

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.

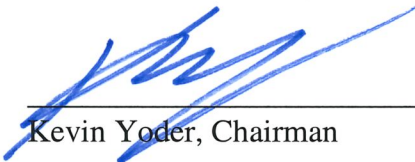
Representative Feuerborn renewed the motion. Motion carried.

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.



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Kevin Yoder, Chairman

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4-23-10

NAME	REPRESENTING
Ann Sacher	K6FA
MARK BOBANYAK	CAPITOL STRATEGIES
TERRY FRESYTH	KNFA
Marilyn Jacobson	DOH
Terry Heidner	KDOT
Dick Kewerth	KDWP
Russ Jennings	JJA
Dan Holthaus	KFC
Don Canty	KOZG
Alicia Moss	SKCL
Lollie Kaufman	Ks Coop Council
Jonathan Krueger	KBOR
Berend Koops	Hein Law Firm
Erk Wisner	KOA
Bill Astop	KDOL
Susan Zelenko	Jtg
Tak Jansen	KCRN
Pat Terick	CPRF
Stacey Wooding Am	KDA



# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4-23-10

NAME	REPRESENTING
Reed Davis	KDOT
Larry Reeb	MIDWEST ENERGY
Aswley Dopita	Pinegar, Smith & Assoc.
Diane Dufly	Kansas Bowling Regents
Harmony Hines	Midland Care Connection
<del>Wendy Casey</del>	GDA
Joe Maximann	Parcels of KS
Jan Brack	KSC
Bob Powell	FHSC
Kith Broadshaw	JJA
C. Wheeler	HCSF Bd of Govs
P Biggs	PAROLE Bd
P. MARTIN	KRGC
S. HALL	KRGC
Megan Botteberg	KDOL
Kate Meuli	KEMMER & Assoc.
Leigh Keck	Hein Law Firm
Victoria White	Pittsburg State U.
Jane Carter	KOSE

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4-23-10

NAME	REPRESENTING
RJ Wilson	KOSE
Jennifer Crow	USD 501, Alliance
Kent Eckles	KS Chamber of Commerce
Andy Schlap	WSJ
SUE PETERSON	K-State
Emily C Haug	K-State
Julie Hearn	Horn Law Firm
LARRY R BAER	UKM
Jim May	Spirit Aero Systems
Helen Sweeney	Cap. Lab. Org.
Amy Campbell	KMTIC
Bob Danner	Lakeview, GeoSolutions, GRCC & Blue Oaks
Martin Kennedy	Secretary, KWOA
JEREMY BARCLAY	KDOC
Melissa Wangermann	KAC



# House Budget Committee Recommendations

## Agriculture and Natural Resources

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<b><u>Department of Agriculture</u></b>				
<b>FY 2011</b>				
1. Add \$6,250, all from the State General Fund, for the agency's membership in the Missouri River Association of States and Tribes (MoRAST) for FY 2011. MoRAST is a regional interstate organization formed by joint resolution of the Governors of Wyoming, Montana, North Dakota, South Dakota, Nebraska, Iowa, Kansas, and the Mni Sose Intertribal Water Rights Coalition.	6,250	0	6,250	0.0
2. Delete \$75,000, all from the Economic Development Initiatives Fund (EDIF), for Dairy Inspection program expenditures and add the same amount, all from the EDIF, for Grain Warehouse program expenditures for FY 2011. The funding would be used to fund one vacant inspector position and fund other operating expenditures associated with the position.	0	0	0	0.0
<i>Agency Subtotal</i>	\$6,250	\$0	\$6,250	0.0
<b><u>Kansas State Fair Board</u></b>				
<b>FY 2011</b>				
1. Add language that would exempt the agency from purchasing workers' compensation insurance through the state, and allow the agency to purchase workers' compensation coverage from the private market for FY 2011.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<b><u>State Conservation Commission</u></b>				
<b>FY 2011</b>				
1. Add language that authorizes the agency to expend existing funds for installation of an alternative, less expensive, public water supply solution for Washington County Rural Water District No. 1 for FY 2011.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<b><u>Department of Wildlife and Parks</u></b>				
<b>FY 2011</b>				
1. Delete \$585,987, all from the Park Fee Fund, of the \$1.0 million increase previously recommended and lower the agency's expenditure limitation to \$6,148,756 for FY 2011. This results in a net increase of \$414,013 in the Park Fee Fund expenditure limitation from the Governor's FY 2011 recommendation. A decrease of \$414,013 in the agency's FY 2011 State General Fund budget was recommended by the House Committee and is included in House Substitute for SB 73.	0	(\$585,987)	(\$585,987)	0.0
<i>Agency Subtotal</i>	\$0	(\$585,987)	(\$585,987)	0.0
<b><u>Interstate Water Litigation Fund</u></b>				
<b>FY 2011</b>				
1. Include language for FY 2011 to authorize the Attorney General to issue bonds, in an amount to be determined by the Attorney General, for necessary expenditures related to interstate water litigation activities, subject to State Finance Council approval.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$6,250</b>	<b>(\$585,987)</b>	<b>(\$579,737)</b>	<b>0.0</b>



