

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chair Melvin Neufeld at 9:00 a.m. on March 20, 2003, in Room 514-S of the Capitol.

All members were present.

Committee staff present:

J. G. Scott, Legislative Research Department
 Melissa Calderwood, Legislative Research
 Julian Efird, Legislative Research
 Amy VanHouse, Legislative Research
 Robert Waller, Legislative Research
 Leah Robinson, Legislative Research
 Amy Deckard, Legislative Research
 Debra Hollon, Legislative Research
 Audrey Nogle, Legislative Research
 Paul West, Legislative Research
 Nicoletta Buonasera, Legislative Research
 Martha Dorsey, Legislative Research
 Becky Krahl, Legislative Research
 Carolyn Rampey, Legislative Research
 Jim Wilson, Revisor of Statutes
 Mike Corrigan, Revisor of Statutes
 Nikki Feuerborn, Administrative Analyst
 Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached

- Attachment 1 Comparison of FY 2003-FY 2004 Recommended Expenditures
 Governor's Recommendation and House Recommendation
 House Adjustments to the Governor's Recommendation, FY 2003/2004
 Governor's Recommendation and Senate Recommendation
 Senate Adjustments to the Governor's Recommendation, FY 2003/2004
- Attachment 2 Children's Initiatives Fund, FY 2003 & FY 2004
- Attachment 3 Proviso preventing Kansas University Medical Center from transferring control of the Landon Center on Aging to the Department of Neurology
- Attachment 4 Proviso preventing expenditures from the Department of Health and Environment to issue permit for any landfill within five miles of any surface water in Kansas
- Attachment 5 Proviso moving \$32,906 from the Attorney General's budget to the Kansas Bureau of Investigation's budget.
- Attachment 6 Proviso concerning "Dispense as Written"
- Attachment 7 Memo from SRS opposing the "Dispense as Written" Proviso
- Attachment 8 FY 2003/2004 Economic Development Initiatives Fund
- Attachment 9 Amendment to HB 2444, Adding \$300,000 to KDHE budget
- Attachment 10 Proviso prohibiting KDHE from expending money for licensure requirements for after-school programs for FY 2003 and FY 2004.
- Attachment 11 Proviso allowing hospitality expenditures for the Children's Cabinet Fund
- Attachment 12 Proviso concerning Kansas, Inc.
- Attachment 13 Amendment concerning expenditures of the Department of Commerce and Housing
- Attachment 14 Proviso concerning the appropriation of moneys in the Interstate Water Litigation Fund
- Attachment 15 Amendment concerning the Horse Fair Racing Benefit Fund
- Attachment 16 Proviso concerning the Hospital Closure of the Department of Social and Rehabilitation Services

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- Attachment 17 Proviso directing the Secretary of Aging to implement a base-year model of reimbursement for nursing facilities

MORNING SESSION

9:00 A.M.

Representative Clark Shultz moved that the Committee introduce legislation to change the date of final state payment to school districts to the first July. The motion was seconded by Representative McLeland. Motion carried.

The Chair recognized J. G. Scott, Legislative Research Department, to give the Committee an update on any budget progress made by the House, as well as progress from the Senate, compared to the Governor's recommendations, as well as House Adjustments to the Governor's Recommendation for FY 2003 and FY 2004 (Attachment 1).

Discussion and Action on HB 2444—Appropriations for FY 2003, FY 2004, and FY 2005 for state agencies and biennially-budgeted agencies

Representative Bethell moved to amend the FY 2004 Children's Initiatives Fund budget by removing \$1 million from Smart Start Kansas - Children's Cabinet and adding \$300,000 to the Infants and Toddlers Program for a total of \$800,000 and adding \$700,000 to Juvenile Justice Authority's (JJA) Juvenile Prevention Program Grants so that the Commissioner of Juvenile Justice can purchase beds from foster care contractors to allow for flexibility to meet the purposes of the program grants in that area (Attachment 2). The motion was seconded by Representative Landwehr. Motion carried.

