

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 15, 2004 in Room 514-S of the Capitol.

All members were present except:

Representative Barbara Ballard- excused
Representative Dean Newton- excused

Committee staff present:

J. G. Scott, Legislative Research
Amy VanHouse, Legislative Research
Leah Robinson, Legislative Research
Michele Alishahi, Legislative Research
Nicoletta Buonasera, Legislative Research
Audrey Dunkel, Legislative Research
Susan Kannarr, Legislative Research
Melissa Calderwood, Legislative Research
Becky Krahl, Legislative Research
Robert Waller, Legislative Research
Amy Deckard, Legislative Research
Debra Hollon, 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 Bill Reardon
Chip Wheelan, Kansas Association of Osteopathic Medicine

Others attending:

See Attached List.

- Attachment 1 Budget Committee report on Department of Commerce, Kansas Inc., Kansas Technology Enterprise Corporation
- Attachment 2 Budget Committee report on Capital Improvements
- Attachment 3 House Capital Improvements Adjustments to Governor's Recommendation
- Attachment 4 Budget Committee report on Department of Agriculture
- Attachment 5 Budget Committee report on State Conservation Commission, Kansas Water Office
- Attachment 6 Fiscal note on **HB 2783**
- Attachment 7 Attorney General Opinion on Authority of Legislature to Transfer Money from Special Revenue Funds into the State General Fund (SGF) with regard to **HB 2783**
- Attachment 8 Written testimony on **HB 2925** from Carolyn Gaughan, Kansas Academy of Family Physicians
- Attachment 9 Draft amendment to **HB 2925** by Charles Wheelen, Kansas Association of Osteopathic Medicine

The Committee considered the budgets of the Department of Commerce, Kansas Technology Enterprise Corporation (KTEC) and Kansas, Inc.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Commerce for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004(Attachment 1). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Commerce for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment

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1). The motion was seconded by Representative Shriver. Motion carried.

Representative Shriver, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Technology Enterprise Corporation for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 1). The motion was seconded by Representative Pottorff. Motion carried.

Representative Shriver, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Technology Enterprise Corporation for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 1). The motion was seconded by Representative Pottorff. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for Kansas, Inc. for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 1). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for Kansas, Inc. for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 1). The motion was seconded by Representative Shriver. Motion carried.

The Budget Committee noted that there will be a positive balance in Economic Development Initiatives Fund (EDIF) funds at the end of FY 2004 and a negative balance in EDIF funds at the end of FY 2005.

The Committee considered the budgets for capital improvements for FY 2004 and FY 2005.

Representative Pottorff moved that the Committee concur with the House Education Budget Committee on Capital Improvements for Postsecondary Education Systemwide for FY 2004 and FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Department of Corrections for FY 2004 and FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Juvenile Justice Authority for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Education Budget Committee on Capital Improvements for the State Historical Society for FY 2004 and FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Social Services Budget Committee on Capital Improvements for the Department of Social and Rehabilitation Services (SRS); State Hospitals for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

The Committee noted that during future consideration of capital improvements, attention should be given to buildings that are proposed for closure.

Representative Pottorff moved that the Committee concur with the House General Government and Commerce Budget Committee on Capital Improvements for the Department of Administration for FY 2004 and FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House General Government and Commerce Budget Committee on Capital Improvements for the Insurance Department for FY 2004 and FY

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2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Education Budget Committee on Capital Improvements for the School for the Blind for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Education Budget Committee on Capital Improvements for the School for the Deaf for FY 2004 and FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Highway Patrol for FY 2004(Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Highway Patrol for FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Kansas Bureau of Investigation for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Adjutant General for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff moved that the Committee concur with the House Tax, Judicial and Transportation Budget Committee on Capital Improvements for the Department of Transportation for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff moved that the Committee concur with the House Agriculture and Natural Resources Budget Committee on Capital Improvements for the Department of Wildlife and Parks for FY 2004 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Agriculture and Natural Resources Budget Committee on Capital Improvements for the Department of Wildlife and Parks for FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Schwartz. Motion carried.

Representative Pottorff moved that the Committee concur with the House General Government and Human Resources Budget Committee on Capital Improvements for the Department of Human Resources for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Agriculture and Natural Resources Budget Committee on Capital Improvements for the Kansas State Fair for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House General Government and Commerce Budget Committee on Capital Improvements for the Commission on Veterans' Affairs for FY 2004 (Attachment 2). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff moved that the Committee concur with the House General Government and Commerce Budget Committee on Capital Improvements for the Commission on Veterans' Affairs for FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Shriver. Motion carried.