# House Budget Committee Recommendations

## Education

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<b><u>Fort Hays State University</u></b>				
<b>FY 2011</b>				
1. Add \$320,574, all from special revenue funds, in FY 2011 to allow the agency to expend revenues from the sale of 130 acres of property to the city of Hays authorized by 2010 House Bill 2414, which has been signed into law. The property will be used for a sports complex and expansion of the city's golf course.	0	320,574	320,574	0.0
<i>Agency Subtotal</i>	\$0	\$320,574	\$320,574	0.0
<b><u>School for the Blind</u></b>				
<b>FY 2011</b>				
1. Add \$239,700, all from the State Institutions Building Fund, to re-roof the Johnson Building for FY 2011. The Johnson Building is an instructional building containing classrooms and has experienced roof leaks.	0	239,700	239,700	0.0
2. Add \$78,791, all from the State General Fund, to partially fund statutory teacher salary increases. The total needed to fund the increase, \$118,442, was reduced by a proportionate amount of estimated savings captured from the planned sharing of services with the School for the Deaf.	78,791	0	78,791	0.0
<i>Agency Subtotal</i>	\$78,791	\$239,700	\$318,491	0.0
<b><u>School for the Deaf</u></b>				
<b>FY 2011</b>				
1. Add \$121,906, all from the State General Fund, to partially fund statutory teacher salary increases. The total needed to fund the increase, \$183,255, was reduced by a proportionate amount of estimated savings captured from the planned sharing of services with the School for the Blind.	121,906	0	121,906	0.0
<i>Agency Subtotal</i>	\$121,906	\$0	\$121,906	0.0
<b>TOTAL</b>	<b>(\$4,799,303)</b>	<b>\$749,229</b>	<b>(\$4,050,074)</b>	<b>0.0</b>



