

Approved: 3-11-96
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 1:30 p.m. on February 15, 1996 in Room 514-S of the Capitol.

All members were present except: Representative Bradley, excused (9:00 a.m.)
Representative Goossen, excused (1:30 p.m.)
Representative Minor, excused (1:30 p.m.)

Committee staff present: Alan Conroy, Russell Mills, Susan Wieggers, Legislative Research Department
Jim Wilson, Revisor of Statutes; Mike Corrigan, Revisor
Tim Kukula, Appropriations Secretary; Todd Fertig, Administrative Aide

Conferees appearing before the committee: none

Others attending: See attached list

Chairman Jennison called the meeting to order and recognized Representative Neufeld to give the subcommittee report on the Department of SRS. Representative Neufeld stated that the subcommittee concurs with the Governor's recommendations for FY 1996 with comments and concurs with the Governor's recommendations for FY 1997 with adjustments (Attachment 1).

A motion was made by Representative Neufeld, seconded by Representative Farmer, to amend the subcommittee report for FY 1996 requesting that the agency submit a written plan on how it will comply with the ACLU lawsuit before Omnibus. The motion carried.

Alan Conroy and staff distributed 2 handouts and gave the committee explanations on them. The first is budget comparisons the committee has taken up to this point in the session (Attachment 2). Conroy explained that the second handout is a Memorandum explaining FY 1996 and FY 1997 Items for further consideration (Attachment 3). A sheet that outlines the Economic Development Initiative Fund for FY 1996 and FY 1997 (Attachment 4).

Chairman Jennison recessed the meeting at 10:00 until 1:30 p.m.

Chairman Jennison called the meeting to order and recognized Representative Neufeld to continue the subcommittee report on the Department of SRS.

A motion was made by Representative Helgerson, seconded by Representative Gross, to amend the report to state that the legislature has been informed that there is sufficient revenues to take care of the continuation of the existing nursing home program within the parameters that have been spelled out by the Federal Government.

A substitute motion was made by Representative Hochhauser, seconded by Representative Helgerson, stating that the Department of SRS will not have the authority to lower cash assistance spending from its appropriated amount in FY 1997 by 25% in the absence of review by the legislature next year. The motion carried 12 to 5.

A new motion was made by Representative Helgerson, seconded by Representative Gross, to amend the report to state that the legislature has been informed that there is sufficient revenues to take care of the continuation of the existing nursing home program within the parameters that have been spelled out by the Federal Government. The motion failed with a division of 4 to 11.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on February 15, 1996.

A motion was made by Representative Nichols, seconded by Representative Hochhauser, to amend the subcommittee report to add a statement of how privatization will impact delivery services and how the education levels, skills, experience, certifications and professional licensure of the employees are changed or impacted by the new providers and services of privatization. The motion carried.

A motion was made by Representative Hochhauser, seconded by Representative Lowther, to amend the subcommittee report to include a statement that says what the agency's monitoring efforts consist of and when the legislature will be informed of the results of these monitoring activities. The motion carried.

A motion was made by Representative Bradley, seconded by Representative Gross, to amend the subcommittee report to allow the Department of SRS to determine how to privatize and pay for services in lieu of the state, but must be open for competitive bidding. The motion failed.

A motion was made by Representative Helgerson, seconded by Representative Farmer, to amend the report to state that SRS should entertain any possible ways of privatizing the entire agency and look for other service delivery systems. The motion failed.

A motion was made by Representative Neufeld, seconded by Representative Minor, to adopt the SRS subcommittee report as amended. The motion carried.

A motion was made by Representative Carmody, seconded by Representative Nichols, to introduce a bill that creates an education and training fund for the Department of Insurance with authorization to set, fix, and expend fees. The motion carried.

Chairman Jennison recognized Alan Conroy to explain to the committee certain fund transfers in the State General Fund.

Chairman Jennison then recognized Representative Kline to explain to the committee the Building Committee report.

