

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on March 7, 2008, in Room 514-S of the Capitol.

All members were present except:

Representative Pat George - excused
Representative Harold Lane - excused
Representative Joe McLeland - excused
Representative Larry Powell - excused
Representative Ty Masterson - excused
Representative Jason Watkins - 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
Audrey Dunkel, Legislative Research Department
Julian Efird, Legislative Research Department
Kimbra Caywood McCarthy, Legislative Research Department
Aaron Klaassen, Legislative Research Department
Heather O'Hara, Legislative Research Department
Michael Steiner, 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:

J. Thomas Thull, State Bank Commissioner
Ed Van Petten, Director, Kansas Lottery
Neysa Thomas, Kansas Racing and Gaming Commission

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on Abstracters Board of Examiners and Board of Technical Professions
- Attachment 2 Budget Committee Report on Board of Accountancy, State Bank Commissioner, Department of Credit Unions, Securities Commissioner, and Board of Veterinary Examiners
- Attachment 3 Budget Committee Report on Board of Barbering, Board of Cosmetology, Kansas Dental Board, Board of Mortuary Arts, Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments, Optometry Board, Board of Pharmacy, Kansas Real Estate Appraisal Board, Kansas Real Estate Commission
- Attachment 4 Budget Committee Report on Kansas Lottery and Kansas Racing and Gaming Commission
- Attachment 5 Minority Report on Kansas Lottery and Kansas Racing and Gaming Commission
- Attachment 6 Expanded Lottery Receipts and Expenditures
- Attachment 7 Budget Committee Report on Behavioral Sciences Regulatory Board and Board of Healing Arts
- Attachment 8 Budget Committee Report on Board of Nursing

Abstracters Board of Examiners

Representative Holmes, member of the Transportation and Public Safety Budget Committee.

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presented the Budget Committee report on the Governor's budget recommendations for the Abstracters Board of Examiners for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 1). The motion was seconded by Representative Tafanelli. Motion carried.

Representative Holmes, member of the Transportation and Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Abstracters Board of Examiners for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 1). The motion was seconded by Representative Tafanelli. Motion carried.

Board of Technical Professions

Representative Holmes, member of the Transportation and Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Technical Professions for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 1). The motion was seconded by Representative Wolf. Motion carried.

Representative Holmes, member of the Transportation and Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Technical Professions for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 1). The motion was seconded by Representative Wolf. Motion carried.

**Board of Accountancy
State Bank Commissioner
Department of Credit Unions
Securities Commissioner
Board of Veterinary Examiners**

Representative Gatewood, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Accountancy, State Bank Commissioner, Department of Credit Unions, Securities Commissioner, and Board of Veterinary Examiners for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 2).The motion was seconded by Representative Sawyer. Motion carried.

Representative Gatewood, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Accountancy, State Bank Commissioner, Department of Credit Unions, Securities Commissioner, and Board of Veterinary Examiners for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 2).The motion was seconded by Representative Bethell. Motion carried.

Chair Schwartz recognized J. Thomas Thull, State Bank Commissioner, who responded to a question from the Committee on the FY 2009 Office of the State Bank Commissioner budget with regard to the Economic Education grant. Commissioner Thull indicated that the grant is controlled by the Kansas Council on Economic Education and headquartered in Sedgwick County but not limited to Sedgwick County. The grant targets middle school age children.

**Board of Barbering
Board of Cosmetology
Kansas Dental Board
Board of Mortuary Arts
Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments
Optometry Board**

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Board of Pharmacy Real Estate Appraisal Board Real Estate Commission

Representative Beamer, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Barbering, Board of Cosmetology, Kansas Dental Board, Board of Mortuary Arts, Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments, Optometry Board, Board of Pharmacy, Real Estate Appraisal Board, Real Estate Commission for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 3). The motion was seconded by Representative Pottorff. Motion carried.

Representative Beamer, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Barbering, Board of Cosmetology, Kansas Dental Board, Board of Mortuary Arts, Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments, Optometry Board, Board of Pharmacy, Real Estate Appraisal Board, Real Estate Commission for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 3). The motion was seconded by Representative Pottorff. Motion carried.

Responding to questions from the Committee, the Budget Committee noted that the Governor did not recommend additional FTE positions in the Board of Cosmetology budget for FY 2009. The Budget Committee also noted that the Board of Cosmetology has assumed additional responsibilities during the past several years attributed to health issues with salons and barbershops as well as tattoo shops.

Responding to a question from the Committee, the Budget Committee stated that there was discussion during the 2007 session concerning the possibility of combining budgets for some of the fee funded agencies. The Budget Committee reported that they received negative responses from the agencies.