# House Budget Committee Recommendations

## Education

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<b><u>Behavioral Sciences Regulatory Board</u></b>				
<b>FY 2011</b>				
1. Add \$5,682, all from the Behavioral Sciences Regulatory Board Fee Fund, for FY 2011 to continue funding the undermarket salary adjustments that were approved in FY 2010.	0	5,682	5,682	0.0
2. Add \$36,000, all from the Behavioral Sciences Regulatory Board Fee Fund, to purchase computer workstations, laptops, and a server that will be replaced as part of the agency's three-year information technology plan for FY 2011.	0	36,000	36,000	0.0
3. Add \$3,095, all from the Behavioral Sciences Regulatory Board Fee Fund, for FY 2011 to allow the agency to develop and administer rules regulating addiction counselors as authorized by 2010 House Bill 2577, which has been signed into law.	0	3,095	3,095	0.0
4. Add \$2,650, all from the Behavioral Sciences Regulatory Board Fee Fund, for FY 2011 to implement the continuing education safety awareness training requirements for social workers as authorized by 2010 House Substitute for Senate Bill 25, which has been signed into law.	0	2,650	2,650	0.0
<i>Agency Subtotal</i>	\$0	\$47,427	\$47,427	0.0
<b><u>Board of Healing Arts</u></b>				
<b>FY 2011</b>				
1. Add \$118,528, all from the Healing Arts Fee Fund, for moving expenses and prorated rent for FY 2011. The agency did not have the option to renew its current lease.	0	118,528	118,528	0.0
2. Add \$22,000, all from the Healing Arts Fee Fund, for FY 2011 to change the regulatory status of naturopathic doctors and create new licensure categories for physical therapists as authorized by House Substitute for 2010 Senate Bill 83, which has been signed into law.	0	22,000	22,000	0.0
3. Add \$1,000, all from the Healing Arts Fee Fund, for FY 2011 to register distributors of contact lenses to Kansas residents by a person or entity not licensed to practice optometry, medicine, or surgery in the state, as authorized by 2010 Senate Bill 489, which has been signed into law.	0	1,000	1,000	0.0
4. The Budget Committee requests the agency report back to the Committee at the start of the 2011 Legislative Session on the implementation of 2010 Senate Bill 489, specifically the number of distributors of contact lenses that will be registered.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$141,528	\$141,528	0.0
<b><u>Board of Regents</u></b>				
<b>FY 2011</b>				
1. Delete \$5.0 million, all from the State General Fund, for FY 2011 to reduce Regents funding to the FY 2006 amount of \$747.1 million. Federal economic stimulus funding requirements impose the FY 2006 amount as the minimum amount for FY 2011.	(5,000,000)	0	(5,000,000)	0.0
2. Add language for FY 2011 requiring a report from KAN-ED on the first day of the 2011 Session to the House Appropriations Committee and the Senate Ways and Means Committee regarding the costs and potential cost savings of distance education, as well as the quality of distance education, for both K-12 and postsecondary education.	0	0	0	0.0
<i>Agency Subtotal</i>	(\$5,000,000)	\$0	(\$5,000,000)	0.0



*Provided*, That the state shall make all aid payments to school districts, including payments for special education or related services, KPERS – employer contributions, general state aid, supplemental state aid, capital outlay state aid, capital improvement state aid, or any other state aid payments to school districts on the date in which such payments are regularly scheduled for payment during the first eleven months of the fiscal year.

Appropriations Committee  
Date 4-23-10  
Attachment 3



# House Budget Committee Recommendations

## General Government

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<b><u>Attorney General</u></b>				
<b>FY 2011</b>				
1. Delete the language currently included in the appropriations bill which authorizes an increase in the the amount the Attorney General may transfer from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund for the period from FY 2010-FY 2015. The language was also included in 2010 Senate Bill 326, which has become law, and the language in the appropriations bill is no longer necessary.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0

### **Secretary of State**

<b>FY 2011</b>				
1. Add \$1.5 million, all from federal Help America Vote Act (HAVA) funds, for FY 2011. This will allow counties to make improvements to election administration systems, including the purchase of voting equipment, software and supplies.	0	1,500,000	1,500,000	0.0
2. Add \$222,000, all from special revenue funds (various agency fee funds), for FY 2011 to allow the agency to publish 2010 Senate Concurrent Resolution No. 1614 (currently in Conference Committee), a proposed Constitutional amendment to create a Budget Stabilization Fund and a Debt Prepayment Fund.	0	222,000	222,000	0.0
3. Include language for FY 2011 which requires the Secretary of State to provide information regarding the costs of proposed Constitutional amendments to the House Appropriations and Senate Ways and Means Committees when the proposed amendments are being considered by the Legislature.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$1,722,000	\$1,722,000	0.0

### **Judicial Council**

<b>FY 2011</b>				
1. Add \$44,464, all from the Judicial Council Fee Fund, for a study of the Kansas court system including municipal courts, pending passage of House Concurrent Resolution No. 5026 or 1628, or any legislation that includes such a study for FY 2011. Topics of study in the resolutions include restructuring of courts, financing of the court system, workload of personnel, and efficiencies gained through technology improvements.	0	44,464	44,464	0.0
<i>Agency Subtotal</i>	\$0	\$44,464	\$44,464	0.0

