

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 4:00 p.m. on March 22, 2001, in Room 514-S of the Capitol.

All members were present

Committee staff present:

- Alan Conroy, Legislative Research
- Rae Anne Davis, Legislative Research
- Amy Kramer, Legislative Research
- Robert Chapman, Legislative Research
- Julian Efrid, Legislative Research
- Debra Hollon, Legislative Research
- Stuart Little, Legislative Research
- Amory Lovin, Legislative Research
- Audrey Nogle, Legislative Research
- Carolyn Rampey, Legislative Research
- Leah Robinson, Legislative Research
- Tom Severn, Legislative Research
- Kathie Sparks, Legislative Research
- Robert Waller, Legislative Research
- Paul West, Legislative Research
- Jim Wilson, Revisor of Statutes
- Mike Corrigan, Revisor of Statutes
- Gordon Self, Revisor of Statutes
- Helen Abramson, Substitute Committee Secretary

Others attending: See Attached

Staff distributed copies of:

- Adjustment to Governor's recommended SGF revenue transfers (Attachment 1).
- House adjustments to the Governor's recommendations for FY 2001, FY 2002, and FY 2003 (Attachment 2)
- Economic Development Initiatives Fund update (Attachment 3).
- Economic Development Initiatives Fund year to date expenditures (Attachment 4).

The Committee discussed the wisdom of authorizing an 8% cut on all EDIF budgets this early in the budget process.

Discussion and Action on:

HB 2557--Appropriation for FY 2002 and FY 2003 for state agencies and for biennially budgeted state agencies

HB 2545--Appropriations for FY 2003 and FY 2002, supplemental appropriations for various state agencies and FY 2002 for department of administration

Representative Neufeld moved to modify the Committee's an action on March 21 on the Department on Aging budget for FY 2001 which authorized appropriating \$1.5 million for the HCBS-FE waiver from unanticipated receipts in the Intergovernmental Transfer Fund and reduce appropriations from the State General Fund by the same amount. This motion should have been an authorization to expend up to \$1.5 million for the HCBS-FE waiver in the Department on Aging budget for FY 2002 from unanticipated receipts in the Intergovernmental Transfer Fund and reduce expenditures in the State General Fund by that same amount. Motion was seconded by Representative Bethell. Motion carried.

Representative Shultz moved to amend the bill by removing \$8 million appropriated for the Smart Start Kansas from the Children's Initiatives Fund and transferring it to the Education Budget with the intent being to match the \$7.5 million which is in **HB 2546--Skills for Success** and ultimately incorporate the funding

component into the FY 2002 bill. Motion seconded by Representative Nichols. Motion carried.

Staff distributed copies of Children's Initiatives Fund Profile Memorandum on Proposed Revenues and Expenditures for FY 2002 (Attachment 5). It was also explained to the Committee that the current programs supported by the Children's Initiatives Fund would continue to be funded at the discretion of the Children's Cabinet and this proposal would allow for additional program funding.

Representative Neufeld moved to amend the bill by (a) adding \$750,000 to the Parents as Teachers Program for the FY 2002 budget from the Children's Initiatives Fund, (b) reduce the Parents as Teachers in the Department of Education SGF budget by \$250,000 (c) with a proviso on that amount that the Children's Cabinet would hold harmless those that might be affected by those coming from the Department of Education, (d) remove the \$170,000 EDIF money from the library budget; (e) the money from the Department of Education would be released back to the SGF; (f) the SGF money would then be used to fund the community library grants. Motion seconded by Representative Light. Motion carried

Representative Nichols moved to amend the bill by funding the preventative Pregnancy Maintenance and Parenting Support Pilot competitive grant project through the Juvenile Justice Authority (Attachment 6). Motion was seconded by Representative Landwehr. Motion carried.

Representative Landwehr moved to amend the bill by removing \$35,000 from the Children's Initiative Fund and transferring it to a crisis pregnancy outreach pilot program for Johnson County under the Department of Health and Environment. This \$35,000 would be contingent upon it receiving a local match. Motion was seconded by Representative Campbell. Motion carried.

Representative Bethell moved to amend the bill by removing \$25,000 from the Children's Initiatives Fund and providing for it to be granted to the SIDS network. Motion seconded by Representative Pottorff. Motion carried.

Representative Campbell moved to amend the bill by offering the following proviso to FY 2001 Budget: "Provided, That the Kansas Department of Health and Environment shall not license any youth residential facility as defined in K.S.A. 38-1502 and 38-1602 without the approval of the city council of the city in which the facility is to be located" (Attachment 7). Motion seconded by Representative Landwehr. Motion carried.

Representative Campbell moved to amend the bill by offering the following proviso to FY 2002 Budget: "Provided, That the Kansas Department of Health and Environment shall not license any youth residential facility as defined in K.S.A. 38-1502 and 38-1602 without the approval of the city council of the city in which the facility is to be located" (Attachment 7). Motion seconded by Representative Landwehr. Motion carried.