A motion was made by Representative Carmody, seconded by Representative Lowther, to make a transfer of \$1 million from the EDIF to the State General Fund. The motion carried.

A motion was made by Representative Carmody, seconded by Representative Nichols, to amend the Secretary of State's budget report to delete the \$1.379 million for the Presidential Primary. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Farmer, to ensure that the dollar amounts shown on the KDOT report are the most recent ones available to date. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Reinhardt, to ensure that all agency reports reflect a 2% FTE reduction. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Bradley, to make any technical corrections necessary in any of the subcommittee reports. The motion carried.

Several more handouts were distributed to the committee as Chairman Jennison explained the intentions of the committee in dealing with HB 2724. Chairman Jennison stated that there is a list of proposed amendments to HB 2724 that will be dealt with individually and members of the committee can add to the list as it is distributed.

Distributed, was a list of corrections to the budget from the Governor's office (Attachment 5), a list of proposed amendments categorized by agency (Attachment 6), a KDOT FY 1997 budget operations handout (Attachment 7), a handout outlining a funding plan for a Cheyenne Bottoms Challenger Tractor (Attachment 8), and a memorandum on Blood Lead Services from KDHE Secretary James J. O'Connell (Attachment 9).

Chairman Jennison recognized several representatives to disubcommitteuss the proposed amendments outlined in attachment 6. Chairman Jennison then recognized members of the committee to add proposed amendments to the list before action is taken.

A motion was made by Representative Wilk, seconded by Representative Carmody to get a report from the Department of Human Resources concerning its long term objectives on the one-stop center for job services. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on February 15, 1996.

A motion was made by Representative Cornfield, seconded by Representative Kline, to amend the KBI section of HB 2724 by filling 9 special agent positions and 3 lab subcommittee scientist positions, restore 3 FTE positions that were subcommittee scheduled for elimination (one agent and 2 criminal information services division), and funding for AFIS upgrade, for a total of \$321,651.

A substitute motion was made by Representative Edmonds, seconded by Representative Minor, to continue with Representative Cornfield's motion, but add to it a secretarial position for an additional \$21,518. The motion carried.

A motion was made by Representative Nichols, seconded by Representative Hochhauser, to add \$891,297 as the final payment for state hospitals. The motion failed 6 to 11. Representative Edmonds voted yes.

A motion was made by Representative Nichols, seconded by Representative Helgerson, to add \$400,000 to the budget for 2 new SILCK centers.

A substitute motion was made by Representative Lowther, seconded by Representative Edlund, to reallocate the \$400,000 from within the budget rather than adding the funding. The substitute motion failed.

Back on the original motion by Representative Nichols. The motion failed 5 to 10.

A motion was made by Representative Farmer, seconded by Representative Wilk, to amend HB 2724 by adding \$10,500 for a public education report card. The motion carried.

A motion was made by Representative Farmer, seconded by Representative Hochhauser, to amend the Kansas State Historical Society section of HB 2724 by adding a proviso for the transition costs of 3 historic sites, including staffing and fringe benefits and operating costs for a total of \$35,851. The motion carried.

A motion was made by Representative Farmer, seconded by Representative Edmonds, to add the funding for an 8 passenger van for the subcommittee school for the deaf, and fund the utilities and an air conditioner for the 2nd floor of the Roth building at a total cost of \$27,274. The motion carried.

A motion was made by Representative Farmer, seconded by Representative Neufeld, to amend HB 2724 by adding \$16,910 in funding in the state library budget for OOE Communications - KICNET. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Reinhardt, to amend HB 2724 by adding \$46,015 for state library OOE. The motion carried.

A motion was made by Representative Neufeld, seconded by Representative Minor, to amend HB 2724 by adding \$50,000 to the KDHE section of the budget for blood lead testing for children. The motion carried.

A motion was made by Representative Neufeld, seconded by Representative Hochhauser, to fund \$41,214 to the Department of Aging budget for 10,680 in-home meals and the Older Americans Act. The motion carried.

