

Approved: March 20, 2012

(Date)

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Marc Rhoades at 9:15 AM on Monday, March 12, 2012 in Room 346-S of the Capitol.

All members were present

Committee staff present:

J.G. Scott, Chief Fiscal Analyst, Legislative Research Department
Dylan Dear, Senior Fiscal Analyst, Legislative Research Department
Michael Wales, Fiscal Analyst, Legislative Research Department
Jim Wilson, First Assistant, Office of Revisor of Statutes
Jill Wolters, Senior Assistant Revisor, Office of Revisor of Statutes
Nobuko Folmsbee, Senior Assistant Revisor, Office of Revisor of Statutes
Cindy O'Neal, Administrative Assistant
Kathy Holscher, Committee Assistant

Others in attendance:

See attached list.

Chairman Rhoades called the meeting to order and reviewed the agenda.

Representative McLeland made a motion to introduce legislation that would eliminate the \$4 fee for the vehicle modernization, the \$3 fee for VIPS/CAMA, and the \$8 photo fee fundThe motion was seconded by Representative Kelley. The motion carried.

Chairman Rhoades opened discussion **on Sub SB 294 – Appropriation for FY 2012, FY 2013, and FY 2014 for various state agencies**

Representative Crum made a substitute motion that no new patients will be admitted at Kansas Neurological Institute (KNI) in FY 2013. The motion was seconded by Representative Suellentrop.

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Representative Crum provided an overview of the motion to limit growth at Kansas Neurological Institution (KNI), and noted that going forward Parsons will be the primary setting for institutional care. He stated that he is not recommending the closure of KNI only further admittance to the institution. The trend is that individuals will be served in their communities resulting in a lower cost to the state and reducing the waiting lists.

Discussion followed by committee members regarding the individual needs and services available at KNI.

Representative Crum renewed the substitute motion. The motion carried.

Representative Peck made a substitute motion to delete \$22,101 from the Judicial Branch in FY 2013. The motion was seconded by Representative Pottorff.

It was noted that this motion would adjust the discrepancy between the Governor's Budget recommendation and the General Government Budget Report.

Representative Peck renewed the motion. The motion carried.

Representative Carlin made a substitute motion to insert language to add \$80,000 from the State Water Plan Fund to the Kansas Forest Service at the end of FY 2013 for the state water plan project. The motion was seconded by Representative Feuerborn.

Discussion followed by committee members regarding the motion.

Representative Carlin renewed the substitute motion. The motion failed.

Representative Ballard made a substitute motion to add \$50,000 in FY 2012 from the Attorney General Medicaid Fraud Protection Fund for the Court Appointed Special Advocates (CASA). The motion was seconded by Representative Pottorff. The motion carried.

Representative Crum made a substitute motion to prevent the transfer of \$22.6 million to the Bioscience Development and Investment Fund for FY 2012 and shift \$22,438 million to SGF and

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\$239,000 to the Department on Aging and Disability Services to fund the Autism Medicaid Waiver for review at Omnibus. The motion was seconded by Representative McLeland.

Representative Crum responded to questions from committee members. He stated that this motion would not impact on the Bioscience's ability to meet obligations, and he reviewed the commitments for FY 2011 through FY 2031.

Discussion followed by committee members regarding the Autism Medicaid Waiver. It was noted that the Budget Committee will meet today and additional information will be provided to members on the waiver. Committee members were invited to attend.

Representative Crum renewed the substitute motion. The motion carried.

Representative Carlin recommended that the Budget Committee Report includes a review of the funding for the Kansas Forest Service at Omnibus.

Representative DeGraaf made a substitute motion to delete 90% of vacant positions that have been opened for 120 days and that no funding would be provided for vacant positions through June FY 2012, excluding the Judicial and Legislative Branch. The motion was seconded by Representative Brown.

Discussion followed by committee members. It was noted that the Legislative Branch was recommended for exemption as committees may need to meet during the interim period. A 10% margin was included in the motion for operating expenditures.

Representative DeGraaf renewed the substitute motion. The motion carried.

Representative McLeland made a substitute motion for a reduction of \$4.5 million from KUSF for KanEd leaving them \$1.5million. The motion was seconded by Representative DeGraaf.

