

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson David Adkins at 12:30 p.m. on April 25, 2000, in Room 514-S of the Capitol.

All members were present except: All present

Committee staff present: Alan Conroy, Kansas Legislative Research Department
Stuart Little, Kansas Legislative Research Department
Robert Waller, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Robert Chapman, Kansas Legislative Research Department
Tom Severn, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Audrey Nogle, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Deb Hollon, Kansas Legislative Research Department
Paul West, Kansas Legislative Research Department
Jim Wilson, Revisor of Statutes Office
Dave Stallings, Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list

Chairman Adkins mentioned that copies of minutes were distributed to the Committee for the meetings of February 2, 3, 8, 17, 24, March 1, 2, 7, 8, 9, 14, 16, 17, 23, 29 and April 5 of 2000. It was requested that the Committee notify the Committee Secretary by April 27, 2000, with any additions, corrections or changes. The Chairman mentioned that it will be the Chair's intent to distribute the remaining minutes in writing and accept comments by phone or by writing to make corrections and have a final date to incorporate additions or changes.

Chairman Adkins thanked the Subcommittee that had been working with some of the prevention and tobacco settlement issues. Chairman Adkins recognized Chairwoman Weber for the Subcommittee report. Chairwoman Weber mentioned that the Subcommittee had met at 9:00 a.m. today and they heard brief testimony, at her request, from several interested parties including Secretary Schalansky and other representatives of the Department of Social and Rehabilitation Services, Kansas Children's Service League, Kansas Action for Children and other social and children's service agencies. The Subcommittee reviewed the documents that each subcommittee member had received from Chairman Adkins the past week with regards to the organizational structure of prevention funding that would be coordinated through a center for prevention programs, with a research component providing for program evaluation and other support. Chairwoman Weber mentioned that the Subcommittee members, Representatives Nichols, Reardon, Weber, Neufeld, Ballard, Allen and Farmer, also reflected on what their perception was of the current Children's Cabinet that is making recommendations to spend the Children's Initiatives Fund money and how a center for prevention and the research component would fit into this. The Subcommittee enlisted help from Chairman Adkins. Chairwoman Weber mentioned that the Subcommittee recommendation was that they would implement the concept contained in the most recent recommendation presented by Chairman Adkins.

Chairwoman Weber requested that Chairman Adkins explain the concept. Chairman Adkins showed a chart of "bubbles" representing a state agency or a function of state government that has some prevention responsibility, for example, State Board of Education, Juvenile Justice Authority, Attorney General, Adjutant General, Department of Social and Rehabilitation Services, and Department of Health and Environment. The Chairman mentioned that he found that there was very little collaboration or coordination between the various agencies. He mentioned that what was needed were less separate turfs and more of a landscape and the idea is to try to put all these together in some kind of cohesive whole.

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Chairman Adkins explained the way in which all the functions in the chart would be restructured. The Chairman mentioned that what he thinks is most critical is some capacity within state government to coordinate these various functions and he felt a leadership component was the most important piece in it. The Chairman felt it was better to represent this as a hub of a wheel with many spokes. He mentioned that by creating a Kansas Center for Prevention Leadership, the idea is to create a centralized resource instead of placing it within one of the entities around on the spokes of the hub. The Chairman mentioned that he believes it is best to place this capacity in the Governor's office, to have it be at the executive level of state government and to serve as the coordinating function and enforce collaboration and help with the allocation of resources around the various spokes of the wheel. The Chairman also mentioned that within the Kansas Center for Prevention Leadership there would be several entities. One would be a Prevention Policy Council to talk about a comprehensive plan and a report card. Another one would be a Prevention Intergovernmental Coordinating Council where all the state agencies would have representatives meet to attempt to coordinate how this central focus could serve the very best. Integrated into this are ways in which technical assistance to local community planning teams and local initiatives, ease funding streams from all these various agencies to the entity. To augment this would be an independent research council component that would receive agenda items from the Children's Cabinet as well as its leadership capacity to provide research on best practices in how to implement these programs.