Representative Landwehr moved to delete the funding of the FY 2004 Ombudsman of Corrections budget in the amount of \$169,745 from the State General Fund and \$15,000 All Other Funds, for a total of \$184,745 (Page 4 of the House Adjustments to the Governor's Recommendations—Attachment 1). The motion was seconded by Representative Bethell. The motion carried.

Representative Feuerborn moved to add funding of \$180,000 to fund the Visitor Centers at the four major correctional centers. The motion was seconded by Representative Minor. The motion failed.

Representative Merrick moved to add a proviso to prevent KUMC from transferring control of the Landon Center on Aging to the Department of Neurology: "No expenditures may be made from any funds appropriated to the above agency for the fiscal years ending June 30, 2003, and June 30, 2004, for the purpose of transferring control of any physical, fiscal or operational assets currently under the control of the Theo and Alfred Landon Geriatric Center on Aging to any other center, program or division of the University of Kansas Medical Center" (Attachment 3). The motion was seconded by Representative Gatewood. The motion carried.

Representative McCreary moved to add a proviso to disallow any expenditures from the Department of Health and Environment for FY 2003, FY 2004 and FY 2005 for the purpose of issuing any permits for landfills within five miles of any surface water in Kansas (Attachment 4). The motion was seconded by Representative Shriver.

With the permission of the second, Representative McCreary amended his motion by striking line 8 and line 9 of the proviso and replacing with "of any surface water in Harper County which contains exceptional state water as defined by Kansas Administrative Regulation No. 28-16-28(b) and amendments thereto." The motion failed.

Representative Light moved to direct the \$32,906 rent savings from unused building space in the Attorney General's budget, to the budget of the Kansas Bureau of Investigation. The motion was seconded by Representative Minor. The motion carried.

A memo from the Legislative Research Department was distributed to the Committee which explains the amount of space not being used by the Attorney General and the amount of savings from the rent (Attachment 5).

Representative Landwehr moved to add a proviso regarding "Dispense as Written" to the Department of Social and

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Rehabilitation Services (Attachment 6). The motion was seconded by Representative Bethell. The motion carried.

A memo from the Social and Rehabilitation Services, which opposes the "Dispense as Written" proviso, was distributed to the Committee (Attachment 7).

Representative Nichols moved to lapse the Governor's recommendation of a \$1,715,645 adjustment to the State Economic Development Initiatives Fund's (EDIF) Kansas Technology Enterprise Corporation (KTEC) FY 2003 budget and give the Director of the Budget, the authority to lapse this amount over the FY 2003 and FY 2004 budgets; \$110,000 would be appropriated to Department of Human Resources for the Neighborhood Improvement and Youth Employment Act and \$1,605,645 returned to the State General Fund (SGF). The motion was seconded by Representative Klein. The motion carried. Representative Gatewood and Representative Howell asked to be recorded as voting "no."

Representative Landwehr moved to amend **HB 2444** by adding \$300,000 to the FY 2004 Department of Health and Environment (DHE) budget (Attachment 9). The motion was seconded by Representative Howell. Division was called for. The motion carried.

Representative Nichols moved to adopt an amendment to clarify that the lapse money (\$1,715,645) taken from KTEC's budget would not come from the Centers for Excellence budget. The motion was seconded by Representative Gatewood. The motion carried.

Representative Campbell moved to amend the Budget Committee's report to include a request to have the Department of Transportation (DOT) report back to the Committee, prior to Omnibus, on the savings realized by using asphalt as opposed to concrete in DOT projects. The motion was seconded by Representative Osborne. The motion carried.

Representative Landwehr moved to adopt a proviso to prohibit DHE from making any expenditures from the SGF or any special revenue funds for the fiscal years ending June 30, 2003, and June 30, 2004, for the licensure requirements for after-school programs (Attachment 10). The motion was seconded by Representative Pottorff. The motion carried.

Representative Landwehr moved to adopt a proviso to allow hospitality expenditures for the Children's Cabinet Fund not to exceed \$1,500 (Attachment 11). The motion was seconded by Representative Nichols. The motion carried.