Representative McLeland provided an overview of the motion and responded to questions from committee members. He stated that there will be over \$3 million for KUSF to run the network next year, and KanEd will receive approximately \$2 million at the end of FY 2012. It was noted that a Ban Utilization Report was conducted during the interim period and the findings of this

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report was reviewed. Representative Henry requested a copy of the information contained in the post audit report.

Representative McLeland renewed the substitute motion. The motion carried.

Representative Schwartz made a substitute motion to add language to delete \$500,000 for the Department of Commerce for Project 17 grant from the State General Fund for further review at Omnibus. The motion was seconded by Representative Mast.

Discussion followed by committee members regarding the need for more information regarding the use of the funds and on-going funds for Southeast Kansas economic development.

Representative Schwartz renewed the substitute motion. The motion carried.

Representative Suellentrop made a substitute motion to delete 28.5 from the increased At-Risk and increased enrollment from SGF for FY 2012. The motion was seconded by Representative Crum.

Representative Suellentrop provided an overview of the motion (Attachment 1), and noted that this would retain the \$28.5 million in SGF and would not fund the At-Risk and increased enrollment for FY 2012.

J.G. Scott, Legislative Research Department, responded to questions from committee members. He stated that \$844,000 would be taken out of the ending cash balance as oppose to taking the money from the SGF.

Discussion followed by committee members. It was noted that there are 12 unencumbered funds that can be used for schools to fund At-Risk and increased enrollment for FY 2012.

Representative Suellentrop closed the motion. The motion carried.

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Representative Sullentrop made a motion to introduce legislation regarding repealing existing sections on the Bioscience Authority. The motion was seconded by Representative Kelley. The motion carried.

Chairman Rhoades stated that the committee meeting will reconvene today to continue discussion on the bill.

Discussion on the bill was closed.

The meeting adjourned at: 11:02 a.m.

Chairman Rhoades reconvened the meeting at 12:19 p.m., and opened discussion on House **Sub SB 294 – Appropriation for FY 212, FY 2013, and FY 2014 for various state agencies**

Representative McLeland made a substitute motion to revisit the SGF fee funding for Vehicle Modernization, Computer Modernization and Photo Fees, if the bill in the House does not pass. The motion was seconded by Representative DeGraaf.

Discussion followed by committee members. It was noted that if the bill does not pass, the funds would be transferred to SGF.

Representative McLeland renewed the substitute motion. The motion carried.

Representative Feuerborn requested that language contained in the Budget Committee Report reflects that funding for Para Professionals for the School for the Blind and the School for the Deaf will be reviewed at Omnibus.

Representative Brown requested the inclusion of language in the Budget Committee Report reflecting a review at Omnibus available SGF dollars for the Department on Aging.

Representative Lane made a substitute motion to add \$8.5 million towards the classified state employee pay plan in FY 2013 from funds from the Volunteer Retirement Incentive Program. The motion was seconded by Representative Feuerborn.

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Discussion followed by committee members regarding the pay plan and the savings of \$34.5 million that will be experienced from the Volunteer Retirement Incentive Program over a two year period. The market study conducted in FY 2008 and the Oversight Committee Recommendation was reviewed.

Representative Lane renewed the substitute motion. The motion failed.

Representative Kelley provided an overview of the organization Communities in Schools and provided an explanation of a substitute motion regarding expenditures to develop common core standards for schools (Attachment 2). She noted that a feasibility study would be recommended to the Legislative Post Audit committee for a cost analysis to implement common core standards in Kansas.

Representative Kelley made a substitute motion to approve the language inclusion in the bill. The motion was seconded by Representative Brown.

Discussion followed by committee members regarding audit costs, which would come from existing resources. Inaccuracies in the Legislative Post Audit Committee policy and procedures as mentioned in the motion were noted.

Jill Wolters, Office of the Revisor of Statutes, provided an explanation of the suggested language contained in the substitute motion. She noted that there is an opinion by the Attorney General in a proviso that a request cannot be made of the Legislative Post Audit to conduct an audit in an appropriations bill. If a Feasibility study is approved and the cost analysis is conducted then the money could be spent.

Jim Wilson, Office of the Revisor of Statutes, read a synopsis from the Attorney General Opinion that was issued in January, 2009.

Representative Kelley withdrew the substitute motion with the approval of the second to the motion.