Subcommittee Chairwoman Weber mentioned that currently in law there is the structure of the Children's Cabinet which is charged with making recommendations as to how the Children's Initiatives Fund is to be used. So they would be adding the component of research and the component of a centralized collaboration piece. Chairwoman Weber mentioned that the secondary piece of the charge to the Subcommittee was to deal with the monetary aspect. Chairwoman Weber referred to the handout by Staff, Children's Initiatives Fund (Tobacco), and mentioned that it is what the Governor recommended and also reflects what the Children's Cabinet recommended (Attachment 1). Chairwoman Weber asked Representative Neufeld to explain the only piece the Subcommittee decided definitely upon. Representative Neufeld explained that in regard to spending of the Children's Initiative Fund, the Subcommittee really made no recommendation except for a couple of members recognized that some of the different budget committees that met last week made recommendations so they decided to not make any further recommendations and decided to let the full committee decide that. Representative Neufeld mentioned that the one thing the Subcommittee did decide was that the best children's program practices allocated under SRS, that quarter million dollars, should be moved to the appropriate research fund under the Children's Cabinet, specifically already in statute, the set of funds specifically for accountability as in money that would fund research to prove the programs that had been funded previously.

Copies of the Children's Initiatives Fund, Program or Project were distributed to the Committee (Attachment 2). Detailed Committee questions and discussion followed. The Chairman mentioned that the Committee will take the Subcommittee's report, with the recognition of its conceptual form, and draft a proposal for the Committee to consider later in the afternoon. He also mentioned in order to place the budget in a position to be reported out hopefully this day, the Committee will work on recommendations on the Children's Initiatives Fund expenditures as well as try to get a snapshot of where the Committee is at regarding the budget. Chairman Adkins asked that the Committee review the handout Children's Initiatives Fund (Tobacco).

The Chairman recognized Representative Allen. Representative Allen mentioned that regarding the 5th bullet on the first page of the Kansas Prevention Initiative that she had an opportunity to visit with Secretary Schalansky and she feels strongly that Secretary Schalansky would like to keep the alcohol and drug block grant money within the budget of the Department of Social and Rehabilitation Services. Representative Allen explained that the way this is drafted right now would move that funding and five positions to the Kansas Center for Prevention Leadership. Representative Farmer mentioned that three of the four positions are all classified positions and there may be an issue there that must be addressed.

Representative Allen made a conceptual motion, seconded by Representative Farmer, to hold one of the five positions in SRS along with alcohol and drug block grant money and that the rest of it be transferred over to Kansas Center for Prevention Leadership to clarify the subcommittee's conceptual report. Committee questions and discussion followed. A vote was taken and division was requested by the Chairman. Motion carried.

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The Subcommittee workpiece was distributed to the Committee, the Kansas Prevention Initiative (Attachment 3). Committee questions and discussion followed. In response to a question by Representative Shriver, Chairman Adkins explained that at the bottom of page 3, Kansas Prevention Initiative, the discretionary grant program that would be managed by the Center for Prevention Leadership, would be a successor in his mind to the State Incentive Grant Program. As a result of questions raised concerning his wife's work as Executive Director of YouthFriends and the possibility that any of these funds might somehow be earned by that program, he would feel much more comfortable if there was not any possibility that discretionary funds could flow to that program as a result of this proposal which he supports.

Chairman Adkins called on Alan Conroy, Kansas Legislative Research Department, who briefed the Committee on the status of the budget to date. A handout titled, State General Fund Profile, FY 1998 - FY 2004 (Attachment 4). Mr. Conroy also distributed and briefed the Committee regarding Economic Development Initiatives Fund, Omnibus Edition, Recommendations as of Monday, April 24, 2000 at noon (Attachment 5). Committee questions and discussion followed.

The meeting recessed at 1:35 p.m. for Committee members to go to their respective caucuses to prepare for a more focused conversation in regard to the Children's Initiatives Fund allocations of moneys derived from tobacco litigation. The meeting reconvened at 2:25 p.m.