A motion was made by Representative Neufeld, seconded by Representative Bradley, to fund \$100,000 to SRS for assistive technology (this is a 1 to 1 match with private sector funding). The motion carried.

A motion was made by Representative Hochhauser, seconded by Representative Neufeld, to provide \$100,000 funding for Parent Assistance Network.

A substitute motion was made by Representative Gatlin, seconded by Representative Edmonds, to add a proviso for the reallocation of the \$100,000 from within the SRS budget. The motion carried.

A motion was made by Representative Mollenkamp, seconded by Representative Wilson, to amend HB 2724 by deleting the \$1.45 million funding for the Youth Intake Program. The motion carried 11 to 6.

A motion was made by Representative Wilson, seconded by Representative Mollenkamp, to fund \$100,000 from the SGF for 5 senior judge contracts. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Farmer, to add language to HB 2724 transferring the funding of \$50,000 from the Corporation for Change to the Cities and Subcommittee schools program. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on February 15, 1996.

A motion was made by Representative Edmonds, seconded by Representative Minor, to transfer \$73,900 from the wetlands section of the Department of Wildlife and Parks funding to fund a tractor to fight cattails at Cheyenne Bottoms. The motion carried. (Attachment 8).

A motion was made by Representative Neufeld, seconded by Representative Cornfield, to delete all funding in the Wildlife and Parks budget for the purchasing of additional Wetlands. The motion carried. Representatives Helgerson and Hochhauser voted no.

A motion was made by Representative Lowther, seconded by Representative Helgerson, to add \$100,000 for family subsidy program in FY 1997 and \$100,000 for family support program.

A substitute motion was made by Representative Nichols, seconded by Representative Helgerson, to add \$891,297 as the final payment for state hospitals. The motion failed 5 to 11.

Back on the original motion by Representative Lowther, the motion carried 11 to 6.

Representative Neufeld stated that the Secretary of Health and Environment found \$50,000 in existing resources to fund blood lead testing.

A motion was made by Representative Neufeld, seconded by Representative Kline, to remove \$50,000 for blood lead testing. The motion carried.

A motion was made by Representative Bradley, seconded by Representative Edlund, to add \$300,000 for Meals on Wheels. The motion failed 7 to 10.

A motion was made by Representative Helgerson, seconded by Representative Farmer, to have the actions of the committee reflected in HB 2724, HB 2726 and HB 2970. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Bradley, to report HB 2724 favorably for passage, as amended. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Wilk to report HB 2726 favorably for passage, as amended. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Wilk, to report HB 2970 favorably for passage, as amended. The motion carried.

The meeting adjourned at 5:00 p.m.

The next meeting is scheduled for February 19, 1996.

LEGISLATIVE BUDGET COMMITTEE

1:30

DATE 2-15-96

NAME ADDRESS REPRESENTING

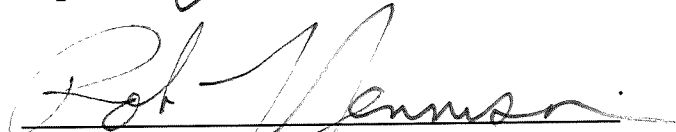
NAME	ADDRESS	REPRESENTING
Jim McDonald	Salina	KACIC
Shannon Jones	Topeka	SILCK
Daryl [unclear]	Topeka	SAS/ADAS
Janet Schabansky	"	SKJ
Sheryl Oiel	"	KAPS
Jose Torres	Topeka	Families Together
Pam Scott	Topeka	Ks Funeral Directors Assn
Bill Holtenbeck	Pittsburg	PSU
Rochelle Chronister	Topeka	SRS
Teresa Malowitz	Topeka	SAS
Ana Koci	Topeka	SRS
Greg Cassimano	Topeka	SRS
Mike Huttles	Topeka	SRS
J. Scott	TOPEKA	SRS
[unclear]	"	KDA
[unclear]	"	SRS
Dohn Kiephaber		Ks. Health Care Assn.
D.B. Dallam	Topeka	DOB
Alan Holmes	"	DOB
Roger Franze		KOC
Bill Watts	Topeka	KACOT
Bob Harder	Topeka 2	—

