at the Rail.

Representative Lunn made a motion regarding pension spiking. Representative Barker seconded the motion. Motion carried.

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CONTINUATION SHEET

MINUTES of the Committee on Appropriations at 9:00 am on Friday, February 13, 2015, 112-N of the Capitol.

Representative Kahrs made a motion to introduce legislation regarding sales tax for the State Highway Funds. Representative Lunn seconded the motion. Motion carried.

Meeting adjourned: 11:33 a.m.