Chairman Adkins presented the Majority Party Caucus Recommendations for the Children's Initiatives Fund to fund:

- fund \$70,000 for the community access network catalog
- under Department of Health and Environment to fund \$250,000 for the Healthy Start Home Visitor enhancements
- to fund the \$500,000 for infants and toddlers program
- under Juvenile Justice Authority to add an addition \$3 million dollars to the Juvenile Prevention Program Grants to be allocated among the judicial districts based on a census component being added to the funding formula, essentially that \$3 million dollars of the \$8 million dollars total would be allocated to judicial districts based on the number of persons living there under the age of 18 and specifically add a proviso that would indicate that the commissioner of Juvenile Justice is not to accredit any community plan unless such plan includes a component to deal with the risk of factor of smoking or some smoking cessation type of component
- fund \$2 million dollars for juvenile graduated sanction grants
- fund Children's Mental Health Initiative of \$1 million dollars
- fund the Family Centered System of Care at \$5 million dollars
- fund the DARE program at \$159,956.
- fund Parent Education would be increased to a total of \$2 million dollars, the Parents and Teachers Program
- fund the four-year old at risk program \$1 million dollars
- fund the School Violence Prevention would be \$500,000.
- Did not fund KAN-ED, but essentially reserved funds should that bill pass, they would have to re-visit it, but no funding of KAN-ED for this particular proposal.
- fund \$250,000 for the Tele-Kid Health Care Link
- fund \$1 million dollars for the pediatric biomedical research

Two items not listed on the Children's Initiatives Fund sheet that were recommended to fund:

- fund the reading and vision research program as recommended by the Education subcommittee at \$250,000.
- fund \$1 million for the Children's Initiatives Accountability Fund

Committee questions and discussion followed.

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Representative Hermes made a motion, seconded by Representative Reardon, to add \$1 million for Childrens' Mental Health Fund Prevention to fund therapeutic preschools program designed to divert children from special education caseloads. Motion carried.

Representative Reardon presented the Minority Party Caucus Recommendations for the Children's Initiatives Fund to fund:

- fund DARE but with the proviso that was discussed in this Committee sometime last week that there be a report made to the 2001 Legislature on the effectiveness of the DARE program
- fund additional \$500,000. infant and toddlers program - to enhance the comfort level by prescribing a better use of Children's Initiatives Fund dollars
- tobacco prevention - \$1 million dollars as opposed to \$500,000 as recommended by the Governor and that the \$1,000,000 to go specifically toward prevention
- they had recommended amounts for biomedical research, pediatric research, in that they saw some advantages of going into conference committee with \$2 million dollars for these types of research.
- they discussed KAN-ED and there were many differences of opinion and some would like to wait to see if the bill passes.

Representative Schwartz made a motion, seconded by Representative Feuerborn, to add \$100,000 to the base of the house budget committee proposal regarding the Juvenile Justice Authority prevention grant formula and there are 31 judicial districts so that would come close to that \$3 million dollars. The Chairman explained that this would take us back to the Juvenile Justice Authority recommended formula with a base of \$100,000 and not the subcommittee formula which allocated on a risk basis and then allocated amounts to those recipients that didn't get to \$100,000 so that they got to \$100,000. Representative Schwartz mentioned the intent was the last part of the Chairman's explanation. Chairman Adkins mentioned then that formula would allocate the money through a risk-driven formula based on school dropouts and any judicial district that as a result of that failed to get to \$100,000 would be then appropriated the difference to get them to \$100,000. Committee questions and discussion followed. Representative McKechnie requested that, with Representative Schwartz' permission, Staff enter the new money into the formula and asked Robert Chapman to do that and come back to the Committee with the formula comparisons. The Chairman deferred further discussion and consideration on Representative Schwartz motion until the figures are presented from Staff. The Chairman turned the Committee's attention back to the caucus reports. Committee questions and discussion followed.

Representative Nichols made a motion, seconded by Representative McKechnie, that we fund \$1 million dollars for tobacco prevention, specifically for tobacco prevention, and that \$1 million to go to communities across Kansas and be allocated by the Kansas Center for Prevention Leadership for the applicants to get children to stop smoking. Committee questions and discussion followed. Representative Nichols closed. Motion carried.

Chairman Adkins called on Robert Chapman, Kansas Legislative Research Department, for the updated figures regarding Representative Schwartz' motion. Mr. Chapman explained the formulas and distributed copies of the Prevention Grants to Communities (Attachment 6). The Chairman requested that Staff prepare another run of the formula comparisons with the addition of the House Subcommittee recommendation.