SUBCOMMITTEE REPORT
ON
DEPARTMENT OF SOCIAL AND
REHABILITATION SERVICES


FY 1996 AND FY 1997 APPROPRIATIONS



Representative Melvin J. Neufeld, Chair



Representative Robin L. Jennison



Representative Duane Goossen

Representative Sheila Hochhauser



Representative Melvin Minor

SOCIAL AND REHABILITATION SERVICES

Subcommittee Report

SRS administers numerous programs designed to assist individuals and families to achieve and maintain independence. SRS also manages the state mental hospitals, mental retardation facilities, and state youth centers. These separate state agencies are discussed elsewhere in this budget analysis.

Expenditure	Actual FY 95	Agency Est. FY 96	Gov. Rec. FY 96	Agency Req. FY 97	Gov. Rec. FY 97**
All Funds:					
Operating Expenditures	\$ 1,380,848,104	\$ 1,431,024,819	\$ 1,407,133,575	\$ 1,459,307,789	\$ 1,424,025,231
Capital Improvements	445,144	5,045,919	6,062,569	12,185,500	5,359,028
Total	<u>\$ 1,381,293,248</u>	<u>\$ 1,436,070,738</u>	<u>\$ 1,413,196,144</u>	<u>\$ 1,471,493,289</u>	<u>\$ 1,429,384,259</u>
State General Fund:					
Operating Expenditures	\$ 474,978,331	\$ 546,364,070	\$ 537,413,254	\$ 598,709,654	\$ 575,304,920
Capital Improvements	0	0	0	1,560,272	0
Total	<u>\$ 474,978,331</u>	<u>\$ 546,364,070</u>	<u>\$ 537,413,254</u>	<u>\$ 600,269,926</u>	<u>\$ 575,304,920</u>
Other Funds:					
Operating Expenditures	\$ 905,869,773	\$ 884,660,749	\$ 869,720,321	\$ 860,598,135	\$ 848,720,311
Capital Improvements	445,144	5,045,919	6,062,569	10,625,228	5,359,028
TOTAL	<u>\$ 906,314,917</u>	<u>\$ 889,706,668</u>	<u>\$ 875,782,890</u>	<u>\$ 871,223,363</u>	<u>\$ 854,079,339</u>
SRS Fee Fund*	\$ 133,223,635	\$ 70,648,001	\$ 70,635,604	\$ 41,119,207	\$ 41,070,590
Percentage Change:					
Operating Expenditures:					
All Funds	8.3%	3.6%	1.9%	2.0%	0.9%
State General Fund	16.3	15.0	13.1	9.6	7.1
FTE Positions	4,243.8	4,715.7	4,706.7	4,699.9	4,680.7
Unclassified Temp. Positions	150.5	153.5	127.3	137.3	117.9
Total	<u>4,394.3</u>	<u>4,869.2</u>	<u>4,834.0</u>	<u>4,837.2</u>	<u>4,798.6</u>

* Included in Other Funds above.