Representative Klein moved to amend the bill by funding the Regional Children's Advocacy Center in Pittsburg with \$50,000 from the Trauma Fund (which currently has a balance of \$474,000) in the Department of Health and Environment for FY 2002. Motion seconded by Representative Feuerborn. Motion carried.

Representative Neufeld moved to conceptually amend the bill by adding a proviso stating that the Department of Health and Environment would work together with the Epilepsy Foundation to develop plans for education on epilepsy and implement the plans upon available funding. Motion seconded by Representative Landwehr. Motion carried.

Representative Wilk moved to conceptually amend the bill by adding a proviso to the FY 2002 for the Department of Education budget authorizing school districts to assess remediation strategies for pupils at risk to obtain an eye examination by an optometrist (Attachment 8). Motion seconded by Representative Pottorff. Motion carried.

Representative Neufeld moved to conceptually amend the bill by adding a proviso to authorize SRS to provide the Medicaid coverage or funding for up to 300 children who are third graders and who are behind in reading for vision therapy. Motion seconded by Representative Landwehr. Motion carried.

It was noted that experience shows that the children who have experienced the vision therapy have improved one to two grade levels within about 30 to 45 days.

Representative Nichols moved to amend the bill by adding an alternative pay plan which would be budget neutral for FY 2002 for classified and unclassified state employees including those who work for Regents institutions (Attachment 9). Motion seconded by Representative Feuerborn. Motion failed.

It was discussed that the FY 2003 annualized cost of this alternative pay plan would be more than \$1 million more than the governor's current proposal because of the .01% increase on a \$2 billion payroll.

Representative Bethell moved to amend the FY 2002 budget bill by moving \$30,000 SGF from the Department of Health and Environment and a 0.5 FTE to the Attorney General in order to fund the request for an attorney in HB 2283 as passed by the House. Motion was seconded by Representative Light. Motion carried.

Representative Shriver moved to amend the bill by increasing the amount allocated for the Johnson County Pregnancy Crisis center to \$70,000 contingent upon the \$35,000 originally requested be matched with \$35,000 from the Sunflower Foundation. Motion seconded by Representative Klein. Motion failed.

Representative Spangler moved to amend the bill to hold harmless the entire EDIF action, by adding 8% into the House position, and removing from KTEC operations \$250,000 out of the line items of the EDIF budget for agency operation, \$300,000 from Centers of Excellence, \$200,000 from the State Small Business Innovation Research, \$1 million from EPSCor. Motion was seconded by Representative Toplikar.

The Committee discussed the appropriateness of funding the budgets of Department of Commerce and Housing and KTEC through EDIF rather than the SGF.

Representative Henry made a substitute motion to reconsider the motion to strip 8% from all budgets funded by the EDIF and make a conceptual amendment for a 10% cut only in the FY 2002 budgets of the Department of Commerce and Housing, Kansas Technology Enterprise Corporation, and Kansas, Inc., which would equal in dollars that of the 8% cut. Motion seconded by Representative Feuerborn.

Committee members expressed concern that stripping funding from programs who have already planned to spend the money to conduct continuing education seminars and development programs would harm them more than a larger agency which could absorb the costs. It is hoped that the Governor will address whatever adjustments need to be made to retain the programs in place. The Committee discussed the need to keep the research dollars in place in order to fund matching grants from the federal government. A general consensus of the Committee was to delay cutting individual budgets until consideration of the Omnibus bill.

Representative Henry withdrew his motion with the consent of the second, Representative Feuerborn.

Representative Spangler withdrew his motion to amend the bill with the consent of the second, Representative Toplikar.

Representative Spangler moved to amend the bill by deferring the EDIF until Omnibus with a specific stipulation that the Committee is awaiting the GBA, and at that point the entire EDIF will be considered. Motion was seconded by Representative Bethell. Motion carried.

Representative Ballard moved to amend the bill by reinstating in the Kansas Highway Patrol Budget for FY 2002, the 5% salary increase for sworn officers. Motion was seconded by Representative Henry.

The Public Safety Budget Committee has made a recommendation to the Joint Committee on Corrections and Juvenile Justice Oversight that a study should be done this summer regarding the salaries for correction officers in relation to other law enforcement officers in this and other states.

Representative Neufeld made a substitute motion to ask the Department of Administration to do a pay classification study of the Kansas Highway Patrol and report to the Budget Committee prior to October of 2001. Motion was seconded by Representative Peterson. Motion carried. Representative Spangler asked to be recorded as a "no" vote.

