

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 13, 2008, in Room 514-S of the Capitol.

All members were present except:

Representative Mitch Holmes - absent
Representative Joe McLeland - 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
Leah Robinson, 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:

Roderick Bremby, Secretary, Department of Health & Environment
Aaron Dunkel, Deputy Secretary, Department of Health & Environment

Others attending:

See attached list.

- Attachment 1 Draft copy of **House Substitute for SB 359**
- Attachment 2 Budget Committee Report on Department of Health and Environment-Health
- Attachment 3 Budget Committee Report on Department of Health and Environment-Environment
- Attachment 4 Effect of Federal Economic Stimulus Legislation on the State General Fund (SGF)
- Attachment 5 Letter from Dr. Ed Dismuke, Wichita State University

Introduction of Legislation

Representative Colyer appeared before the Committee to request the introduction of (1) a House resolution concerning state budget guidelines and controlling principles for the House of Representatives during the 2008 regular session and (2) legislation relating to updating ending balances and allowing the Legislature to score budget bills as the session progresses.

Representative Kelsey moved to introduce the resolution and legislation as requested. The motion was seconded by Representative Tafanelli. Motion carried.

Representative Bethell moved to introduce legislation to exclude the Program of All Inclusive Care for the Elderly (PACE) program from regulations of the Department of Health and Environment-Health. The motion was seconded by Representative George. Motion carried.

Representative Gatewood moved to introduce legislation concerning rural broadband initiative. The motion was seconded by Representative Tafanelli. Motion carried.

Representative George moved to introduce legislation to remove the recommended pay plan proposals and funding from the Governor's recommended budgets for FY 2009 and FY 2010. The motion was seconded by Representative Tafanelli. Motion carried on a 10-8 vote. Representatives Feuerborn, Lane, Ballard, Burroughs, Henry, Williams, Carlin and Gatewood requested to be recorded as voting "no".

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 13, 2008, in Room 514-S of the Capitol.

Proposal to Improve Air Passenger Service for North-Central Kansas

Action on proposal to improve air passenger service for north-central Kansas.

Jim Wilson, Office of Revisor of Statutes, explained that the draft of the proposal would be incorporated into **SB 359** as **House Substitute for SB 359** (Attachment 1). Mr. Wilson stated that the legislation would establish a special revenue fund within the Department of Transportation called the North Central Kansas Air Passenger Service Support Fund. The legislation would allow for payments to be made from the North Central Kansas Air Passenger Service Support Fund from moneys transferred into the fund by the City of Manhattan and funds from the State Highway Fund. The bill would address funding for FY 2009 and FY 2010. Payments to participating airlines would only be made when flights are filled to less than 70 per cent of capacity or as determined under a formula finalized and agreed upon by the City of Manhattan and any air carrier. The legislation also prescribes limitations on the amount of funds to be expended for each fiscal year.

Responding to a question from the Committee, Mr. Wilson indicated that a negotiated contract between the air service carrier and the Manhattan airport, which is owned and operated by the City of Manhattan, will establish how the funds will be disbursed. No funds will be transferred from the State Highway Fund until the City of Manhattan has paid \$250,000 under such contract. Mr. Wilson noted that the legislation authorizes state payments for FY 2009 and FY 2010 only.

Representative Carlin moved that **SB 359** be amended by substituting the existing provisions of the bill with the draft **House Substitute for SB 359** which is before the Committee on Appropriations. The motion was seconded by Representative Tafanelli. Motion carried.

Representative Carlin moved that **SB 359**, as amended as **House Substitute for SB 359**, be reported favorably, allowing for technical corrections, with the recommendation that the substitute bill be passed. The motion was seconded by Representative Tafanelli. Motion carried.

Department of Health and Environment - Health

Representative Bethell, Chair of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Health and Environment-Health for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 2). The motion was seconded by Representative George. Motion carried.

Representative Bethell, Chair of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Health and Environment-Health for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 2). The motion was seconded by Representative Kelsey.