The Committee considered the budgets of the Department of Agriculture, State Conservation Commission and Kansas Water Office.

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Representative Schwartz, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Agriculture for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 4). The motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Agriculture for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 4). The motion was seconded by Representative Gatewood. Motion carried.

Responding to a question from the Committee, the Budget Committee stated that the two requested FTE positions are to reduce the waiting list on water rights permits. The Committee expressed a concern that the proviso proposed in Item No. 2 might be too broad and give the agency authority to use the fee fund for an unintended purpose. The Committee noted that it would be beneficial to coordinate publications from the Department of Agriculture with publications from the County Extension Services and Department of Health and Environment to avoid duplication.

Representative Osborne, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Conservation Commission for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 5). The motion was seconded by Representative Schwartz. Motion carried.

In response to questions as regarding Budget Committee members not signing the report, Representative Gatewood noted his disagreement with the report was due to State Water Plan Fund money that was not returned to water projects.

Representative Osborne, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Conversation Commission for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 5). The motion was seconded by Representative Schwartz. Motion carried.

Representative Schwartz, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Water Office for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 5). The motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Water Office for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 5). The motion was seconded by Representative Osborne. Motion carried.

In response to a question from the Committee on Item No. 3, Amy VanHouse, Legislative Research Department, stated that the State of Kansas controls a portion of water in Cedar Bluff Reservoir and the cities of Hays and Russell also control a portion of water in Cedar Bluffs. The proviso is only directed at the pool of water controlled by the State of Kansas.

Hearing on HB 2783 - Appropriation bills contain only provisions which relate to allocating or expending money; prohibiting certain fund transfers.

J. G. Scott, Legislative Research Department, explained that **HB 2783** relates to two issues:

- Restricts provisos and allocations of expenditures and money
- Disallows transfer of money to accounts or funds unless the law allows the specific transfer.

A fiscal note of \$401 million is attached to **HB 2783**, if the bill is applied to the original statute (Attachment 6).

Representative Mike O'Neal presented testimony in support of **HB 2783**. He presented an Attorney General Opinion issued in 2002 on the authority of the Legislature to transfer money from special revenue funds into

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the State General Fund (SGF) ([Attachment 7](#)). Representative O'Neal said that the transfer of fee funds to the SGF, beyond the 20 percent or up to \$200,000 as set in statute for administrative costs, or the use of demand transfer funds dedicated to a specific purpose, is contrary to law and in violation of the original purpose of the law. The language in **HB 2783** is broad and should focus on fee funds.

Responding to questions from the Committee, Representative O'Neal indicated that if there are excess funds in the fee fund accounts, there should be policy to have agencies reduce the fees charged. The Committee noted concern with regard to policy set by the Legislature and the need for a proviso to enforce the policy. The Committee also voiced concern that there be uniformity in language used in a proviso.

The Chair closed the hearing on **HB 2783**.

Hearing on HB 2925 - Medical student loan act, definition of service commitment areas.

Deb Hollon, Legislative Research Department, explained that **HB 2925** is a statute covering the medical student loan program at the KU Medical Center. The bill would remove Wyandotte County from the list of counties that are excluded in the definition of service commitment area for the loan program. The Division of Budget has not released a fiscal note on the bill at this time.

Representative Bill Reardon presented testimony in support of **HB 2925**. He noted that the five highest populated counties in the State were excluded from the original bill. Wyandotte County has high numbers of uninsured and Medicaid residents and is having a difficult time attracting physicians. Recipients would need to meet the critique as set forth in the program.

Written testimony in support of **HB 2925** from Carolyn Gaughan, Kansas Academy of Family Physicians, was distributed to the Committee ([Attachment 8](#)).

Chip Wheelan, Kansas Association of Osteopathic Medicine, presented a draft amendment which would amend **HB 2925** with the addition of language to conform the service commitment obligation of the Osteopathic medical service scholarship program to the one dealt with in **HB 2925** ([Attachment 9](#)). In response to a question from the Committee concerning the retroactive aspect of the legislation, Mr. Wheelan noted he would need to check with staff at the Board of Regents office to look at the location of recipients of the Osteopathic medical service scholarship program in order to know the effect.

Chairman Neufeld closed the hearing on **HB 2925**.

The meeting was adjourned at 10:45 a.m. The next meeting will be held at 9:00 a.m. on March 16, 2004.

Melvin Neufeld, Chairman