

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on February 2, 2005, in Room 514-S of the Capitol.

All members were present except:

Representative Light- excused

Committee staff present:

Alan Conroy, Legislative Research Department
 J. G. Scott, Legislative Research Department
 Amy VanHouse, Legislative Research Department
 Reagan Cussimano, Legislative Research Department
 Audrey Dunkel, Legislative Research Department
 Jim Wilson, Revisor of Statutes
 Mike Corrigan, Revisor of Statutes
 Nikki Feuerborn, Administrative Analyst
 Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Dr. Gary Daniels, Acting Secretary, Department of Social and Rehabilitation Services (SRS)

Others attending:

See attached list.

- Attachment 1 Testimony on **Executive Reorganization Order 33 (ERO 33)**, Dr. Gary Daniels, Acting Secretary, SRS
- Attachment 2 Legal overview of **ERO 33**, Jim Wilson, Revisor of Statutes
- Attachment 3 Summary of **ERO 33**, Audrey Dunkel, Legislative Research Department
- Attachment 4 Current organizational chart relating to **ERO 33**
- Attachment 5 Organizational chart on the reorganization as established by **ERO 33**
- Attachment 6 Chart distributed by the Governor's office during testimony before the Senate on **ERO 33**

Representative Bethell moved to introduce legislation pertaining to the Developmental Disability Reform Act regarding separation of community developmental disability organizations (CDDO's). The motion was seconded by Representative Landwehr. Motion carried.

Representative Bethell moved to introduce legislation pertaining to meningitis - requiring vaccination or signed waivers at colleges and universities. The motion was seconded by Representative Sawyer. Motion carried.

Representative Sharp moved to introduce legislation to reform the guardianship law. The motion was seconded by Representative Landwehr. Motion carried.

Representative Sharp moved to introduce legislation concerning protection of Kansans with disabilities. The motion was seconded by Representative Landwehr. Motion carried.

Representative Sharp moved to introduce legislation concerning special education accountability. The motion was seconded by Representative Landwehr. Motion carried.

Representative Landwehr moved to introduce legislation concerning the retirement and pensions relating to Kansas Public Employees Retirement System (KPERs) with regard to county detention officers. The motion was seconded by Representative Bethell. Motion carried.

HB 2192, HB 2193 and HB 2196 are referred to the Social Services Budget Committee.

HB 2194 and HB 2228 are referred to the General Government and Commerce Budget Committee.

HB 2226 is referred to Agriculture and Natural Resources Budget Committee.

HB 2227 is referred to Public Safety Budget Committee.

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Chair Neufeld announced on Tuesday, February 1, 2005, his office received a required report from the Kansas Fire and Training Institute. The report is on file in his office for anyone to review.

Chair Neufeld appointed a sub-committee to review issues concerning the Kansas Public Employees Retirement System (KPERs). Members appointed were: Representative Neufeld, Representative McCreary, Representative Landwehr, Representative Schwartz, Representative Weber, Representative Feuerborn and Representative Gatewood.

Chair Neufeld recognized Dr. Gary Daniels, Acting Secretary, Department of Social and Rehabilitation Services (SRS), who presented testimony on the effects of **Executive Reorganization Order 33 (ERO 33)** (Attachment 1). Responding to questions from the Committee, Dr. Daniels indicated that the Department of Health Policy would probably be housed on the ninth floor of the Landon Building and that there should be a neutral budget effect concerning the transfer of duties. Responding to a question regarding the testimony pertaining to "real health care reform," Dr. Daniels stated that he preferred to delay an answer until Robert Day from the Governor's office could testify before the Committee. Because some providers are concerned about reduction of services as a result of the proposed consolidation, the Committee expressed concern and questioned whether health care reform and containment of costs have actually resulted in a reduction of services. Dr. Daniels stated that he would research these statements and report back to the Committee. Without more complete information, the Committee expressed concern with the creation of a new agency when information has not been supplied as to how it is to be proposed to improve services in the state of Kansas.

Responding to other questions from the Committee with regards to the past restructuring and consolidation within SRS, Dr. Daniels indicated that changes in the future will be less disruptive to the communities involved, noting also that SRS will continue to work in the different communities to improve service. SRS has 108 access points across the state where citizens can obtain service, including telephone numbers and a hot-line telephone number. Dr. Daniels stated that some of the present dissatisfaction comes from staff who have been displaced, case loads which are higher than in the past and from a need for staff to assume new responsibilities.

With regard to the closing of the SRS office in Anthony and a question from the Committee questioning the decline in the number of applications filed since that closing, Dr. Daniels stated that he would research data from Anthony and the Harper County area and report back to the Committee. Dr. Daniels also stated that he would provide information to the Committee on the \$8.2 million designated for capital improvements in the Governor's FY 2006 proposed budget recommendations for the proposed Department of Human Services.

Jim Wilson, First Assistant, Revisor of Statutes, provided information on the constitutional background, House rules and procedures pertaining to **ERO 33** (Attachment 2).

Audrey Dunkel, Legislative Research Department, provided a summary of components contained in **ERO 33** (Attachment 3); current organizational chart relating to **ERO 33** (Attachment 4); organizational chart on the reorganization as established by **ERO 33** (Attachment 5); and a chart distributed by the Governor's office during testimony before the Senate on **ERO 33** (Attachment 6). Responding to questions from the Committee, Ms. Dunkel stated that the healthcare database is not in the language of **ERO 33**; noting that the **ERO** is broad and would allow the director to pull in other agencies to handle certain aspects of the reorganization. The Committee questioned whether **ERO 33** would give the new agency control over local or non-governmental healthcare facilities. Responding to a question regarding intake and assessment, Ms. Dunkel stated that this information is not available at this time as the details have not been worked out.

During discussion, the Committee expressed considerable concern about not being able to obtain detailed information on the pertinent aspects of the reorganization; the time frame proposed in **ERO 33** for action by the Legislature on the reorganization order; and the inability to make arrangements for the appropriate parties to testify before the Committee in order to have discussion and action by the Committee before the deadline as stated in the legislation. Because of the massive changes to the healthcare system, the Committee felt it is important for the Legislature to be aware of all components and changes to the state's healthcare system.

The Chair asked if anyone in the gallery wished to address the Committee. Andy Sanchez, Kansas Association

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of Public Employees, expressed a concern with language in **ERO 33** pertaining to all new hires being hired as “unclassified employees” which does not afford them the same rights as a “classified employee.”

Representative Neufeld moved to introduce a resolution for disapproval of **Executive Reorganization Order 33 (ERO 33)**. The motion was seconded by Representative Bethell. Motion carried.

In response to questions, Chair Neufeld stated that the motion is for the purpose of having the resolution introduced and referred back to the Committee and not as a report of the recommendation of the Committee.

Representative Feuerborn moved to introduce a resolution for approval of **Executive Reorganization Order 33**. The motion was seconded by Representative Neufeld. Motion carried.

The meeting was adjourned at 10:30 a.m. The next meeting will be held at 9:00 a.m. on February 3, 2005, with continued discussion on **ERO 33**.

Melvin Neufeld, Chair