

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on February 8, 2005 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
Amy VanHouse, Legislative Research Department
Reagan Cussimano, Legislative Research Department
Michele Alishahi, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Robert Waller, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Jerry Slaughter, Kansas Medical Society
Pat Hurley, HealthyKansans Coalition
Tom Bell, Kansas Hospital Association
Dr. Bob Day, Governor's Health Policy

Others attending:

See attached list.

- Attachment 1 State General Fund (SGF) Receipts, July, 2004 through January, 2005
- Attachment 2 Briefing on Homeland Security Funding
- Attachment 3 Budget Committee report on Department of Labor for FY 2005 & FY 2006
- Attachment 4 Addendum to Budget Committee report on Department of Labor
- Attachment 5 Testimony on **ERO 33** by Jerry Slaughter, Kansas Medical Society
- Attachment 6 Testimony on **ERO 33** by Pat Hurley, HealthyKansans Coalition
- Attachment 7 Testimony on **ERO 33** by Tom Bell, Kansas Hospital Association
- Attachment 8 Written testimony on **ERO 33** from Alliance for Kansans with Developmental Disabilities
- Attachment 9 Organizational Chart on **ERO 33** by Dr. Bob Day, Governor's Health Policy
- Attachment 10 Summary of Provisions of **ERO 33**, Dr. Bob Day

Information, prepared by Legislative Research Department, on State General Fund (SGF) Receipts for the period July 2004 through January 2005, was distributed to the Committee (Attachment 1).

Representative Feuerborn moved to introduce legislation for three bills to incorporate the Governor's recommended budgets. The motion was seconded by Representative Bethell. Motion carried.

Representative Hutchins moved to introduce legislation to authority the State Board of Regents to convey a certain tract of real estate on behalf of Fort Hays State University. The motion was seconded by Representative McLeland. Motion carried.

Representative Schwartz moved to introduce legislation to increase fees for the animal health agency. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Powell moved to introduce legislation to remove guide licenses from the State of Kansas. The motion was seconded by Representative Schwartz. Motion carried.

HB 2293 is referred to Retirement Sub-Committee.

HB 2294, HB 2301, HB 2306 are referred to Social Services Budget Committee

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 8, 2005 in Room 514-S of the Capitol.

HB 2105 is re-referred from Revenue, Judicial, Transportation and Retirement Budget Committee to the Retirement Sub-Committee.

Chair Neufeld recognized Robert Waller, Legislative Research Department, who presented a briefing on Federal Homeland Security Funding (Attachment 2). Responding to questions from the Committee concerning the flow of money to local agencies and how much control the State has on how it is spent, Mr. Waller indicated that the Governor's Coordinating Council on Homeland Security outlines the percentages to be distributed to local units of government. The local unit can spend these funds on whatever their needs may be within the criteria as set forth by the Office for Domestic Preparedness (ODP). The state has no authority to directly advise local units of government on how they may spend the homeland security funds. The Highway Patrol maintains a database of qualified equipment, training and other items, from which the local units of government may draw pricing. Mr. Waller indicated that if the Committee chose, a proviso could be added to the appropriations bill indicating the percent of homeland security funds to be distributed to local units of government. Mr. Waller also stated that miscellaneous funds listed in the budgets are carry-over funds or unencumbered funds from the previous year and within the federal rules. The Committee expressed some concern that the State has no authority or control over how the homeland security funds are spent by the local units of government.

Chair Neufeld recognized Capt. Mark Bruce, Administrator of the Office for Domestic Preparedness (ODP) Grant Program, who responded to several Committee questions, explaining that per the guidance from the federal government, the state has no control or authority over what is purchased as long as it is within the program guidelines. The Adjutant General's office, Highway Patrol and Department of Health and Environment are working to move into a regional concept program by the FY 2006 budget year. Capt. Bruce stated that the database maintained by the Highway Patrol contains pricing and selection on a variety and type of equipment, primarily through a contract with Fisher Scientific Company, a company that has access to a large variety of brands of equipment, etc., indicating also that the company is working to add Kansas manufactured products to the line. At the present time, there are no state mandates concerning the types of radio equipment to be purchased that would allow communication between the various agencies within the state system. Federal government dictates policy that states purchases of equipment must be for new equipment as opposed to used or reconditioned equipment. Capt. Bruce stated that at the present time all state and local purchases are in compliance with the program guidelines.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee presented the Budget Committee's report and recommendation for the Department of Labor.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Department of Labor for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 3). The motion was seconded by Representative Lane. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Department of Labor for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 3). The motion was seconded by Representative Lane. Motion carried.

An addendum to the Budget Committee report on Department of Labor was distributed to the Committee (Attachment 4).

The Chair returned the Committee's attention to testimony on **ERO 33** and recognized Jerry Slaughter, Executive Director, Kansas Medical Society, who presented testimony in support of **ERO 33** (Attachment 5).

The Chair recognized Pat Hurley, who presented testimony on behalf of the HealthyKansans Coalition, in support of **ERO 33** (Attachment 6).

Chair Neufeld recognized Tom Bell, President, Kansas Hospital Association, who presented testimony in support of **ERO 33** (Attachment 7).

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Written testimony from the Alliance for Kansans with Developmental Disabilities in support of **ERO 33** was distributed to the Committee (Attachment 8).

Chair Neufeld recognized Dr. Bob Day, Governor's Health Policy, who presented an organizational chart, including the general budget and number of full-time equivalent (FTE) staff (Attachment 9); plus a summary of provisions contained in **ERO 33**, information as requested by the Committee (Attachment 10). In response to a question concerning the Fraud Auditing Division of the Department of Social and Rehabilitation Services (SRS), Dr. Day stated that this division will move into the new department with the expectation of strengthening the group. Responding to a question from the Committee with regard to reasons for the reorganization, Dr. Day stated that (1) healthcare is the fastest growing element in state government and this reorganization will allow for a single agency to develop and implement policy for healthcare; (2) modernize Medicaid as an insurance program; and (3) allow purchasing of healthcare to drive a better value for the dollar. Responding to a question concerning the discrepancies in the number of staff to be transferred to the new agency between different testimony, Dr. Day stated that the 183.5 staff members included in the organization chart, include the Medicaid staff housed with SRS, staff who work with the state employee health insurance program, and 34 staff who are housed off-site working for a vendor who does determination of eligibility.

The Chair announced that the Appropriations Retirement Subcommittee will meet at 7:00 a.m., February 9, 2005, in Room 514-S. The next Appropriations Committee meeting will be held at 9:00 a.m. on February 9, 2005. The meeting was adjourned at 10:35 a.m.

Melvin Neufeld, Chair