### **Judicial Branch**

<b>FY 2011</b>				
1. Appropriate the Corrections Supervision Fund for the collection of fees generated by 2010 House Bill 2581. The bill increases the correctional service fee amount offenders are required to pay if convicted of a misdemeanor from \$25 to \$60. For felony convictions, the correctional services fee would increase from \$50 to \$120.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0

### **Department of Administration**

<b>FY 2011</b>				
1. Add language for FY 2011, requiring the Chief Information Technology Architect (CITA) to conduct a study evaluating the feasibility of information technology consolidation opportunities for state agencies. The provisions reflect language from 2010 House Bill 2572. The language requires CITA to report back to the House Appropriations committee and the Senate Committee on Ways and Means during the 2011 Session.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0

# House Budget Committee Recommendations

## General Government

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<b><u>Court of Tax Appeals</u></b>				
<b>FY 2010</b>				
1. Add \$18,000, all from the Court of Tax Appeals Filing Fee Fund, in FY 2010. The addition of \$18,000 will increase the expenditure limitation on the agency's Filing Fee Fund by \$589,299 to \$607,299 in FY 2010. Due to a retirement occurring later than anticipated, the agency requested the expenditure limitation increase in order to avoid a budget shortfall in FY 2010.	0	18,000	18,000	0.0
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<i>Agency Subtotal</i>	\$0	\$18,000	\$18,000	0.0
<b><u>Department of Revenue</u></b>				
<b>FY 2011</b>				
1. Add \$4.8 million, all from the Division of Vehicles Modernization Fund, for FY 2011, to restore full funding for the Division of Vehicles Modernization Program.	0	4,800,000	4,800,000	0.0
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<i>Agency Subtotal</i>	\$0	\$4,800,000	\$4,800,000	0.0
<b><u>Kansas Lottery</u></b>				
<b>FY 2010</b>				
1. Reduce the transfer amount in the appropriations bill from regular lottery proceeds to the State Gaming Revenues Fund by \$2.75 million in FY 2010 based on updated revenue estimates. This adjustment was included in the April consensus revenue estimates. Additionally, change the transfer dates for FY 2010 and FY 2011 to accommodate the new SMART system - the financial management system.	0	0	0	0.0
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<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$6,584,464</b>	<b>\$6,584,464</b>	<b>0.0</b>



# House Budget Committee Recommendations

## Social Services

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<b><u>Health Care Stabilization Fund Board</u></b>				
<b>FY 2011</b>				
1. Remove language suspending transfers from the State General Fund to the Health Care Stabilization Fund for the reimbursement of medical liability insurance expenses for University of Kansas residents and faculty for FY 2011. The language is currently included in 2010 House Substitute for Senate Bill 73.	0	0	0	0.0
<b>FY 2012</b>				
1. Remove language suspending transfers from the State General Fund to the Health Care Stabilization Fund for the reimbursement of medical liability insurance expenses for University of Kansas residents and faculty for FY 2012. The language is currently included in 2010 House Substitute for Senate Bill 73.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<b><u>Commission on Veterans Affairs</u></b>				
<b>FY 2011</b>				
1. Add \$700,000, all from the State General Fund, for operating expenditures for the Kansas Commission on Veterans' Affairs for FY 2011.	700,000	0	700,000	0.0
2. Concur with GBA No. 1, Item 4, to add \$833,856, all from the State Institutions Building Fund, for repairs to storm damaged roofs at the Kansas Soldiers' Home.	0	833,856	833,856	0.0
<i>Agency Subtotal</i>	\$700,000	\$833,856	\$1,533,856	0.0
<b><u>Dept. of Health and Environment - Health</u></b>				
<b>FY 2011</b>				
1. Delete the language currently included in the appropriations bill for FY 2011 which prohibits the Secretary of Health and Environment from adopting rules and regulations for the Residential Childhood Lead Poisoning Prevention Act that are more stringent than those of the federal Environmental Protection Agency. Rules and regulations for the program took effect on April 9, 2010.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<b><u>Department on Aging</u></b>				
<b>FY 2010</b>				
1. Concur with GBA No. 1, Item 2, to delete \$4,750,000, including \$861,550 from the State General Fund, for Nursing Facilities consensus caseload estimates in FY 2010.	(861,550)	(3,888,450)	(4,750,000)	0.0
<b>FY 2011</b>				
1. Concur with GBA No. 1, Item 2, to delete \$107,907, including \$38,447 from the State General Fund, for consensus caseload estimates in FY 2011.	(38,447)	(69,460)	(107,907)	0.0
2. Delete \$27.6 million in estimated State General Fund receipts from Medicaid skilled nursing home provider assessments for FY 2011.	0	0	0	0.0
<i>Agency Subtotal</i>	(\$899,997)	(\$3,957,910)	(\$4,857,907)	0.0
<b><u>Health Policy Authority</u></b>				
<b>FY 2011</b>				
1. Add \$5.4 million, all from the State General Fund, to restore funding for the MediKan program for FY 2011.	5,400,000	0	5,400,000	0.0
2. Add 6.0 FTE positions for FY 2011 to transfer information technology staff from the Department of Administration to the Kansas Health Policy Authority (Technical adjustment).	0	0	0	6.0
3. Concur with GBA No. 1, Item 2, for human services caseloads.	5,548,820	(7,137,935)	(1,589,115)	0.0