Chairman Adkins recognized Representative Kline who made the Committee aware of a situation regarding the Kansas Highway Patrol. The Highway Patrol has been leasing a warehouse north of Topeka to store their new vehicles where they are being prepared to go out on the road. There are about 200-350 vehicles per year, and usually in bulk, so it takes a large space to store them. Representative Kline explained that several years ago the Kansas Highway Patrol came to the Joint Building Committee with a proposal to purchase that tract. The Building Committee recommended the purchase but it was not funded. This last week the Kansas Highway Patrol lost their lease and they are to vacate the premises on

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June 30, 2000. It leaves nothing in which to store these vehicles. Representative Kline mentioned that two years ago the Kansas Highway Patrol brought a proposal in which they would build a building to accommodate that storage and adjacent to it they would service the vehicles before they went out on the road. The Building Committee recommended that and it was never funded.

Representative Kline made a motion, seconded by Representative Pottorff, to renew a request from the Joint Building Committee fund the site for the Kansas Highway Patrol to issue bonds to construct a building. Committee questions and discussion followed. A vote was taken and the Chairman requested division. Motion failed.

Chairman Adkins asked Alan Conroy, staff, to brief the Committee regarding revised figures for the State General Fund. Mr. Conroy explained that through reflection and refinement of the numbers, it appears that there was a mathematical error in the status of general funding expenditures and it appears right now instead of being to the positive, you are actually overspent \$3.7 million dollars in terms of compliance with the ending balance and are \$3.7 million short. Mr. Conroy mentioned an option is the \$5 million in the Medicaid match fund that could be used to offset general fund expenditures rather than offsetting Children's Initiatives Fund spending. Committee questions and discussion followed. Mr. Conroy mentioned that if they had a little time, staff may come back with additional options and mentioned the EDIF.

Chairman Adkins called on Robert Chapman with new figures for the Prevention Grants to Communities regarding Representative Schwartz' motion (Attachment 7). Mr. Chapman briefed the Committee regarding the comparisons of \$50,000 as base, \$75,000 as base used and \$100,000 as base.

The Chairman called the Committee's attention back to Representative Schwartz' motion that had been deferred, seconded by Representative Feuerborn, regarding the prevention grant formula. Committee questions and discussion followed. Representative Schwartz closed on the motion using the final column in the Staff report using \$100,000 base for the judicial districts. A vote was taken and the Chairman requested division. Motion failed.

Representative McKechnie made a motion, second by Representative Neufeld, to propose using \$75,000 as the base grant amount, a better state-wide plan, as a census plan does not support community plans. A vote was taken and division was requested. Motion carried.

Representative McKechnie made a motion, second by Representative Farmer, regarding KAN-ED to the Department of Education budget asking the Department of Education to consider the Legislative Post Audit report on the KAN-ED and report back to the 2001 Legislature with a recommendation on how to set up the statewide network. Motion carried.

Representative McKechnie made a motion, second by Representative Dean, for the line item for the University of Kansas Medical Center for pediatric biomedical research in the amount of \$2 million rather than \$1 million dollars. Committee questions and discussion followed. A vote was taken and division was requested. Motion carried.

Representative Reardon made a motion, second by Representative Shriver, regarding a proviso for Children's Mental Health Prevention to be increased to \$2 million out of the Children's Initiatives Funding for Medicaid certified match dollars for a therapeutic preschool program and to be as aggressive as possible. A vote was taken and division was requested. The Chairman voted in favor of the motion. Motion carried.

Representative Stone made a motion, second by Representative Ballard, to adopt the Childrens' Initiative Fund recommendations of the majority caucus of the Committee, as amended for the omnibus appropriations bill. Motion carried.

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Representative Neufeld made a motion, second by Representative Landwehr, to use \$4.8 million needed to provide for the 7.5 percent ending balance in the State General Fund the amount taken out of the Tobacco Trust Fund for the Medicaid Match Fund - SRS to fund the two waivers outside of SGF. Motion carried.

Representative Nichols made a motion for a proposed an amendment, second by Representative Reardon, that would do two things 1) not appropriate the dollars that we are funding on this sheet to KPERS under the Department of Commerce, KTEC, etc., and have them absorb those amounts in their general operating budgets and 2) refund dollars to a program that is funded with part EDIF and part SGF, probably Vo-Tech, and back out the SGF dollars to a program that is funded with part EDIF and part SGF, probably Vo-Tech, and back out the SGF dollars for total savings of roughly \$563,000. Committee questions and discussion followed. Motion carried.

