

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on March 6, 2008, in Room 514-S of the Capitol.

All members were present except:

Representative Powell - excused
Representative Yoder - 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
Julian Efird, Legislative Research Department
Amy Deckard, Legislative Research Department
Jim Wilson, Revisor of Statutes
Nobuko Folmsbee, Revisor of Statutes
Nikki Feuerborn, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Dr. Andy Allison, Medicaid Director, Kansas Health Policy Authority (KHPA)
Don Jordan, Secretary, Department of Social and Rehabilitation Services (SRS)

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on Kansas Health Policy Authority (KHPA) and Department of Social and Rehabilitation Services (SRS)
- Attachment 2 Amendment Information for Budget Committee Report on SRS

Discussion and Action on HB 2673

Discussion and Action on HB 2673 - KPERS, employment after retirement, licensed professional nurses and licensed practical nurses employed at state institutions.

Julian Efird, Legislative Research Department, explained that **HB 2673** removes a sunset provision that applied to current Kansas Public Employees Retirement System (KPERS) law allowing nurses in state institutions to return to work after retirement and not be subject to the earnings limitation. The bill also expands the coverage to nurses within the Juvenile Justice Authority.

Representative Bethell moved to recommend **HB 2673** favorably for passage. The motion was seconded by Representative Feuerborn. Motion carried.

The Committee expressed concern that the new KPERS plan, to become effective on July 1, 2009, and will add a new tier to the KPERS plan, could have an effect on **HB 2673**. It was noted that the new legislation applies only to new hires on and after July 1, 2009.

Representative Tafanelli made a substitute motion to amend **HB 2673** by adding language to set a 5-year sunset on the legislation. The motion was seconded by Representative Masterson. Motion failed on a 6-13 vote.

Some members of the Committee felt that the sunset needs to be removed to give employees an incentive to remain or return to work after retirement and not be subject to indecision as to whether the earnings limitation would be reinstated.

Kansas Health Policy Authority

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 6, 2008, in Room 514-S of the Capitol.

Representative George, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Health Policy Authority (KHPA) for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 1). The motion was seconded by Representative Bethell. Motion carried.

Representative George, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Health Policy Authority (KHPA) for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 1). The motion was seconded by Representative Bethell.

Representative Bethell made a substitute motion to amend the Budget Committee report on the Kansas Health Policy Authority (KHPA) for FY 2009 by requesting that KHPA review online opportunities for individuals to procure a discount prescription drug card. The motion was seconded by Representative Henry. Motion carried.

The Committee voiced concern as to who has the responsible to honor the drug discount, whether it is the pharmaceutical companies or the pharmacies. The Committee also felt that extreme caution should be used in going forward with the online procedure.

With regard to a question from the Committee concerning the impact of possible reduction of federal funding, Dr. Andy Allison, Medicaid Director, KHPA, indicated that most of the reductions do not apply to KHPA but pass directly to the providers. The Committee voiced a concern with the possibility of reductions in federal funding and the impact on agency budgets resulting in the need for substantial FY 2009 supplemental budget requests before the 2009 Legislature.

With regard to a question concerning submission of performance measures by the agency, Dr. Allison stated that KHPA is an independent agency, not a cabinet agency, and not required to submit performance measures at this time; however, noted that the agency is in the process of developing comprehensive health measures for the State.

Representative Schwartz moved to amend the Budget Committee report on the Kansas Health Policy Authority for FY 2009 by adding language to require submission of performance measures by KHPA and provide a report to the Legislature. The motion was seconded by Representative Bethell. Motion carried.

Representative George moved for adoption of the Budget Committee recommendations on the KHPA for FY 2009 as amended. The motion was seconded by Representative Bethell. Motion carried.

Department of Social and Rehabilitation Services (SRS)

Representative Kelsey, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Social and Rehabilitation Services (SRS) for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 1). The motion was seconded by Representative Bethell. Motion carried.

- The Committee requested that the Budget Committee obtain additional information before Omnibus on Item No. 1 relating to the early childhood block grant.

Representative Bethell, Chair of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Social and Rehabilitation Services (SRS) for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 1). The motion was seconded by Representative George.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 6, 2008, in Room 514-S of the Capitol.

Representative Bethell made a substitute motion to amend the Budget Committee report on Page 3, Item No. 3 by removing language in lines 2 and 3, reading "child support enforcement program" and insert "child protective services". The motion was seconded by Representative Ballard. Motion carried.

The Budget Committee stated that the reauthorized Federal Temporary Assistance for Needy Family (TANF) program has established stricter work participation rate requirements for states. Because of the new regulations, the State could have a loss of \$5,096,000 in TANF funding. SRS has developed an administrative approach to address the situation (Attachment 2).

Representative Bethell moved to amend the Budget Committee report by adding language to the report to incorporate the administrative solution as presented by SRS in response to the TANF requirements (Attachment 2). The motion was seconded by Representative Kelsey. Motion carried.

The Budget Committee indicated that the above action will eliminate the loss of federal funding.

Responding to a question from the Committee, Don Jordan, Secretary, Department of Social and Rehabilitation Services, stated that the agency does not have an official ombudsman within the Department; however, have staff dedicated to responding to concerns of constituents and clients who believe that their cases were not handled properly. Secretary Jordan noted that the issue was recently addressed by the Child Protective Task Force who determined that an ombudsman within the agency would be too costly. Additionally, the Governor has recommended an enhancement in the Attorney General's office budget in order for that office to provide oversight over child and adult protective services in SRS and Department on Aging.

Representative Schwartz moved to amend the language in Item No. 22 of the Budget Committee Report on SRS for FY 2009 to request that the funding for the compliance visits be reviewed at Omnibus to determine the funding source. The motion was seconded by Representative Bethell. Motion carried.

Representative Bethell renewed the motion to adopt the Budget Committee report on the Department of Social and Rehabilitation Services for FY 2009 as amended. The motion was seconded by Representative Kelsey. Motion carried.

The meeting was adjourned at 10:45 a.m. The next meeting of the Committee will be held at 9:00 a.m. on March 7, 2008.

Sharon Schwartz, Chair