Representative Pottorff made a substitute motion to amend the Budget Committee report on the Department of Health and Environment-Health for FY 2009 by adding language to request a review of funding for breast and cervical cancer at Omnibus. The motion was seconded by Representative Ballard. Motion carried.

During discussion, the Committee had questions concerning lodging and food service inspections by the Department of Health & Environment. Roderick Bremby, Secretary, and Aaron Dunkel, Deputy Secretary, Department of Health & Environment, indicated that prior to the hiring of 4 lodging inspectors as authorized by the 2007 Legislature, inspections of lodging facilities were done by food service inspectors only when a complaint was received by the Department. Secretary Bremby stated that there has been increased complaints from the public concerning lodging establishments. During inspections by the Department of Health and Environment, it has been determined that many of these establishments are serving food without a food service license.

CONTINUATION SHEET

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Representative Lane moved to amend the Budget Committee report on the Department of Health & Environment-Health by striking Items No. 1 and No. 2 from the Budget Committee Report for FY 2009. The motion was seconded by Representative Feuerborn. Motion failed on a 9-11 vote. Representatives Feuerborn, Lane, Ballard, Burroughs, Henry, Williams, Carlin, Sawyer and Gatewood requested to be recorded as voting "yes".

Representative Tapanelli moved to remove all of the Governor's recommendations for employee compensation increases and longevity pay from the Department of Health & Environment-Health budget for FY 2009 with the intent that the Committee would vote later on a motion for all pay issues to be handled globally through separate legislation. The motion was seconded by Representative Wolf. Motion carried.

Representative Bethell renewed the motion for adoption of the Budget Committee Report on the Department of Health & Environment-Health for FY 2009 as amended. The motion was seconded by Representative Wolf. Motion carried.

Employee Salaries Increases, Longevity Pay & Move to Market Funding

Representative Tapanelli moved to remove all of the Governor's FY 2009 budget recommendations for employee compensation increases, longevity pay and funding for "moving to market" pay adjustments from previously adopted Committee recommendations on the Department of Corrections' budgets and from all subsequent Budget Committee reports on agency budgets and that consideration be given to all aspects of state employee pay recommendations in separate legislation. The motion was seconded by Representative Bethell. Motion carried on a 11-9 vote. Representatives Feuerborn, Lane, Ballard, Burroughs, Henry, Williams, Carlin, Sawyer and Gatewood requested to be recorded as voting "no".

The Committee stated that they are very supportive of funding for state employee pay compensation and will address all aspects in one upcoming piece of legislation.

Department of Health & Environment-Environment

Representative Gatewood, member of the Agriculture & Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Health and Environment-Environment for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 3). The motion was seconded by Representative Powell. Motion carried.

Representative Gatewood, member of the Agriculture & Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Health and Environment-Environment for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 3). The motion was seconded by Representative Powell.

The Budget Committee noted that a minority report from Representative Vaughn Flora, member of the Agriculture & Natural Resources Budget Committee, is attached to the Budget Committee Report.

Representative Watkins moved a substitute motion to amend the Budget Committee Report for the Department of Health & Environment-Environment for FY 2009 by deleting Item Nos. 1 and 2. The motion was seconded by Representative Powell. Motion carried.

Representative Gatewood renewed the motion to adopt the Budget Committee Report on the Department of Health & Environment-Environment for FY 2009 as amended. The motion was seconded by Representative Powell. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 13, 2008, in Room 514-S of the Capitol.

State General Fund Receipts, Expenditures and Balances

Alan Conroy, Legislative Research Department, provided information to the Committee on the effect of the Federal Economic Stimulus Legislation on the State General Fund (SGF) (Attachment 4). It is estimated that the loss of state revenue may be \$87 million.

Support Information

A response from Dr. Edward Dismuke, Dean and Professor, Wichita State University, to a question with regard to testimony on February 11, 2008, was distributed to the Committee (Attachment 5).

The meeting was adjourned at 10:35 a.m. The next meeting of the Committee will be held on February 14, 2008.

Sharon Schwartz, Chair