

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on March 21, 2007, in Room 514-S of the Capitol.

All members were present except:  
Representative Kevin Yoder - excused

Committee staff present:  
J. G. Scott, Legislative Research Department  
Reagan Cussimano, Legislative Research Department  
Amy Deckard, Legislative Research Department  
Audrey Dunkel, Legislative Research Department  
Aaron Klaassen, Legislative Research Department  
Amy VanHouse, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Nikki Feuerborn, Chief of Staff  
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:  
Kyle Smith, Kansas Bureau of Investigation  
Chad Ullom, Kansas Pharmacy Coalition  
Chip Wheelen, Kansas Association of Osteopathic Medicine  
Tim Madden, Department of Corrections  
Robin Kempf, Interim General Counsel, Board of Regents  
Sheila Frahm, Executive Director, Kansas Association of Community Colleges  
George Fahnestock, Chairman, Kansas Technical College and Vocational School Commission  
Joe Glassman, Commissioner, Hays Vo-Tech School  
Dr. Ed Berger, President, Hutchinson Community College  
Ken Clouse, President, Northwest Technical College  
Representative Pat George  
Sheila Frahm, Executive Director, Kansas Association of Community Colleges

Others attending:  
See attached list.

- Attachment 1 Testimony in support of **SB 302** by Kyle Smith
- Attachment 2 Written testimony in support of **SB 302** by Jerry Slaughter, Kansas Medical Society
- Attachment 3 Testimony in support of **SB 165** by Roger Werholtz, Secretary, Department of Corrections
- Attachment 4 Testimony in support of **SB 21** by Robin Kempf
- Attachment 5 Presentation by George Fahnestock on New Funding Formula for Technical Education
- Attachment 6 Testimony by Dr. Berger on New Funding Formula
- Attachment 7 Testimony by Ken Clouse on New Funding Formula
- Attachment 8 Written testimony from Board of Directors, Manhattan Area Technical College on New Funding Formula
- Attachment 9 Testimony in support of **HB 2589** by Representative Pat George
- Attachment 10 Testimony in support of **HB 2589** by Sheila Frahm

Representative Bethell moved to introduce legislation concerning the Kansas Health Policy Authority plan. The motion was seconded by Representative Pottorff. Motion carried.

**Hearing on SB 302 - Electronic purchase task force; controlled substances.**

Amy VanHouse, Legislative Research Department, explained that **SB 302** would establish an 11-member Controlled Substances Monitoring Task Force to develop a plan for the creation and implementation of a controlled substances prescription monitoring program and an electronic purchase log. The electronic purchase log would be required to have the capability of, in real-time,

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checking compliance with all state, federal and local laws concerning the sale of ephedrine and pseudoephedrine. The bill states that it is not the intent of the prescription monitoring program to discourage or interfere with the prescribing of controlled substances by physicians and other practitioners for legitimate medical purposes. There would be no fiscal impact.

Chair Schwartz recognized Kyle Smith, Deputy Director, Kansas Bureau of Investigation (KBI), who presented testimony in support of **SB 302** (Attachment 1). Mr. Smith stated that pharmaceuticals are a growing area of drug abuse across the State. Kansas is working with surrounding states to develop a central database that will maintain a log of prescription drugs as they are dispersed. The database will allow pharmacies to verify when and how often prescriptions are filled. Mr. Smith noted that federal grant funds are available to assist with the program. It is assumed that the Board of Pharmacy will control the database.

Possible amendments suggested by the Committee included:

- Limit on number of times a prescription can be refilled.
- Request a progress report from the Task Force to the 2008 Legislature.

The Chair recognized Chad Ullom, Kansas Pharmacy Coalition, who spoke in support of **SB 302**.

Chair Schwartz recognized Chip Wheelen, Kansas Association of Osteopathic Medicine, who urged the Committee to pass **SB 302**. Mr. Wheelen stated that the creation of the task force will improve the balance necessary to assist physicians in providing medical care to their patients as well as assisting law enforcement in their efforts to prevent diversion of prescription medications.

Written testimony in support of **SB 302** from Jerry Slaughter, Kansas Medical Society, was distributed to the Committee (Attachment 2).

There were no opponents to appear before the Committee.

**The hearing on SB 302 was closed.**

**Hearing on SB 165 - Increasing the limit of settlement authority of the secretary of corrections from \$500 to \$2,500.**

Reagan Cussimano, Legislative Research Department, explained that **SB 165** would amend existing law relating to the \$500 limitation on claims to be paid by the Secretary of Corrections. The bill would increase the claim settlement authority of the Secretary of Corrections to \$2,500 for personal injury or personal property damage resulting from the negligence on the part of the state or any agency, officer, or employee thereof. The fiscal note indicates that passage of the bill would have little or no fiscal effect on the Department of Corrections.