# House Budget Committee Recommendations

## Social Services

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
4. Add language for FY 2011 specifying that the four brand name limit on prescription medications and associated cost saving actions would not apply to mental health medications.	0	0	0	0.0

<i>Agency Subtotal</i>	\$10,948,820	(\$7,137,935)	\$3,810,885	6.0
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### Social and Rehabilitation Services

#### FY 2010

1. Concur with GBA No. 1, Item 2, human services caseloads in FY 2010.	(1,573,487)	3,571,151	1,997,664	0.0
2. Concur with GBA No. 1, Item 3, to add \$261,800, all from the State Institutions Building Fund, for repair of the Osawatomie State Hospital electrical substation in FY 2010.	0	261,800	261,800	0.0

#### FY 2011

1. Delete \$10.9 million, including \$3.3 million from the State General Fund, for the Home and Community Based Services Waivers for individuals with Developmental Disabilities for FY 2011.	(3,300,000)	(7,585,341)	(10,885,341)	0.0
2. Delete \$11.9 million, including \$3.6 million from the State General Fund, for the Home and Community Based Services Waiver for individuals with Physical Disabilities for FY 2011.	(3,600,000)	(8,274,918)	(11,874,918)	0.0
3. Concur with GBA No. 1, Item 2, human services caseloads for FY 2011.	2,557,366	(3,577,985)	(1,020,619)	0.0
4. Concur with GBA No. 1, Item 3, to add \$1.3 million, all from the State Institutions Building Fund, for repair of the Osawatomie State Hospital electrical substation for FY 2011.	0	1,287,000	1,287,000	0.0
5. Request a study of the Child Support Enforcement System during the 2010 Interim to be authorized by the Legislative Coordinating Council	0	0	0	0.0

<i>Agency Subtotal</i>	(\$5,916,121)	(\$14,318,293)	(\$20,234,414)	0.0
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<b>TOTAL</b>	<b>\$4,832,702</b>	<b>(\$24,580,282)</b>	<b>(\$19,747,580)</b>	<b>6.0</b>
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HEALTH CARE COST CONTAINMENT & RECOVERY SERVICES PILOT PROJECT  
Department of Administration  
April 23, 2010

On page 65, following line 26, by inserting the following:

