

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2343

As Recommended by House Committee on
Health and Human Services

Brief*

HB 2343 would create the Office of Laboratory Services Operating Fund, which would be a fee fund for the Kansas Health and Environmental Laboratories Bureau (KHEL) of the Kansas Department of Health and Environment (KDHE). Expenditures from the fee fund would be used by KDHE only for the purpose of operating the Office of Laboratory Services (Office). The bill sets out the fees and penalties that would be deposited to the fee fund, some of which currently are deposited to the credit of the State General Fund (SGF) per existing law. The Secretary of KDHE would have authority to adopt rules and regulations and set fees for biological or chemical analysis services provided by the Office, and to allow for the deposit of those fees in the fee fund. Further, the bill would repeal KSA 75-5607 and move language in that statute creating the Office of Laboratory Services to KSA 75-5608.

Specifically, the bill would allow the Secretary of KDHE to remit to the State Treasurer, for deposit in the State Treasury to the credit of the fee fund, the fees collected for the analysis of all waters and fees and penalties received for certification of environmental laboratories at private and public facilities under the Environmental Laboratory Improvement Program (ELIP). Existing law requires the deposit of these fees and penalties in the SGF.

Further, the Secretary of KDHE would have authority to adopt rules and regulations for the collection and biological or

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

chemical analysis of samples received by the Office, to set fees for any biological or chemical analysis services provided, and to allow for the waiver of any such fees in the interest of protecting the public health and safety. Fees received for biological and chemical analysis services also would be deposited to the credit of the newly created fee fund.

Background

The bill was introduced by the House Committee on Health and Human Services at the request of KDHE. The Director of KHEL in KDHE testified in favor of the bill at the hearing before the House Committee on Health and Human Services. The Director stated the bill would establish a dedicated laboratory fee fund for KHEL; provide authority to adopt regulations and set fees for health specimen testing; and allow KHEL to retain the collected fees from the drinking water systems, health specimens, and the ELIP to stabilize funding for KHEL. He noted KHEL collects fees from its drinking water customers (municipalities and regional drinking water systems) and deposits those fees to the SGF. Currently, fees and penalties collected under the ELIP also are deposited to the SGF. The Director stated, by retaining these fees, KHEL would be able to reduce its future SGF budget and become more self-supported. Further, the Director said KDHE does not anticipate charging fees to public health organizations or other state agencies for health testing, but is considering charging private clinics, doctor offices, and hospitals. Currently these entities send samples to KHEL and receive test results for no cost. He noted KDHE does not consider this a prudent use of SGF.

There was no opponent or neutral testimony provided on the bill.

The fiscal note prepared by the Division of the Budget states that, currently, operating expenditures for KHEL are paid by the SGF. Since KHEL already collects the fees, no additional staff would be required to implement the bill.

According to the fiscal note, passage of the bill would have no fiscal effect on local governments. The bill would reduce revenue to the SGF by approximately \$1,002,000, which is the amount collected by KHEL in FY 2012 for sampling and certification work. This same amount, however, would no longer be appropriated from the SGF. Any fiscal effect associated with the bill is not reflected in *The Governor's Budget Report for FY 2014*.