** Includes GBA No. 2.

HIGHLIGHTS OF THIS BUDGET

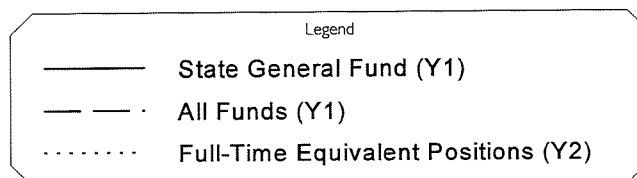
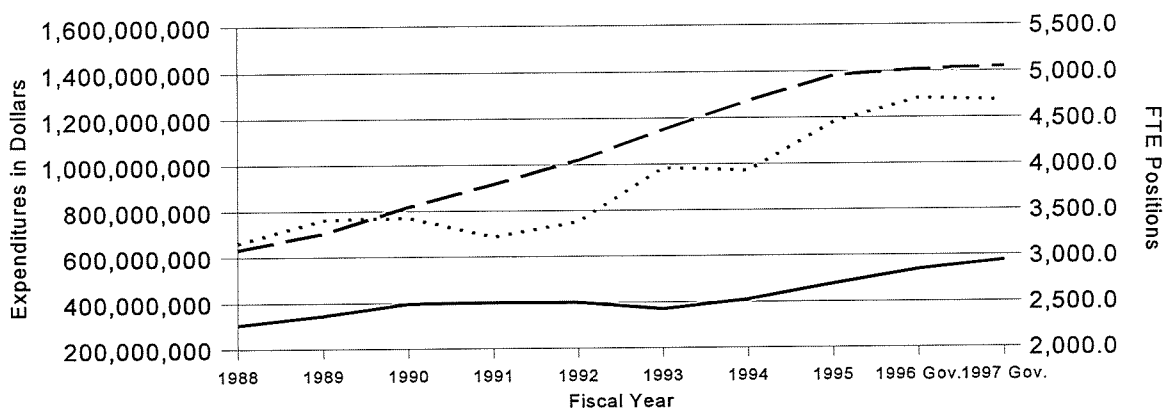
- ▶ **Federal Program Changes.** Both the agency request and the Governor's recommendation are based on the current federal/state program relations as the timing and scope of potential federal program changes remain unknown at this time.
- ▶ **Long-Term Care.** The agency proposes and the Governor recommends change in the operations of the state's long-term care programs. The long-term care realignment is designed to place a greater emphasis on home and community based services in lieu of adult care homes. The Governor's recommendation assumes a slower rate of change between these two program elements than the agency's request.

- ▶ **Cash and Medical Assistance.** Caseload estimates are the primary difference between the agency's request and the Governor's recommendation for the Cash and Medical Assistance programs. A group of officials from the agency, the Division of the Budget, and the Legislative Research Department will be meeting later this session to develop consensus caseload estimates for FY 1996 and FY 1997.
- ▶ **SRS Fee Fund.** The major decrease in expenditures from the SRS Fee Fund between FY 1995 and FY 1997 is due to lower receipts from federal disproportionate share funds and a resulting reduction of fund balances. FY 1997 should be the last year of this major shift between the fee fund and the State General Fund, as receipts and balances stabilize.
- ▶ **Highlights of the Budget** continue following the tables.

FY 1996 – CURRENT YEAR CHANGE FROM APPROVED BUDGET			FY 1997 – BUDGET YEAR CHANGE FROM FY 1996			
	Agency Est.	Gov. Rec.	Dollar Change		Percent Change	
			Agency Req.	Gov. Rec.	Agency Req.	Gov. Rec.
State General Fund	\$ 615,488	\$ (8,335,328)	\$ 52,345,584	\$ 37,891,666	9.6%	7.1%
SRS Fee Fund	(3,274,745)	(3,287,142)	(29,528,794)	(29,565,014)	(41.8)	(41.9)
All Other Funds	(8,211,073)	(23,139,104)	5,466,180	8,565,004	0.7	0.6
TOTAL	\$ (10,870,330)	\$ (34,761,574)	\$ 28,282,970	\$ 16,891,656	2.0%	0.9%
FTE Positions	(60.6)	(69.6)	(15.8)	(26.0)		