1           “(r) In addition to the other purposes for which expenditures may be made by the department  
2 of administration from moneys appropriated from the state general fund or any special revenue fund  
3 or funds for fiscal year 2010 and fiscal year 2011 for the department of administration as authorized  
4 by chapter 124 or chapter 144 of the 2009 Session Laws of Kansas or by this or other appropriation  
5 act of the 2010 regular session of the legislature, expenditures shall be made by the department of  
6 administration from the state general fund or any special revenue fund or funds for fiscal year 2010  
7 or fiscal year 2011 to enter into a three-year contract for a pilot project for health care cost  
8 containment and recovery services to be implemented regarding programs of state agencies or  
9 programs responsible for the payment of medical or pharmacy claims, including the department of  
10 social and rehabilitative services, department on aging, Kansas health policy authority, juvenile  
11 justice authority, department of labor, department of health and environment and the state health care  
12 benefits program, as provided in K.S.A. 75-6501 through 75-6523, and amendments thereto, with  
13 a service provider that has experience performing third party liability services for the state of Kansas  
14 and has experience and references performing health care cost containment, audit and recovery  
15 services for other state governments: *Provided*, That the pilot project shall be designed to provide  
16 statewide efficiencies and cost savings across multiple state agencies and the state health care  
17 benefits program: *Provided further*, That the pilot project shall include services to extract savings  
18 and recover funds for healthcare services paid by any state agency to include, but not be limited to,  
19 the recovery of overpayments identified through claims review and provider audits; and coordination

1 of payment between private insurers, Medicare, and other public and private payers of health care  
2 claims: *And provided further*, That the pilot project shall include these services and additional  
3 services as approved by the department of administration and the affected state agency: *And provided*  
4 *further*, That the pilot project shall be supplemental to audit and recovery projects already conducted  
5 by individual state agencies and shall determine ways to improve efficiencies by coordinating audits  
6 and recovery program activities across multiple state agencies: *And provided further*, That the  
7 contract for the pilot project shall provide for the vendor to be compensated by a percentage of  
8 recoveries or savings attained: *And provided further*, That, upon completion of the pilot project, the  
9 secretary of administration shall report to the legislature the savings generated from the pilot  
10 program and make recommendations regarding extension of the pilot program, termination of the  
11 program, or competitive procurement for the services provided thereunder.

12

On page 294, in line1, following “research”, by inserting the following:

“: Provided further, That, if the lapse imposed by this subsection would result in any community based service delivery system to sustain greater than \$1,000,000 in reductions, then the secretary of social and rehabilitation services is hereby authorized to transfer the amounts of moneys notwithstanding the provisions of any statute in order to avoid such reduction.”

Appropriations Committee  
Date 4-23-10  
Attachment 7

On page 111, following line 8, by inserting the following:

“(g) During the fiscal year ending June 30, 2011, no expenditures shall be made by the above agency from any moneys appropriated from the state general fund or any special revenue fund or funds for the fiscal year ending June 30, 2011, to implement any policy or procedure which would restrict or limit beneficiaries of medicaid access to medications for mental health purposes, including but not limited to restricting the number of name brand or single source mental health medications for any beneficiary and all expenditures made by the above agency for the fiscal year 2011 shall be made in compliance with the provisions of K.S.A. 39-7,121b, and amendments thereto.”

Appropriations Committee  
Date 4-23-10  
Attachment 8

Coordinating health & health care  
for a thriving Kansas



April 23, 2010

Representative Peggy Mast  
Chair, Social Services Budget Committee  
DSOB  
Topeka, Kansas 66612

Dear Representative Mast:

During your committee's deliberations this afternoon a question was asked regarding the \$2.1 million all funds reduction in KHPA's salaries and wages that the committee is proposing to the full Appropriations Committee. Specifically, the committee asked that I provide to the full Appropriations Committee a written summary of my responses to the committee's questions about the likely impact of the proposed reduction. Briefly, the targeted reduction in funding for salaries and wages at KHPA would result in:

