

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:08 a.m. on January 27, 2009, in Room 143-N of the Capitol.

All members were present except.

Kasha Kelley - excused

Committee staff present:

Christina Butler, Legislative Research Department  
Audrey Dunkel, Legislative Research Department  
Nobuko Folmsbee, Office of the Revisor of Statutes  
Jim Wilson, Office of the Revisor of Statutes  
Kelly Cure, Chief of Staff  
Kathy Holscher, Committee Assistant

Conferees appearing before the committee:

Ami Hyten, Topeka Independent Living, Opponent  
Shannon Jones, State-Wide Independent Living Council of Kansas, Proponent  
Tom Laing, InterHab, Opponent  
Chip Wheelan, Health Care Stabilization Fund, Opponent

Others attending:

See attached list.

- Attachment 1 Statewide Independent Living Council of Kansas Testimony
- Attachment 2 Independent Living Resource Center Testimony
- Attachment 3 InterHab FY 2009 and FY 2010 Budget Considerations
- Attachment 4 Kansas Developmental Disability Update
- Attachment 5 Health Care Stabilization Fund Oversight Committee Report
- Attachment 6 Kansas Department of Transportation Governor's Budget Recommendations FY 2009
- Attachment 7 Junction City Testimony
- Attachment 8 Junction City Kansas Department of Transportation Projects

**Representative Feuerborn moved to introduce legislation regarding the Kansas Turnpike Authority and transfer of power and duties. The motion was seconded by Representative Gatewood. Motion carried.**

**Representative McLeland moved to introduce legislation allowing restaurants to store wine for customers. The motion was seconded by Representative Watkins. Motion carried.**

**Representative Watkins moved to introduce legislation regarding construction management. The motion was seconded by Representative Whitham. Motion carried.**

**HB 2022 - Supplemental appropriations for FY 2009 for various state agencies.**

Shannon Jones, Executive Director of Statewide Independent Living Council of Kansas (SILCK), presented an agency overview and discussed the impact of proposed budget reductions for FY 2009 (Attachment 1). Maintaining the \$8.4 million in the Governor's proposed budget will minimize disruption for persons with disabilities, will serve as an alternative for expensive institutional care and provide income for workers. An additional \$3 million would be needed in order to lift the freeze for individuals on waiting lists.

Shannon Jones responded to questions from Committee members as related to waivers and individuals on waiting lists. The trend since 2006 shows approximately 400 - 500 people per year have been placed on waiting lists for services, and to date 7,000 people are using SILCK services. Revised budget recommendations would reduce services to 5,500 individuals.

## CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:00a.m. on January 27, 2009, in Room 143-N of the Capitol.

Ami Hyten, Assistant Executive Director, Topeka Living Resource Center, presented an agency overview and discussed the effects of proposed budget reductions (Attachment 2). The state receives matching federal dollars, which would be at risk. The impact of the proposed federal stimulus package on the Kansas economy and Federal Medicaid matching payments was reviewed.

Tom Laing, Executive Director, InterHab, presented recommendations on the FY 2009 and FY 2010 budget (Attachment 3). For each \$1 cut from the state's portion, an additional \$1.50 in federal matching support will be lost. A review of the Kansas Developmental Disability Update followed (Attachment 4). Concerns for placing people at risk and the curtailing services was expressed with the proposed budget cuts. Rolling back tax cuts, exemptions and credits, or increasing tax rates was suggested as having the least impact on the people most vulnerable.

Tom Laing responded to questions from Committee members regarding increased funding, program costs, and dollars passed on to workers in the form of wages and benefits.

- Information Requested

- Fact sheet showing advertising costs, staff salaries, and wages to lobbyists

Chip Wheelan, Executive Director, Health Care Stabilization Fund Oversight Report, provided a program overview and discussed concerns with the provisions of the budget (Attachment 5). Mr. Wheelan stated opposition to the provisions of subsection (a) (2) and subsection (b) of section 88, **HB 2022** noting substantial differences from what was presented in the Governor's report compared to the information received in November, 2008. These provisions would interfere with the mechanisms for self insurance of residents in training, the faculty at the University of Kansas Medical Center and their affiliates. The Governor's recommendations would result in a transfer of over \$250,000 to the SGF. In accordance with K.S.A. 40-340, the Health Care Stabilization Fund shall be held in trust in the state treasury and accounted for separately from other state funds. An amendment to section 33 of the bill was reviewed.

Chip Wheelan responded to questions from Committee members in regards to how the Senate handled this portion of the Governor's budget. The Senate Bill **Sub SB 23** would limit the amount of transfers to \$2.8 million in order to reimburse claims. A copy of the Attorney General Opinion No. 2002-45 and the Report to the Health Care Stabilization Fund Oversight Committee is available for review by contacting the Committee Assistant.

### **Agency Review of the FY 2009 Governor's Revised Budget Recommendations**

Deb Miller, Secretary of Department of Transportation, presented an agency overview and discussed the impact of the proposed budget reductions (Attachment 6). Since 1999, there have been enormous changes in the revenue stream for the transportation program. Natural disasters, cash flow issues and escalating prices for material required adjusting project schedules. Potential loss estimates for FY 2009 are \$54 million and \$201 million for FY 2010. We are proceeding with the K-61 and US -169 projects that were suspended. Agency operations have been reduced by 3% in accordance with the Governor's budget recommendation. The economic stimulus package could result in approximately \$317 million for highway funds in Kansas.

Deb Miller responded to questions from Committee members regarding stimulus funds, routine maintenance of city, county and state roadways. The Homeland Security fund is administered through the Highway Patrol and grants from Homeland Security. Tower and communications work are administered through Kansas Department of Transportation. Discussion on the \$3.9 million loan repayment and the impact on the McPherson project followed. The department has tried to balance the needs of the system and keep the commitment to the project. To date, no funds have been received for FY 2009 and none are expected until June 30. An explanation of highway bonding funds was provided. In FY 1989, \$890 million in bonds were authorized. To date \$415 million in principle remain and will be paid off in FY 2014. An authorization of bonds to the Comprehensive Transportation Program (CTP) was issued at the onset of the recession in FY 2002 and is estimated to be paid out in FY 2025. Allocation of stimulus funds for railroads and funds for airport improvement programs was discussed. Present value savings, refinancing debt and the long term savings as it relates to the debt policy criteria was explained. Federal highway dollars require a 20 percent match.

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Rod Barnes, City manager, Junction City, Kansas, spoke in support of the Kansas Department of Transportation (Attachment 7) and (Attachment 8). This area has experienced population growth in the past three years, due to the relocation and development of bioscience companies. Through a partnership with KDOT, innovative solutions to meet the challenges of addressing highway improvements and safety solutions have been developed. To continue economic prosperity we must invest in our transportation infrastructure system. Distribution centers and other manufacturing firms must have sound highways to move product across the state. The need to ensure safe intersections, minimize traffic congestion on highways and the opportunity to stimulate growth in the economy by creating construction jobs was emphasized.

Chairman Yoder stated that handouts on HB - 2022 will be distributed at the Appropriations Committee meeting scheduled for tomorrow.

The next meeting is scheduled for January 28, 2009.

The meeting was adjourned at 10:42 a.m.

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Kevin Yoder, Chairman