Chairman Adkins mentioned to the Committee that at this point the recommendations do not have to be at 7.5 percent ending balance, but are about \$3 million dollars off the mark needed at the end of session. The Conference Committee report, when adopted, must provide for a legislatively approved budget which is at a 7.5 percent ending balance. The Chairman polled the Committee to focus efforts and asked how many on the Committee believed we should get to a point where the bill that comes out of Committee is at 7.5 percent requiring the Committee to focus on cutting some things out of the budget at this point. The option for those who are not voting for this will be how many are comfortable that we have a package that at this point we can endorse and send it to the floor. The majority of the Committee felt at this point there exists a package that the Committee can endorse and send to the floor. The Chairman assured those, who voted on having a 7.5 percent at this time, that he has no intention of negotiating a position that leaves us with anything less than a 7.5 percent ending balance.

Representative Nichols made a motion, seconded by Representative Spangler, that there is an additional \$500,000 dollars SGF savings which would get one-third of the way to \$3 million. With the Mega Appropriations bill the Budget Committee recommended lowering the KDOT expenditure limitation by \$1 million dollars and the Full Committee reported back only capturing one-half of that savings, \$500,000, and the Committee could now capture the additional \$500,000 in savings and transfer that to the Kansas Highway Patrol and back out \$500,000 SGF which would get us to at least one-third of the way. Motion carried.

Representative Neufeld made a motion, second by Representative Schwartz, to recommend the introduction of the omnibus appropriations bill favorable as amended.

Representative Weber made a substitute motion, second by Representative Neufeld, for a proviso like the proviso last year to our substitute bill that would identify all of those moneys that are spent by state agencies particularly for any and all alcohol or substance abuse treatment, prevention or education programs, including the administration of such programs, for the next fiscal year. (Attachment 8) Motion carried.

Representative Weber made a motion, second by Representative Stone, in regard to the Kansas Sports Hall of Fame and asking to consider it as a state agency as it is considered in the statute, it has a seven- member board appointed by the Governor, the members are authorized to be paid for attendance at the meetings, and half the board are in classified service under the Kansas Civil Service Act, however, we have never authorized them the three positions that run the Kansas Sports Hall of Fame, not any additional money but just authorize them the three positions, bearing in mind there is a GBA for \$50,000. Motion carried.

Chairman Adkins made a motion, second by Representative Spangler, in order to fund intent to move the Center on Prevention Leadership from the Department of Social and Rehabilitation Services to the Governor's office and to reflect a commensurate shift in funding and lower the SGF State Operations Account by the amount agreed to between the Governor' office and the Department of Social and Rehabilitation Services and then increase the fee funds amounts by the appropriate amount to cover that so they cover their expenses. Kathie Sparks, Kansas Legislative Research Department, stated that requested clarification as whether that included four or five FTE, and that four go instead of the five, and do you choose to designate the one that is staying. Representative Neufeld mentioned that the program

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Committee wish to blanket a proviso on that fund that SRS is to contract with KCIP for prevention services and leave the funding plan. Committee agreed. Also, Ms. Sparks, asked regarding amounts in the Childrens' Initiatives Fund in the current year, do you want any unexpended balances to re-appropriate or do you want the money to at the end of the budget year. The Governor has recommended re-appropriation. Chairman Adkins mentioned that his motion included the re-appropriation. Motion carried

Representative Neufeld made a motion, seconded by Representative Spangler, that technical corrections, omissions and errors be justified, modified and corrected to the extent necessary. Motion carried.

Representative Neufeld renewed his motion, second by Representative Weber, to introduce a bill and report the bill favorable for passage. Motion carried.

Additional distribution to the Committee:

- Letter to Chairman David Adkins from Clyde Graeber, Secretary, Kansas Department of Health and Environment (Attachment 9)
- Letter to Mr. Walt Darling, Kansas Highway Patrol from Roger Wolfe, President, Frontier Enterprises, LTD. (Attachment 10)

The meeting was adjourned at 5:00 p.m. The next meeting is scheduled for April 27, 2000.