- A reduction of 35-45 staff, concentrated almost exclusively in the Medicaid operation. Previous administrative cutbacks at KHPA have focused staffing on the core mission of operating the state's health purchasing programs. These new cuts would have a direct impact on the operation of these programs.
- An additional 20-25% reduction in Medicaid staffing. Because the State Employee Health Plan and State Self Insurance Fund (Worker's Compensation) programs have no SGF funding, the 44 employees dedicated to those programs would not be affected, leaving approximately 180 KHPA Medicaid staff to absorb the reduction.
- An immediate risk of non-compliance with Federal Medicaid requirements (e.g., reporting, enrollment, payment and coverage policies)
- Increased Medicaid caseload costs due to un-managed Medicaid spending and diminished oversight of KHPA contractors and Medicaid payments. Medicaid staff are heavily engaged in controlling waste, fraud and abuse. Cutbacks in staff would hinder those efforts.
- A net increase state spending due to the expected impact on caseload costs.
- Diminished capacity to address provider, beneficiary and constituent concerns.
- Loss of on-the-job skills and institutional knowledge that would cause long-term damage to the operation of the Medicaid program.

Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

[www.khpa.ks.gov](http://www.khpa.ks.gov)

Medicaid and HealthWave:

Phone: 785-296-3981  
Fax: 785-296-4813

State Employee Health  
Benefits and Plan Purchasing:  
Phone: 785-368-6361  
Fax: 785-368-7180

State Self Insurance Fund:

Phone: 785-296-2364  
Fax: 785-296-6995

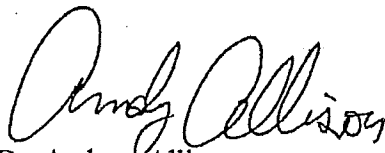
Appropriations Committee  
Date 4-23-10  
Attachment 9-1



The committee also asked whether the reductions could be applied to pay rates, rather than reductions in force. KHPA's remaining classified employees would be exempt, further concentrating such a reduction among unclassified employees consisting of health care providers and other staff with marketable skills in an expanding sector of the economy. Reducing rates of pay would likely lead to greater, but less targeted, reductions in the agency's staff.

I appreciate the opportunity to provide input on this important matter. We will be glad to share any additional information to help support the Committee's deliberations.

Sincerely,

A handwritten signature in cursive script that reads "Andrew Allison".

Dr. Andrew Allison  
Executive Director  
Kansas Health Policy Authority



**House Budget Committee Recommendations**

**Transportation and Public Safety**

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<b><u>Board of Indigents' Defense Services</u></b>				
<b>FY 2010</b>				
1. Concur with GBA No. 1, Item 1, to add \$686,456, all from the State General Fund, for consensus caseload estimates for assigned counsel in FY 2010.	686,456	0	686,456	0.0
<b>FY 2011</b>				
1. Add language exempting assigned counsel caseloads from the provision of the bill reducing State General Fund accounts by 1.0 percent for FY 2011.	81,032	0	81,032	0.0
<i>Agency Subtotal</i>	<i>\$767,488</i>	<i>\$0</i>	<i>\$767,488</i>	<i>0.0</i>
<b><u>Juvenile Justice Authority</u></b>				
<b>FY 2010</b>				
1. Concur with GBA No. 1, Item 2, to adjust funding for consensus caseload estimates in FY 2010.	(914,847)	541,010	(373,837)	0.0
<b>FY 2011</b>				
1. Concur with GBA No. 1, Item 2, to add \$1,651,425, including \$414,556 from the State General Fund, for consensus caseload estimates for FY 2011.	414,556	1,236,869	1,651,425	0.0
<i>Agency Subtotal</i>	<i>(\$500,291)</i>	<i>\$1,777,879</i>	<i>\$1,277,588</i>	<i>0.0</i>
<b><u>Kansas Department of Transportation</u></b>				
<b>FY 2011</b>				
1. Add \$21,340, all from the State Highway Fund, to allow for the expenditure of donations received for signage marking memorial highways and bridges designated in the following 2010 bills for FY 2011: House Bill 2555, House Bill 2436, House Bill 2678 and House Bill 2535.	0	21,340	21,340	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$21,340</i>	<i>\$21,340</i>	<i>0.0</i>
<b>TOTAL</b>	<b>\$267,197</b>	<b>\$1,799,219</b>	<b>\$2,066,416</b>	<b>0.0</b>
<b>GRAND TOTAL</b>	<b>\$306,846</b>	<b>(\$16,033,357)</b>	<b>(\$15,726,511)</b>	<b>6.0</b>