Chairman Schwartz recognized Tim Madden, Department of Corrections (KDOC), who appeared on behalf of Roger Werholtz, Secretary of KDOC, and provided testimony in support of **SB 165** (Attachment 3). Mr. Madden noted that the legislation is consistent with the current amount authorized for the University of Kansas Medical Center and the Kansas Highway Patrol. The legislation would allow the Department of Corrections to make a firm offer and could save on legal costs. Mr. Madden stated that inmates are not covered by workers compensation because they are not employees of the State.

The Committee suggested that a clause be added to the legislation requesting that a report be submitted to the Legislature on the number of claims settled under \$2,500.

**The hearing on SB 165 was closed.**

**Hearing on SB 21 - State educational institutions; enhancement of leave benefits of certain employees thereof.**

Audrey Dunkel, Legislative Research Department, explained that the bill has three parts:

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- The bill would reconcile the statute with the provisions of 2006 **SB 375** which gave state universities the ability to increase annual leave for their classified staff to the level of their unclassified staff, with the approval by the Board of Regents. However, if a state university has converted its classified staff to university support staff, it would be limited to making changes to only compensation. The bill would amend the statutes to allow changes to annual leave levels for university support staff.
- The bill would amend current law to allow universities to convert a portion of their classified staff to university support staff, if a majority of those affected by the conversion approve.
- The bill would make technical corrections to the language of the bill regarding definitions for the board and for institutions covered by the legislation, including state educational institutions as defined by KSA 76-711 and the University of Kansas Medical Center.

The Chair recognized Robin Kempf, Interim General Counsel, Board of Regents, who presented testimony in support of **SB 21** ([Attachment 4](#)). Ms. Kempf noted that the legislation is primarily a clean-up measure of current statutes directed at the universities' classified staff. The legislation would allow the universities to provide non-monetary benefits to their support staff.

Concerns from the Committee included:

- Note problems with allowing employees to have access to the securities of a classified position; however, also having the additional benefits of an unclassified position.
- Disparity between benefits for classified and unclassified.

There were no opponents to appear before the Committee.

### **The hearing on SB 21 was closed.**

Chair Schwartz recognized George Fahnestock, Chairman, Kansas Technical College and Vocational School Commission, who presented testimony on the New Funding Formula for Technical Education ([Attachment 5](#)). Mr. Fahnestock stated the Commission was created by the 2006 Legislature to study the mission, governance and funding of the Kansas technical colleges and vocational education schools. The Commission's goal was to determine "What's right?"; "What's wrong?" and "What's needed?". Mr. Fahnestock noted that the community colleges provide a significant portion of postsecondary technical education. In addition, it was noted that technical education is expensive to provide and that costs vary considerably from one program to another.

Mr. Fahnestock stated that it is important to focus technical education toward the needs of industry and business within the State, indicating that a new approach is necessary. The strengthening of technical education benefits students in giving accessibility, affordable education opportunities in respond to the needs of the State of Kansas by producing a skilled workforce. **HB 2556** is the by-product of the Commission work and sets up the Technical Education Authority to respond to the needs of technical education. The Commission is recommending a one-year investment of \$38.5 - \$41.5 million. This funding is expected to come from a combination of grants, block grants, federal grants, tuition, capital outlay, local taxing authority and state funds.

In answer to questions from the Committee, Mr. Fahnestock responded:

- The plan, as put forth by the Task Force, can be in place with 2007 if funding is forthcoming.
- Matching funds would be in addition to the request for \$42 million.
- Community colleges have current expenditures of \$72.6 with approximately 45 percent spent on technical education.
- \$790,000 funding needed for the creation of the Technical Education Authority.

The Kansas Technical College and Vocational School Commission Final Report to the 2007 Kansas Legislature" was distributed to the Committee. ([Copy available through the Kansas Legislature Research Department.](#))

The Chair recognized Joe Glassman, Commissioner of Hays Vo-Tech School, who presented testimony in support of the New Funding Formula for Technical Education. Mr. Glassman stated that state funding is crucial to the improvement of technical education.

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Chair Schwartz recognized Dr. Ed Berger, President, Hutchinson Community College, who presented testimony in support of funding for technical education ([Attachment 6](#)).

Chair Schwartz recognized Ken Clouse, who testified in support of the Technical Education Commission's recommendation for new funding for technical education ([Attachment 7](#)).

Written testimony from the Manhattan Area Technical College Board of Directors was distributed to the Committee ([Attachment 8](#)).

### **Hearing on HB 2589 - Postsecondary aid for vocational education.**

Representative Pat George explained that **HB 2589** is an effort to correct the disparity and provide equal funding for technical schools, technical colleges, merged community colleges with technical schools and combined community colleges with area vo-technical schools within the State of Kansas ([Attachment 9](#)).

Chair Schwartz recognized Sheila Frahm, who provided supporting information for the passage of **HB 2589** to correct the disparities in funding for vocational education. Also included is a copy of testimony from the Board of Regents as presented to the Senate Task Force on Higher Education ([Attachment 10](#)).

### **The hearing on HB 2589 was closed.**

The meeting was adjourned at 11:00 a.m. The next meeting will be held at 9:00 a.m. on March 22, 2007.

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Sharon Schwartz, Chair