

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on February 12, 2004 in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research
J. G. Scott, Legislative Research
Amy VanHouse, Legislative Research
Leah Robinson, Legislative Research
Michele Alishahi, Legislative Research
Audrey Dunkel, Legislative Research
Julian Efir, 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:

Representative Bonnie Huy, Chair of Joint Committee on Special Claims Against the State
Dr. Bill Wolff, Legislative Research Department
Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERs)

Others attending:

See Attached List.

- Attachment 1 Amendment to **HB 2675**
- Attachment 2 Budget Committee reports on Kansas Human Rights Commission, Kansas Corporation Commission and Citizens' Utility Ratepayer Board
- Attachment 3 2004 House Appropriations Committee Rules
- Attachment 4 Update on KPERs Long-Term Funding and KPERs State/School Group

Representative Bethell moved to introduce legislation to move the registry of the nurse aides, medical aides, and health aides from Department of Health and Environment to Board of Nursing. The motion was seconded by Representative Feuerborn. Motion carried.

Hearing on HB 2675 - Claims against the state.

The Chair recognized Representative Bonnie Huy, Chair of the Joint Committee on Special Claims Against the State, who stated that the Special Claims Committee reviewed a large number of claims from inmates resulting in Committee approval of \$183 in claims.

Dr. Bill Wolff, Legislative Research Department, presented an explanation of **HB 2675**, the work product of the Joint Committee on Special Claims Against the State. Due to the elimination of funding of the Ombudsman for Corrections, Dr. Wolff indicated that the Department of Corrections (DOC) agreed to review all cases, whereas previously DOC would have only looked at claims over \$500. In response to a question concerning the claim by Canon USA, Dr. Wolff stated that billing for copier materials had not been filed in a timely manner and resulted in the payment being requested in the wrong fiscal year. In order for the company to get paid, it was necessary to file a claim against the State. Dr. Wolff noted that there are two proposed technical amendments to the bill to correct the spelling of the city of La Harp and a correction to an inmate's address.

Because the statute allows for the cancellation of all outstanding warrants which have not been processed within five years, the Committee was requested to act on several requests for re-issuance of expired warrants (Attachment 1). Dr. Wolff indicated that the statute also allows for a penalty to be assessed for replacement of outstanding warrants. Action is necessary from the Committee disallowing or addressing the penalty when the warrant is for a considerable amount and the penalty would appear to be excessive. Dr. Wolff indicated

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that most warrants are re-issued from the expired warrants fund; however, it will be necessary to research these requests to make a final determination as to the specific fund.

Representative Feuerborn moved to amend **HB 2675** by authorizing the re-issuance of outstanding warrants for American United Life Insurance Company in the amount of \$11,203.33 and Travelers Insurance Company in the amount of \$48,949.62, upon determination of the funding source, with no penalty for the reissuance; and to authorize technical corrections to **HB 2675** as necessary. The motion was seconded by Representative Ballard. Motion carried.

The Chair closed the hearing on **HB 2675**.

Representative Bethell moved to pass **HB 2675** favorably as amended. The motion was seconded by Representative Minor. Motion carried.

Vice-Chairman Shultz assumed the Chair of the Committee and requested budget reports from the House Agriculture and Natural Resources Budget Committee.

Representative Osborne, member of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Human Rights Commission for FY 2004 and moved for the adoption of the Budget Committee recommendation with notations for FY 2004 (Attachment 2). Motion was seconded by Representative Schwartz. Motion carried.

Representative Osborne, member of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Human Rights Commission for FY 2005 and moved for the adoption of the Budget Committee recommendation with notations for FY 2005 (Attachment 2). Motion was seconded by Representative Gatewood. Motion carried.

Representative Gatewood, member of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Corporation Commission for FY 2004 and moved for the adoption of the Budget Committee recommendation FY 2004 (Attachment 2). Motion was seconded by Representative Schwartz. Motion carried.

Representative Gatewood, member of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Corporation Commission for FY 2005 and moved for the adoption of the Budget Committee recommendation with adjustments and comments for FY 2005 (Attachment 2). Motion was seconded by Representative Schwartz.

A member of the Committee questioned the act of approving provisos without being provided actual copies of the proviso and requested the Chair to make a ruling (see copy of Committee rules-Attachment 3). The Budget Committee stated that since it met to work this budget, the Budget Committee has determined that the first three provisos in Item No. 6 are included in the Governor's recommendation and can be removed from the recommendation.

Representative Gatewood moved to strike the paragraph pertaining to the first three provisos in Item No. 6 of the House Agriculture and Natural Resources Budget Committee recommendation for the State Corporation Commission for FY 2005. The motion was seconded by Representative Schwartz. Motion carried.

The Committee voiced a concern with reference to Item No. 7 of the Budget Committee's report. The Budget Committee noted that no money was transferred to the Abandoned Oil and Gas Well Plugging Fund from the State Water Plan Fund in FY 2004 and no transfer was recommended in FY 2005. The Budget Committee felt it is important to continue the goal of maintaining and improving the quality of the water in Kansas.

Representative Shriver moved to strike Item No. 7 from the Budget Committee recommendation on the State Corporation Commission for FY 2005. The motion was seconded by Representative Klein. Motion failed.

Representative Gatewood moved for the adoption of the Budget Committee recommendation as amended on

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the State Corporation Commission for FY 2005. Motion was seconded by Representative Osborne. Motion carried. Representative Shriver requested to be recorded as voting “no”.

Representative Schwartz, Chair of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor’s budget recommendation for the Citizens’ Utility Ratepayer Board for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 2). Motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz, Chair of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor’s budget recommendation for the Citizens’ Utility Ratepayer Board for FY 2005 and moved for the adoption of the Budget Committee recommendation with comments for FY 2005 (Attachment 2). Motion was seconded by Representative Osborne.

Representative Schwartz moved to delete Item No. 2 of the Budget Committee recommendation for the Citizens’ Utility Ratepayer Board for FY 2005. The motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz renewed the motion to adopt the Budget Committee report as amended on the Citizens’ Utility Ratepayer Board for FY 2005. The motion was seconded by Representative Osborne. Motion carried.

Vice-Chair Shultz recognized Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERS), who presented information on the KPERS Long-Term Funding and KPERS State/School Group (Attachment 4). Mr. Deck noted that the issuance of pension obligation bonds will assist in restoring the financial health of the KPERS fund; however, the unfunded liability of the KPERS fund is approximately \$1 million per year and is projected to continue to grow.

The meeting was adjourned at 10:35 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 13, 2004.

Melvin Neufeld, Chairman