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Representative Kelley made a substitute motion which would contain the language presented for inclusion in the bill that notes until an audit is conducted and upon committee review of an audit report. The motion was seconded by Representative Peck.

Discussion continued regarding the components involved with the development of common core standards including federal guidelines.

Chairman Rhoades closed discussion on the bill and stated that the committee will reconvene at 5:00 p.m. today.

The meeting adjourned at 1:25 p.m.

Chairman Rhoades called the meeting to order at 5:09 p.m.

Representative Kelley reviewed the amended language for the substitute motion (Attachment 3), and responded to questions from committee members. She noted that no additional money has been requested and that the motion states that no money shall be expended.

Representative Kelley renewed the substitute motion. The motion carried.

Representative Mast requested a statement from the Legislative Post Audit on the funding that would be needed for the common core standards implementation to be included in the Budget Committee Report.

Representative Suellentrop made a substitute motion that longevity bonuses would be self-funded by agencies as funded last year. The motion was seconded by Representative DeGraaf.

J.G. Scott, Legislative Research Department, responded to questions from committee members. He stated that the longevity pay, including the Governor's recommendation, was \$12 million from all funding sources and \$4.9 million from SGF. Approximately \$2.4 million has been taken out for the \$10 reduction in all funds and \$960,000 from SGF. The remaining dollars in all funds is approximately \$9.6 million and \$4 million in SGF. It was noted that agencies would have access to all funds, and that exceptions to SGF would be agencies with special revenue funds and longevity.

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Representative Suellentrop renewed the motion. The motion carried.

Representative Carlin made a substitute motion to add \$10 million for technical education. The motion was seconded by Representative Feuerborn.

Audrey Dunkel, Legislative Research Department, responded to questions from committee members. She provided an overview of the tier formula for funding technical education. Discussion followed by committee members regarding the motion for additional funding.

Representative Carlin renewed the motion. The motion failed.

J.G. Scott, Legislative Research Department, provided an overview of the Governor's Budget Amendment No. 3 (Attachment 4). This recommendation amends the FY 2013 budget recommendation for adjustments to expenditures and positions and represents \$3.8 million in all funds and funding for 5 FTE positions. This recommendation restores the Commission on Peace Officers Standards and Training as a separate agency with 7 FTE positions, adds \$1 million for a one-time enhancement for KanCare Education, and \$2.4 million in all funds for the KanCare Unified Billing. He responded to questions from committee members and noted that information from KanCare meetings held during the summer and fall will be provided to the committee, as requested.

Bobbi Mariana, Legislative Research Department, stated that additional meetings for members and providers state-wide will be planned in order to address concerns. Targeted and individualized communication and through open enrollment concept will be implemented in order to communicate what changes will be made in order to make provider choices in the program. Regarding the Unified Billing, she stated that that would be for contracted services to make changes for billing in a unified fashion.

Discussion followed by committee members. An overview of the procedures for the implementation of new Medicaid programs, the expedition of billing and efficiencies followed by Representative Crum.

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Kari Bruffett, Director of the Division of Health Care Finance, Kansas Department of Health and Environment, responded to questions from committee members regarding. She stated that the GBA #3 for KanCare Education and Unified Billing was the result of feedback from administration meetings held with stakeholders. The concerns included the need for a very robust campaign beyond what was currently budgeted, enhanced targeted communications and an update to the current Medicaid Management Information System. The procedure for processing claims would remain unchanged.

Representative DeGraaf made a motion to approve the restoration of the Kansas Commission on Peace Officers Standards and Training, and to review the funding request for KanCare Education and Unified Billing in the Governor's Budget Amendment #3 at Omnibus. The motion was seconded by Representative Brown. The motion carried.

Representative DeGraaf made a motion to approve House Sub SB 294 favorable for passage as amended and with technical amendments. The motion was seconded by Rep. Mast.

J.G. Scott, Legislative Research Department, responded to questions from committee members. He stated that approximately \$60.7 million from SGF and \$57 million from all funds has been reduced from the Governor's Budget Recommendation, and increased revenues of \$24 million would leave an ending balance of approximately \$490.8 million.

Discussion followed by committee members regarding a large ending balance projection in SGF.

Representative DeGraaf renewed the motion. The motion carried.

Chairman Rhoades reviewed the agenda for the next committee meeting.

The meeting adjourned at 5:59 p.m.

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