

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on March 24, 2008, in Room 514-S of the Capitol.

All members were present except:

Representative Tom Sawyer- excused
Representative Kay Wolf- excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Reed Holwegner, Legislative Research Department
Cody Gorges, Legislative Research Department
Aaron Klaassen, Legislative Research Department
Nobuko Folmsbee, Revisor of Statutes
Nikki Feuerborn, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Aaron Dunkel, Department of Health and Environment
Representative Jeff King
Representative Jeff Whitham
Jeffrey D. Morris, City Manager, Coffeyville
Paul A. Sasse, City Manager, Independence

Others attending:

See attached list.

- Attachment 1 Requested Information on **HB 2890**
- Attachment 2 Fiscal Note on **HB 2976**
- Attachment 3 Technical Corrections to **HB 2976**
- Attachment 4 Testimony on **HB 2976** by Aaron Dunkel
- Attachment 5 Fiscal Note on **HB 2979**
- Attachment 6 Testimony on **HB 2979** by Representative King
- Attachment 7 Testimony on **HB 2979** by Jeffrey Morris
- Attachment 8 Testimony on **HB 2979** by Paul Sasse
- Attachment 9 Budget Committee Report on **HB 2671** and **SB 309**
- Attachment 10 Amendment to **HB 2671**

Introduction of Legislation

Representative Tapanelli made a motion to introduce legislation concerning closure of state facilities. The motion was seconded by Representative Bethell. Motion carried.

Response for Information on **HB 2890**

Information from Jim Conant, Director of Resource Management, Department of Revenue, concerning Committee questions with regard to **HB 2890** was received and distributed to the Committee (Attachment 1).

Hearing on **HB 2976**

Hearing on HB 2976 - Department of health and environment; establishing certain funds.

The fiscal note on **HB 2976** was distributed to the Committee (Attachment 2).

Nobuko Folmsbee, Revisor of Statutes, explained that **HB 2976** incorporates several provisos that have been authorized through the appropriations bill in previous sessions and authorized the fee

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 24, 2008, in Room 514-S of the Capitol.

funds in statute. The bill addresses fee funds of the Department of Health and Environment-Health, specifically the Training Fee Fund, Nuclear Safety Emergency Preparedness Special Revenue Fund and Driving Under the Influence Equipment Fee Fund. Ms. Folmsbee noted that several technical corrections are needed (Attachment 3).

Aaron Dunkel, Deputy Secretary, Department of Health and Environment, presented testimony in support of **HB 2976** (Attachment 4). Responding to a question from the Committee regarding balance in each fee fund, Mr. Dunkel provided the following information:

- Driving Under the Influence Equipment Fee Fund - approximately \$600,000. Currently, new toxilizers are being purchased for use across the State and would leave a balance, when completed, below \$100,000.
 - Nuclear Safety Emergency Preparedness Special Revenue Fund - below \$100,000.
 - Training Fee Fund - less than \$50,000.
- ◆ The Committee requested information on the history of the fee funds, how long addressed by provisos and who sets priorities with regard to the Nuclear Safety Emergency Preparedness Special Revenue Fund.

There were no other proponents or opponents to appear before the Committee.

The hearing on **HB 2976** was closed.

Hearing on **HB 2979**

Hearing on **HB 2979** - Kansas housing loan deposit program.

The fiscal note on **HB 2979** was distributed to the Committee (Attachment 5).

Representative Jeff King presented testimony in support of **HB 2979** (Attachment 6). Representative King stated that this legislation addresses a lack of affordable housing for a viable workforce within the state. The legislation would authorize \$60 million in low-interest loans through participating banks to certain developers of workforce housing. Developers must build houses that initially sell at or below 450 percent of the Kansas median household income for the previous year (currently about \$145,000). The state would support these loans by authorizing the Pooled Money investment Board (PMIB) to deposit money from the state's idle investment funds with an eligible bank at 2 percent below the PMIB market interest rates. The state would be responsible for the 2 percent difference.

Responding to questions from the Committee, Representative King stated that the bank would assume 100 percent of the risk factor associated with the loans. The legislation would be effective for a period of 5 years, the same term as the Agricultural Production Loan Deposit Program over which **HB 2979** is modeled. The legislation is directed at developers and builders; however, does not have provisions to mandate the passage of the savings on to the home buyer. Representative King stated that the loans would be available across the state.

Representative Jeff Whitham provided support for **HB 2979** providing an incentive for growth by providing affordable housing for a workforce in the Southeast part of the state, where many Kansas workers live across the border in Oklahoma where affordable housing is more readily available.

Jeffrey D. Morris, City Manager, City of Coffeyville, presented support for **HB 2979** (Attachment 7). Responding to a question from the Committee, Mr. Morris indicated that the housing issue was present before the 2007 flood; however, has been compounded by the effects of the flood.

Paul Sasse, Office of the City Manager, Independence, provided support for **HB 2979** (Attachment 8). Mr. Sasse noted that the legislation could reduce the cost of a home by \$3,500 - \$4,000.

There were no other proponents or opponents to appear before the Committee.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 24, 2008, in Room 514-S of the Capitol.

The hearing on **HB 2979** was closed.

Budget Committee Report on HB 2671 and SB 309

Discussion and Action on HB 2671 - Board of nursing to oversee nurse and medication and SB 309 - Sub for S 309 by Committee on Health Care Strategies--Health care for Kansans, study to develop health care finance reform options and legislation.

Representative Bethell, Chair of the Social Services Budget Committee, presented the Budget Committee recommendation on **HB 2671** to remove the original contents of **SB 309** and insert all language from **HB 2671** as amended into **House Substitute for SB 309** and moved for the adoption of the Budget Committee recommendation (Attachment 9). The motion was seconded by Representative Kelsey.

Representative Bethell made a substitute motion to amend proposed **House Substitute for SB 309** by inserting language to include paid nutrition assistants (Attachment 10). The motion was seconded by Representative Kelsey. Motion carried.

Representative Bethell renewed the motion to adopt the Budget Committee report on **HB 2671** into **House Substitute for SB 309** as amended. The motion was seconded by Representative Kelsey. Motion carried.

Representative Bethell made a motion to recommend **House Substitute for SB 309** as amended favorably for passage. The motion was seconded by Representative Kelsey. Motion carried.

Adjournment

The meeting was adjourned at 10:20 a.m. The next meeting of the Committee will be held at 9:00 a.m. on March 25, 2008.

Sharon Schwartz, Chair