BUDGET TRENDS

OPERATING EXPENDITURES FY 1988-FY 1997



SUMMARY OF FY 1997 BUDGET

	Agency Req. FY 97	Change From FY 96	Gov. Rec. FY 97*	Change From FY 96
Expenditures By Program:				
Administrative Services	\$ 57,846,821	\$ (5,129,276)	\$ 57,189,822	\$ (3,843,008)
KSSIS	661,804	(16,937,755)	0	0
Income Support	30,183,802	1,034,863	28,775,245	531,473
Child Support Enforcement	23,166,983	22,119	22,750,179	(38,199)
Cash Assistance	137,489,668	3,711,977	123,721,253	(3,361,302)
Employment Preparation Services	54,089,123	2,390,709	52,065,043	890,154
Medical Services	24,388,508	(10,735,819)	23,676,282	(11,515,552)
Medical Assistance	491,047,458	46,835,532	481,310,795	26,459,883
Long Term Care	368,101,238	(2,493,421)	365,902,464	(1,236,505)
Mental Health and Dev. Disabilities	83,441,627	3,038,748	83,721,933	4,695,883
Alcohol and Drug Abuse Services	19,514,182	1,133,622	18,997,675	512,171
Children and Family Services	130,763,104	5,102,750	127,978,321	4,015,138
Rehabilitation Services Program	23,250,868	236,728	22,761,529	(104,595)
Blind Services	5,700,466	68,947	5,618,214	32,507
Disability Determination Services	9,662,137	3,246	9,556,476	(146,392)
TOTAL	\$ 1,459,307,789	\$ 28,282,970	\$ 1,424,025,231	\$ 16,891,656
Expenditures by Object:				
Salaries and Wages	\$ 170,801,439	\$ 5,057,132	\$ 163,527,609	\$ 4,357,854
Contractual Services	80,814,178	(22,597,053)	76,369,990	(16,505,221)
Commodities	3,624,745	(62,813)	3,549,034	(63,679)
Capital Outlay	488,306	(6,536,027)	454,134	(306,565)
Non-Expense Items	510,982	0	510,982	0
Subtotal - State Ops.	\$ 256,239,650	\$ (24,138,761)	\$ 244,411,749	\$ (12,517,611)
Local Aid	90,525,279	(406,249)	90,943,002	1,344,642
Other Assistance	1,112,542,860	52,827,980	1,088,670,480	28,064,625
TOTAL	\$ 1,459,307,789	\$ 28,282,970	\$ 1,424,025,231	\$ 16,891,656
Financing:				
State General Fund	\$ 598,709,654	\$ 52,345,584	\$ 575,304,920	\$ 37,891,666
SRS Fee Fund	41,119,207	(29,528,794)	41,070,590	(29,565,014)
Other Funds	819,478,928	5,466,180	807,649,721	8,565,004
TOTAL	\$ 1,459,307,789	\$ 28,282,970	\$ 1,424,025,231	\$ 16,891,656
FTE Positions	4,699.9	(15.8)	4,680.7	(26.0)
Unclassified Temp. Positions	137.3	(16.0)	117.9	(9.4)
TOTAL	4,837.2	(31.8)	4,798.6	(35.4)

* Includes GBA No. 2.

HIGHLIGHTS OF THIS BUDGET (CONTINUED)

- ▶ **Positions.** The current year difference between the approved FTE amount and the agency's estimate is the allocation of positions between unclassified temporary (UT) positions and FTE positions. UT positions are increased by 57.3 due to the temporary nature of the projects they are involved in. The net result of the sum of UT and FTE positions is a reduction of 3.3 positions from the approved budget. **The Governor's** current year recommendation further adjusts the agency's estimate by removing 9.0 FTE positions from the Children and Family Services Field Services program and 26.0 UT positions from the agency's KSSIS (12.0) and KanLearn (10.0) projects and the Administration program (4.0). For FY 1997, the agency proposes the elimination of 25.0 FTE positions from Child Support Enforcement and the addition of 9.2 positions in Mental Health and Developmental Disabilities (4.0), Medical Services (2.5), Income Maintenance (1.8), and Long-Term Care (0.9). UT positions are reduced by 16.0 in the Administration program. **The Governor's** FY 1997 recommendation does not include the new FTE requested by the agency; concurs with the reduction of 25.0 FTE from Child Support Enforcement, and further eliminates 1.0 FTE from Alcohol and Drug Abuse Services. UT positions are reduced by 8.0 positions from the current year recommendation in several agency programs.
- ▶ **Kansas Social Service Information System (KSSIS).** **The Governor recommends** that development of the KSSIS be halted, resulting in current year savings of \$17.6 million (\$4.4 million State General Fund.)
- ▶ **KanLearn.** **The Governor recommends** the KanLearn pilot project not begin as the required waivers from the federal government have not been received.

