

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 18, 2004 in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research
J. G. Scott, Legislative Research
Amy VanHouse, Legislative Research
Leah Robinson, Legislative Research
Michele Alishahi, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Representative Nancy Kirk, Kansas Legislature
Andy Sanchez, Kansas Association of Public Employees
Keith Haxton, State Employees Association of Kansas
Frank Henderson, Crime Victims Compensation Board

Others attending:

See Attached List.

- Attachment 1 Testimony on **HB 2850** by Representative Nancy Kirk
- Attachment 2 Testimony on **HB 2850** by Andy Sanchez, Kansas Association of Public Employees
- Attachment 3 Testimony on **HB 2850** by Keith Haxton, State Employees Association of Kansas
- Attachment 4 Testimony on **HB 2927** by Frank Henderson, Crime Victims Compensation Board

Representative Light moved to introduce legislation concerning recodification of criminal statutes. The motion was seconded by Representative Campbell. Motion carried.

Hearing on HB 2850 - State health care benefits program, premium reduction for medicare-eligible persons.

Leah Robinson, Legislative Research Department, explained that **HB 2850** concerns state employees or state retirees who are Medicare-eligible and participants in the State's group health insurance plan. Currently, Medicare-eligible participants pay 100 percent of the premium. **HB 2850** would reduce this cost for state employees or retirees who are Medicare-eligible. The fiscal note on **HB 2850** is estimated at \$1.7 to \$2.3 million for FY 2005, plus possible federal penalties of approximately \$500,000 and \$700,000.

Chairman Neufeld recognized Representative Nancy Kirk, who presented testimony in support of **HB 2850** and a proposed amendment addressing the issue of avoiding federal penalties (Attachment 1). Representative Kirk stated that **HB 2850** would reduce the impact of premium increases on employees or retirees receiving a pension.

The Committee noted concern that the adoption of this legislation could result in a tax increase to other Kansas citizens who are not recipients of the state health care insurance.

The Chair recognized Andy Sanchez, Executive Director, Kansas Association of Public Employees (KAPE), who presented testimony in support of **HB 2850** including a work place economics report on all fifty states (Attachment 2).

The Committee indicated that it might be beneficial to state employees for the State to conduct a study of the possibility of giving retirees choices on pension, health care and other issues at the time of retirement.

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 18, 2004 in Room 514-S of the Capitol.

Chairman Neufeld recognized Keith Haxton, State Employees Association of Kansas, who presented testimony in support of **HB 2850** (Attachment 3).

Chairman Neufeld recognized Terry Bernatis, Department of Administration, who stated that the Department does not know at this time, what impact the implementation of the federal prescription drug law will have on the cost of health care premiums for Medicare-eligible employees or retirees.

The Chair closed the hearing on **HB 2850**.

Hearing on HB 2927 - Increasing percentage of fines, penalties and forfeitures credited to the crime victims compensation fund and the crime victims assistance fund.

J. G. Scott, Legislative Research Department, explained that **HB 2927** would increase by 1 percent, fines, penalties and forfeitures received from clerks of the district court and credited to the crime victims compensation fund and the crime victims assistance fund.

The Committee noted that **SB 552** is an identical bill to **HB 2927**, and has passed out of the Senate and is being referred to the Appropriations Committee.

The Chair recognized Frank Henderson, Executive Director, Crime Victims Compensation Board, who presented testimony in support of **HB 2927** (Attachment 4).

Responding to a question from the Committee regarding the VOCA grant funds, Mr. Henderson stated that the Board expects to receive about \$1 million in FY 2004; however, the amount for FY 2005 has not been determined. Mr. Henderson indicated that the 1 percent increase authorized by the proposed legislation, would generate approximately \$180,000 - \$190,000. Mr. Henderson stated that the Board needs approximately \$1 - \$1.2 million to bring funds back to the original funding level.

Chairman Neufeld closed the hearing on **HB 2927**.

Hearing on HB 2926 - Authorizing transfers between certain funds of the attorney general.

J. G. Scott, Legislative Research Department, explained that **HB 2926** gives the director of accounts and reports authority to transfer an amount certified by the attorney general not to exceed \$100,000 from the crime victims compensation fund to the crime victims assistance fund. There is no fiscal impact with this legislation.

The Committee noted that **SB 557** is the companion bill to **HB 2926**. The Chair indicated that action on **HB 2926** will be delayed until the Senate has acted on **SB 557**.

With no conferees on **HB 2926**, the Chair closed the hearing.

The meeting was adjourned at 9:55 a.m. The next meeting will be held at 9:00 a.m. on March 19, 2004.

Melvin Neufeld, Chairman