

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS

The meeting was called to order by Chair Melvin Neufeld at 9:00 a.m. on January 28, 2003, in Room 514-S of the Capitol.

All members were present except: Representative Larry Campbell - excused

Committee staff present: Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Julian Efird, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Audrey Nofle, Legislative Research Department
Amy Deckard, Legislative Research Department
Jim Wilson, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Sue Fowler, Committee Secretary

Conferees appearing before the committee: Barbara Hinton, Legislative Post Audit
Mark Tallman, Kansas Association of School Boards
Dr. Donald N. Muse, Muse and Associates

Others attending: See Attached

Dr. Donald Muse, Muse and Associates of Washington, D.C., presented information on medicaid cost containment studies (Attachment 1). Dr. Muse agreed to furnish the Committee with additional information on the number of prescriptions individuals are receiving in long-term care facilities in Kansas.

Hearing on SB 4 - Cash-Basis law; exemptions for certain expenditures by school districts

Carolyn Rampey, Legislative Research Department gave the staff review on **SB 4** which would amend the Cash-Basis Law by adding an exception for school districts. The passage of the bill would exempt school districts from the law's provisions when they experience a shortage of revenue due to late payments of general state aid. The exemption would be retroactive and apply to school year 2001-02 and every school year thereafter.

Mark Tallman, Assistant Executive Director of the Kansas Association of School Boards, presented testimony supporting **SB 4** (Attachment 2).

Representative Shultz moved to amend the bill by striking "2001-2002" and inserting "2002-2003" and by striking "Kansas register" and inserting "statute book." The motion was seconded by Representative Landwehr (Attachment 3).

Representative Feuerborn made a substitute motion to amend by inserting "school years 2002-2003, 2003-2004 and 2004-2005" and strike "all years thereafter" in the amendment. The motion was seconded by Representative Gatewood.

The Committee discussed at length the propriety of the amendment and the impact on school board budgeting when state aid is not received in a timely fashion. It was pointed out that school districts can issue no-fund warrants but may not iddue certificates of indebtedness.

The Chair requested the school districts and those involved with the education budget provide additional input before a final decision on the bill would be made in Committee.

The Chair announced the **SB 4** is being tabled.

Hearing on SB 6: Racing and gaming commission; elimination annual financial-compliance audit requirement

J.G. Scott, Chief Fiscal Analyst, Legislative Research Department, presented an overview of the bill and

explained the request for the elimination of the audit due to the fact that only two minor discrepancies had

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on January 28, 2003, in Room 514

been discovered since the auditing requirement was established.

Barb Hinton, Legislative Post Audit, appeared before the Committee and presented testimony supporting **SB 6** (Attachment 4). She recommended passage of the bill which would eliminate what has been determined to be an unnecessary audit for the Kansas Racing and Gaming Commission. All casinos and race tracks within the state conduct their own audits and present the results to the Commission on an annual basis. Mrs. Hinton distributed copies of her response to the Committee questions of January 22, 2003 (Attachment 5).

In response to Committee questions, Julian Efird, Legislative Research Department, explained that the five appointed Commissioners currently receive a stipend of \$2,000 per month for the two-day meetings they schedule monthly. Attendance is not required. The appointing Governor sets the rate of pay.

Representative Shriver moved that the bill be reported favorably. Motion was seconded by Representative Bethell.

Representative Shultz made a substitute motion to amend the bill to set the pay rate of the Racing and Gaming Commissioners at the same rate of per diem compensation paid the legislators. Motion was seconded by Representative Light (Attachment 6).

The Committee discussed the propriety of changing policy without holding public hearings or having input from the agency. The option of changing the policy for a one-year period via an appropriations bill proviso was also discussed. This would eliminate the changing of statute whenever a Governor chose to change the pay rate of appointed Commissioners. Budget Chairs were requested to carefully examine the per diem compensation of the governing bodies of all fee agencies.

Representative Shultz renewed his motion to amend the bill. Motion failed.

Representative Shriver renewed his motion to report the bill favorably. Motion carried.

Legislative Research distributed the House Budget Committee Deadlines (Attachment 7) and the Senate Budget Committee Deadlines (Attachment 8).

The meeting was adjourned at 10:40 a.m. The next meeting is scheduled for January 29, 2003.

Melvin Neufeld, Chair