Because the 1.5% pay increase was omitted from the budget, the Chair explained that the Committee needed to give direction as to how it should be handled. The Committee asked to have the opportunity to visit with staff of the Division of the Budget before making a decision.

Representative Shultz moved to allow the Fiscal staff of the Legislative Research Department and Office of the Revisor of Statutes to make any technical adjustments as necessary to the budget documents. The motion was seconded by Representative Nichols. The motion carried.

The meeting was recessed and will reconvene at 1:30 p.m.

AFTERNOON SESSION

Representative Minor moved to introduce legislation allowing state agencies and political subdivisions to sell naming rights. The motion was seconded by Representative Feuerborn. The motion carried.

Representative Light moved to introduce legislation allowing the Department of Corrections to donate land to the City of Hutchinson. The motion was seconded by Representative Pottorff. The motion carried.

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Continued Discussion and Action on HB 2444—Appropriations for FY 2003, FY 2004 and FY 2005 for state agencies and biennially-budgeted agencies.

Representative Shultz moved to make funding available for thirty students in the Medical Student Loan Program at the University of Kansas Medical Center, from existing funds. The motion was seconded by Representative McLeland. The motion carried.

Representative Pottorff moved to adopt a proviso concerning Kansas, Inc.: To not make the transfer of any unencumbered balance from the operations account of the State Economic Development Initiatives Fund to the SGF (Attachment 12). The motion was seconded by Representative Shriver. Motion carried.

The Chair recognized Julian Efird, Legislative Research Department, who informed the Committee that there is a conflict in the Alcoholic Beverage Control (ABC) budget as they have historically been assigned to the Department of Revenue by statute. The Governor's report recommends moving ABC to the Kansas Highway Patrol (KHP) and shows their budget within the KHP budget to be funded from the State Highway Fund transfer to KHP. No legislation has been introduced to transfer the Alcoholic Beverage Control unit to the Kansas Highway Patrol.

Representative Klein moved to defer to Omnibus, the entire budget for Alcohol Beverage Control and leave it under the Department of Revenue. The motion was seconded by Representative Light. The motion carried.

Representative Pottorff moved to adopt an amendment concerning expenditures of the Department of Commerce and Housing (Attachment 13). Motion was seconded by Representative Howell. Motion carried.

Representative Nichols moved to approve the introduction a bill to address the special education and medicaid funding issue concerning the Kansas School for the Deaf. The motion was seconded by Representative Campbell. Motion carried.

After discussion, the Committee took no action on the Kansas Highway Patrol pay increase.

Representative Schwartz moved to adopt a proviso concerning the appropriation of moneys in the Interstate Water Litigation Fund (Attachment 14). The motion was seconded by Representative Osborne. Motion carried.

Representative Henry moved to amend the budget by dedicating \$1.3 million from the KTEC budget; dedicating \$400,000 to the Senior Care Act, \$400,000 to the Developmentally Disabled State Aid Grants Program, \$400,000 to the Kansas Mental Health Grant Program, and \$100,000 to the Prison Fellowship Program at Ellsworth Correctional Facility. The motion was seconded by Representative Feuerborn. Motion carried.

The Chair recognized Louis Chabira, Assistant Director, Division of the Budget, who responded to questions from the Committee on the proposed pay plan. Mr. Chabira explained that the Governor's recommendation is to develop the pay plan through the Finance Council; he also noted that there is no money appropriated in **HB 2444** regarding pay increases in the legislative or judiciary branches.

The meeting was recessed for Republican and Democrat Caucuses and reconvened at 2:45 p.m.

Representative Landwehr moved to request the General Govt & Commerce Budget Committee to review, before Omnibus, a recommendation made by the Senate Ways and Means to transfer \$300,000 from the Horse Fair Racing Benefit Fund, which is funded from one-third of the parimutuel tax for simulcast races, to the State General Fund to fund the Eureka and Anthony operating grants in the summer of 2004; and request the Budget Committee to make a recommendation to the Committee about a policy change (Attachment 15). The motion was seconded by Representative McLeland. Motion carried.

