

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 27, 2008, in Room 514-S of the Capitol.

All members were present.

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
 Heather O'Hara, 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:

Greg Valentine, Superintendent, Osawatomie State Hospital
 Heather Morgan, Juvenile Justice Authority (JJA)
 Carolyn Middendorf, Kansas State Nurses Association (KSNA)
 Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERS)
 Deb Miller, Secretary, Department of Transportation (KDOT)

Others attending:

See attached list.

- Attachment 1 Fiscal Note for **HB 2673**
- Attachment 2 Testimony on **HB 2673** by Greg Valentine
- Attachment 3 Testimony on **HB 2673** by Heather Morgan
- Attachment 4 Testimony on **HB 2673** by Carolyn Middendorf
- Attachment 5 Budget Committee Report on Kansas Public Employees Retirement System (KPERS)
- Attachment 6 Update on Comprehensive Transportation Plan by Deb Miller

Introduction of Legislation

Representative Henry made a motion to introduce legislation relating to recovery for medical assistance and transfer of annuities. The motion was seconded by Representative Feuerborn. Motion carried.

Action on **HB 2919**

Action on HB 2919 - CURB; negotiation for contracts for professional services.

Representative Powell moved to recommend **HB 2919** favorably for passage and for placement on the consent calendar. The motion was seconded by Representative Gatewood. Motion carried.

Hearing on **HB 2673**

Hearing 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 it was the initiative of the 2005 Legislature to allow specific KPERS retirees to return to work for the same participating employees. The previous legislation allowed for an annual earnings limitation exemption for licensed

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professional and practical nurses employed in certain state institutions; however, the provision is set to sunset on June 30, 2008. **HB 2673** would remove the sunset date of June 30, 2008. In addition, the legislation would expand the exemption to a new group of licensed professional and practical nurses at the juvenile correctional facilities at Atchison, Beloit, Larned, and Topeka. Dr. Efirid noted that the employer is required to pay the actuarial employer contribution for these employees to the Kansas Public Employees Retirement System (KPERs).

Responding to a question from the Committee, Dr. Efirid stated that this legislation exempts the nurse retiree who is returning to work for the same employer from the earnings limitations of \$20,000 annually.

The fiscal note on **HB 2673** was distributed to the Committee (Attachment 1).

Greg Valentine, Superintendent, Osawatomie State Hospital, presented testimony in support of **HB 2673** (Attachment 2). Mr. Valentine stated that the legislation provides state hospitals with an additional resource to recruit and retain qualified and experienced nurses.

Heather Morgan, Director of Public and Legislative Affairs, Juvenile Justice Authority (JJA), presented testimony in support of **HB 2673** (Attachment 3).

Responding to a question from the Committee, Ms. Morgan stated that JJA would support an amendment to change the effective date of the legislation to "upon publication in the registry".

Carolyn Middendorf, Kansas State Nurses Association (KSNA), presented testimony in support of **HB 2673** and KSNA 's history of support of the legislation to allowing the nurses to return to employment after retirement (Attachment 4).

Glenn Deck, Executive Director, Kansas Public Employees Retirement Systems (KPERs) appeared as a resource person to answer questions concerning the effect of the legislation on KPERs.

The hearing on HB 2673 was closed.

Kansas Public Employees Retirement System (KPERs)

Representative Yoder, Chair of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Employees Retirement System (KPERs) for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 5). The motion was seconded by Representative Pottorff. Motion carried.

Representative Yoder, Chair of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Public Employees Retirement System (KPERs) for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 5). The motion was seconded by Representative Pottorff.

Representative Yoder made a substitute motion to add language to the Budget Committee report on the Kansas Public Employees Retirement System (KPERs) for FY 2009 by requesting the Budget Committee to review the possible inclusion of a cost-of-living-adjustment (COLA) for the most needy of KPERs retirees and review at Omnibus. The motion was seconded by Representative Tafari. Motion carried.

Representative Yoder renewed the motion to adopt the Budget Committee report on the Kansas Public Employees Retirement System (KPERs) for FY 2009 as amended. The motion was seconded by Representative Pottorff. Motion carried.

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Update on Department of Transportation (KDOT)

Deb Miller, Secretary of the Department of Transportation (KDOT) presented an update on the Comprehensive Transportation Plan (CTP) (Attachment 6). Ms. Miller stated that the current CTP is approximately 90 percent completed or has projects under construction at this time. A major portion of the work will be completed in 2009.

Some of the highlights of Ms. Miller's testimony included:

- Delays have been caused by environmental issues, increased costs of construction.
- Fiscal crisis of funding for transportation projects at the federal level. It is estimated that the State could lose approximately \$100 - \$120 million of federal funding in FY 2009 with the same crisis in FY 2010.
- Need for major reform of the federal program.
- KDOT is using new technology to repair state highways such as NOVA chip which lasts longer and is less expensive.
- KDOT is allowing for alternate bids on the use of either asphalt or concrete in construction projects.
- The Department is reviewing long-range plans for preservation of the state highway system

Responding to questions from the Committee, Ms. Miller stated that currently the federal tax on a gallon of gasoline is 18.4 cents per gallon and Kansas state tax is 24 cents per gallon. The Department of Transportation has a number of vacancies for engineers. These vacancies are being reviewed to determine if an engineer is really needed for the position. The Department will aggressively recruit at the state universities to meet the challenge for employees. The Department is looking for alternate technology for construction and the repair of roads with more durable materials that will last longer and making them more safe. Ms. Miller indicated that a new transportation plan will be presented to the 2009 Legislature. The Department will work to identify various sources of funding.

Since the loss of a state highway worker in 2007, the Department has worked to make work zones safer for workers as well as drivers. In addition, the Department is working with school districts where schools are built next to a busy highway or those districts who anticipate constructing new buildings along busy roads and highways. Ms. Miller noted that surveys do not show that education alone is a deterrent to speeding in a highway work zone; however, increased fines do have an impact.

Approval of Minutes

Representative Tapanelli made a motion to approve the minutes of February 18, February 19 and February 20, as written. The motion was seconded by Representative Bethell. 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 5, 2008.

Sharon Schwartz, Chair