The Committee questioned what areas would be examined and what would be the assumptions made in what areas regarding the proposed pay classification study. It was noted that the argument is that the officers and employees of the Kansas Highway Patrol are not being paid properly, this cannot be addressed by adding a percentage of pay increase, it may be that they are classified at the wrong level for the job being done. The troopers may need to be moved into classifications to the appropriate pay level. This may be part of the problem in other public safety budgets and with security in mental hospitals as in Larned. A portion of the study should address a comparison of salary for other public safety officers in Kansas and surrounding states. It was pointed out that this salary information is already available through the Budget Committee Report. Of the 10 largest law enforcement agencies in Kansas, the salaries for the Kansas Highway Patrol are the lowest. Kansas also ranks lowest in such salaries among the surrounding states. The KHP is having trouble

recruiting and retaining officers. The Chair directed the Committee to review the report received early in the session regarding the problems various agencies were having in recruiting and retaining employees due to the low pay scale provided by the state.

Representative Nichols moved to amend the bill with an optional pay plan which would provide a 2 ½ % pay increase, a 1/2% COLA for classified employees, and be effective October, 2001. For unclassified employees the pay plan would be a 1 1/2% unclassified merit pool effective July 1 and 1 1/2% COLA effective January 1, 2002. The net impact is fiscally neutral. Motion was seconded by Representative Feuerbom. Motion carried.

Representative Shriver moved to reduce the reduction in the Department of Corrections budget in the EDIF for FY 2002 from 10% to 5% (takes the reduction from \$5 million to \$2.5 million) to be reviewed at Omnibus. Motion died for lack of a second.

Representative Shriver moved to reduce the Department of Corrections budget in the EDIF for FY 2002 by \$1 million, subject to review at Omnibus. Motion died for lack of a second.

Paul West, Legislative Research Department, explained that in the EDIF, Children's Initiative Fund, and the State Water Plan Fund are now centrally appropriated accounts so all the transfers to special revenue funds done in the past are not necessary (Attachment 10).

Representative Peterson moved to appropriate funding and fill the Legislative Counsel position for the second half of FY 2002 due to reapportionment and the probability of litigation. The salary for the Counsel, the secretary and benefits would be \$52,309. Motion seconded by Representative Neufeld.

Committee members questioned the necessity of such a position as it has historically been of little consequence and could be considered a patronage appointment and some members did not see it as necessary for redistricting. This position was last filled in 1993 and prior to that it was in 1980. It was clarified that the proposed motion would appropriate the money to be available for LCC to hire that legal counsel if need be. The process for selection and termination for the position is statutorily governed.

Representative Spangler made a substitute motion to eliminate the position of Legislative Counsel for FY 2002 with staff revisors handling the technical issues of changing the three statutes. Motion was seconded by Representative Klein. Motion failed.

The Peterson motion to appropriate funding for filling the Legislative Counsel position failed.

Representative Neufeld moved to amend the bill by including in his earlier motion regarding the vision therapy to direct the Department of Social and Rehabilitation Services shall apply for the waiver to allow this to be done through Medicaid. Motion was seconded by Representative Landwehr. Motion carried

Representative Neufeld moved to amend the bill to allow staff to make technical corrections. Motion was seconded by Representative Nichols. Motion carried.

Representative Nichols moved to amend the bill to include the appropriations component of Substitute for **HB 2546** for FY 2002 but not for FY 2003. Motion was seconded by Neufeld. Motion carried.

Representative Neufeld moved to report **HB 2545 (2001 Supplemental Appropriations)** favorably as amended. Motion was seconded by Representative Nichols. Motion carried. Representative Spangler asked to be recorded as a "no" vote.

Representative Neufeld moved to report **HB 2557 (for FY 2001 and FY2002)** as amended. Motion seconded by Representative Bethell. Motion carried. Representative Spangler has to be recorded as a "no" vote.

Discussion and Action on SB 309—Acceptance of certain real property by the state historical society
Representative Stone moved to amend the bill by inserting on Page 1 following line 29 that all moneys received from federal agencies or other federal sources for the William Allen White House shall be expended for the restoring, equipping and otherwise preparing of said house for visitations by the public including all interpretation and similar exhibit development, to the extent permitted by federal requirements, guidelines and limitations (Attachment 11). Motion was seconded by Representative Pottorff. Motion carried.

The Chairman requested that forthcoming letters from the City of Emporia and other local agencies stating their on-going support will be filed with the minutes of this meeting.

Representative Nichols moved to amend the bill by adding language which would require that the operations of or any capital improvements for the William Allen White House be funded from money received from other than state sources (Attachment 12). Motion was seconded by Representative Stone. Motion carried.

Representative Stone moved to report the bill favorably as amended. Motion was seconded by Representative Pottorff. Motion carried.

The Public Safety Budget Committee distributed an explanation of the **HB 2571–Public Safety Superfund Bill** (Attachment 13).

The meeting was adjourned at 7:00 p.m. The next meeting is scheduled for March 28, 2001.