The Committee requested the Public Safety Budget Committee study the feasibility of converting the Kansas Juvenile Correctional Complex to an adult drug treatment facility. Representative Light indicated the issue would be on the

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agenda at in the next meeting of the Public Safety Budget Committee.

Representative Landwehr moved to adopt a proviso concerning the proposed hospital closure. The motion was withdrawn.

Representative Klein moved to adopt a proviso concerning the hospital closure issue in the Department of Social and Rehabilitation Services FY 2004 budget (Attachment 16) and to make technical adjustments to the proviso. (1) Line 8 - change 14 members to 9; change 10 members to 5 members; (2) (3) Page 3, Line 3 - insert "services and program" before the word "policies" (4) Page 3, Line 18, delete the words "eight members of". The motion was seconded by Representative Landwehr. Motion carried. Representative Nichols and Representative Howell asked to be recorded as "no" votes.

Representative Bethel moved to adopt a proviso directing the Secretary of Aging to implement a FY 2000 base-year model of reimbursement for nursing facilities beginning in FY 2004 (Attachment 17). The motion was seconded by Representative Landwehr. Motion carried.

Representative Shultz moved to delete \$1,076,232 from the FY 2003 Department of Education budget and add this amount to Moundridge USD 423; delete \$4,467,946 from the FY 2004 Department of Education budget and add this amount to Moundridge USD 423 to fund their Charter School. The motion was seconded by Representative Landwehr.

This amount of money is being withheld by the Department of Education from the Moundridge School District Charter School, because they reportedly were not following the guidelines of the Department of Education for charter schools. The funds to replace these funds in the Moundridge School District would come from the Department of Education's General State Aid appropriations.

With the approval of the Chair, Representative Nichols requested division of the motion into two separate motions:

Part A: The funding of the FY2003 Moundridge USD 423 Charter School from the FY 2003 Department of Education budget. Motion failed. Representative Landwehr asked to be recorded as a "yes" vote.

Part B: The funding of the FY 2004 Moundridge USD 423 Charter School. The motion was withdrawn.

Representative Shultz moved to revisit the FY 2003 and FY 2004 Moundridge USD 423 issue during Omnibus. The motion was seconded by Representative Nichols. Motion carried.

Representative Gatewood moved to use the \$35,000 deleted from the budget of the Ombudsman of Corrections budget to the Kansas Animal Health Department for the salary of an animal control officer. The motion was seconded by Representative Schwartz. Division was requested and the motion failed.

Jim Wilson, Revisor of Statutes' Office, advised the Committee that Section 130, Page 217 of **HB 2444** concerning expenditures of the Department of Human Resources is not among the matters permitted to be included within an appropriation act, under the Kansas Constitution and current case law advised the Committee the section may be unconstitutional.

Representative Howell moved to delete Section 130, Page 217 of **HB 2444** and introduce a bill by the Committee to cover the unemployment issue. The motion was seconded by Representative Pottorff. Division was requested; The motion carried. Representatives Klein, Henry, Minor, Shriver, Feuerborn, Nichols and Gatewood asked to be recorded as voting "no".

Representative Newton moved that any receipts over expenditures be dedicated to the ending balance or surpluses of the State budget. The motion was seconded by Representative Campbell. With permission from the second, the motion was withdrawn.

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Representative Campbell moved to remove the proposed 1.5% pay increases for state employees from the budget. The motion was seconded by Representative Light. Division was requested. The motion carried. The vote will be recorded as fourteen "yes" votes and seven "no" votes. Representatives Gatewood, Feuerborn, Nichols, Minor, Shriver, Henry and Klein asked to be reported as voting "no".

The Committee discussed funding for the Death and Disability within KPERS and asked to return to this issue at a later date.

Representative Landwehr moved to report **HB 2444** as amended favorably for passage. The motion was seconded by Representative Shultz. Motion carried.

The Chair thanked the Committee for their hard and diligent work on **HB 2444**.

The Meeting was adjourned at 5:15 p.m. The next meeting will be March 21, 2003 at 9:00 a.m.

Melvin Neufeld, Chair