Kansas Lottery

Representative Yoder, Chair of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Lottery for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 4). The motion was seconded by Representative Pottorff. Motion carried.

The Budget Committee noted that a minority report on the Kansas Lottery for FY 2008 and FY 2009 is included (Attachment 5).

Representative Beamer made a substitute motion to amend the Budget Committee for the Kansas Lottery for FY 2008 by adoption of the minority report (Attachment 5). The motion was seconded by Representative Kelsey. Motion failed on a 4-10 vote.

During Committee discussion on Representative Beamer's substitute motion, the Committee noted that contract negotiations are ongoing by officials of the Kansas Lottery at the present time. The Committee indicated that delay of funding and removal of additional FTE could hinder progress in going forward with contract negotiations.

Ed Van Petten, Director, Kansas Lottery, stated that the additional 7.0 FTE will be used for security at the gaming facilities, information technology staff and audit staff. Mr. Van Petten felt that not all of the 7.0 FTE positions will be filled during FY 2008; however, indicated that 4 of these positions will probably be filled by July 1, 2008. Mr. Van Petten indicated that background checks are done by the Kansas Racing and Gaming Commission. Mr. Van Petten stated that it will be doubtful if facilities will be operational during FY 2008.

Julian Efird, Legislative Research Department, stated that the revenue estimates in the minority

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report are revenues that would flow into the fund after a contract is signed. These funds are used for a variety of items, including a 25-40% payment to the manager of the facility. Other revenues deposited in the fund would assist in payment of operational costs. The 2007 Legislature allowed these funds to be "no limit". Mr. Efird noted that he understood the intent of the minority report is to have a zero balance in each of these funds into which money would flow as well as the Expanded Lottery Act Revenues Fund (ELARF).

The Budget Committee indicated that the intent of the recommendations in the Budget Committee report was to allow the Kansas Lottery to move forward with contract negotiations.

Representative Yoder, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Lottery for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 4). The motion was seconded by Representative Pottorff. Motion carried.

Representative Beamer made a substitute motion to amend the Budget Committee for the Kansas Lottery for FY 2009 by adoption of the minority report (Attachment 5). The motion was seconded by Representative Kelsey. Motion failed.

Kansas Racing and Gaming Commission

Representative Yoder, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Racing and Gaming Commission for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 4). The motion was seconded by Representative Pottorff. Motion carried.

The Budget Committee noted that a minority report on the Kansas Racing and Gaming Commission for FY 2008 and FY 2009 is included (Attachment 5).

Representative Beamer made a substitute motion to amend the Budget Committee for the Kansas Racing and Gaming Committee for FY 2008 by adoption of the minority report (Attachment 5). The motion was seconded by Representative Kelsey. Motion failed.

Julian Efird, Legislative Research Department, presented information on Expanded Lottery Receipts and Expenditures (Attachment 6).

Representative Yoder, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Racing and Gaming Commission for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 4). The motion was seconded by Representative Pottorff. Motion carried.

Representative Beamer made a substitute motion to amend the Budget Committee for the Kansas Racing and Gaming Committee for FY 2009 by adoption of the minority report (Attachment 5). The motion was seconded by Representative Kelsey. Motion failed.

Responding to Committee questions, Neysa Thomas, Kansas Racing and Gaming Commission, indicated that background checks are done on owners with 5 percent and above ownership in the racing and gaming facilities.

The Committee requested additional information from the Kansas Racing and Gaming Commission:

- Number of background checks done at each facility.
- On whom are background checks done - employees and owners.
- The number of states who have outside contracts for background check.

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 7, 2008, in Room 514-S of the Capitol.

Behavioral Sciences Regulatory Board

Representative Sawyer, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Behavioral Sciences Regulatory Board for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 7). The motion was seconded by Representative Feuerborn. Motion carried.

Representative Sawyer, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Behavioral Sciences Regulatory Board for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 7). The motion was seconded by Representative Gatewood. Motion carried.

Board of Healing Arts

Representative Sawyer, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Healing Arts for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 7). The motion was seconded by Representative Feuerborn. Motion carried.

Representative Sawyer, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Healing Arts for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 7). The motion was seconded by Representative Feuerborn. Motion carried.

Board of Nursing

Representative Henry, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Nursing for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 8). The motion was seconded by Representative Bethell. Motion carried.

Representative Henry, member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Nursing for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 8). The motion was seconded by Representative Bethell. Motion carried.

The meeting was adjourned at 10:35 a.m. The next meeting of the Committee will be held at 9:00 a.m. on March 10, 2008.

Sharon Schwartz, Chair