LEGISLATIVE CONSIDERATION

House Subcommittee Recommendation

FY 1996. The House Subcommittee concurs with the Governor's recommendation, with the following comment:

KSSIS

The Subcommittee concurs with the Governor's recommendation to stop development of the Kansas Social Services Information System (KSSIS). The Subcommittee recommends that the agency maximize the utilization of its existing computer system in order to develop meaningful data.

FY 1997. The House Subcommittee concurs with the Governor's recommendations, with the following adjustments and observations:

Federal Program Changes

The Subcommittee notes that proposed federal government program changes may have a drastic impact on how this agency operates. The extent and timing of any changes, however, remain unknown at this time. Unless the federal government acts soon, consideration of the impact of any changes will be left to the 1997 Legislature. The Governor's budget recommendation is based on current law but contains sufficient flexibility to enable the agency to maximize federal resources.

FTE Positions

The Subcommittee notes that total FTE systemwide should be 8,937.1 by the end of FY 1997, a reduction of 615.4 (6.4 percent) from the number approved for FY 1996 by the 1995 Legislature.

Privatization

During the last legislative session this Committee requested that SRS move forward with privatization efforts of some of their key services, specifically, foster care. In response to the Committee's request, efforts to privatize certain components of SRS, particularly family preservation, adoption, and foster care/group care are well underway. As such, we understand the constraints SRS is under when addressing specific proposals that are subject to the current RFP process. However, it is in the best interest of the legislative body to remain informed and understand and be kept informed regarding:

1. generally, how the model for privatization is developed for a particular service and what mechanism is in place in order to modify the method for privatization as necessary;
2. whether there is a process to assess the impact of privatizing a service;
3. What is the process for modification of SRS infrastructure in order to accommodate implementation of privatization initiatives?
4. How will privatization efforts be subsidized? How is it reflected in the current budget?

The Subcommittee requests that the agency report to the full House Appropriations Committee on these issues prior to consideration of the Omnibus bill. The Subcommittee also would encourage the Senate Subcommittee for this agency to further explore this issue.

Child Support Enforcement

The Subcommittee notes that the Child Support Enforcement program provides a positive income stream for the agency. SRS has testified that the proposed privatization should help increase collection rates as agency personnel can concentrate more on the establishment of paternity and of support orders. Should the agency develop more income from support enforcement than is currently anticipated the agency should consider utilizing those additional resources for enhancement of the child support system, income eligible child care, and other programs which serve to get families off public assistance and keep them off. The Subcommittee further notes that a study is currently being conducted to examine the minimum resources required to maintain a family. In addition, a Post Audit Report on the Child Support Enforcement program is scheduled to be released soon. The Subcommittee recommends that the agency report to the full Committee on these items before the end of the session.

Burial Assistance

The Subcommittee notes that the Governor's FY 1997 recommendation for Burial Assistance reduces funding by \$230,000 from the current year recommendation of \$730,000. The recommendation is designed to allow the agency to phase out the program sometime in FY 1997. The Subcommittee also received a proposal from the Kansas Funeral Directors and Embalmers

Association which would continue the program within the recommended level of funding. The proposed bill would make the program mandatory for the agency instead of discretionary, limits state participation to \$550 per person, and allows for private funds to provide additional services and cemetery expenses. The Subcommittee recommends the introduction of the bill.

Support Groups

The Subcommittee notes that for several years the agency has been providing grants to a number of small support groups, such as Keys for Networking and the Parent Assistance Network. Funding for Keys is continued through the Children and Family Services program in FY 1997. Funding for the Parent Assistance Network is not included in the MH/DD budget for FY 1997. The Subcommittee notes that the Parent Assistance Network has provided in valuable assistance to Kansas families. This role will be even more vital in the wake of hospital closure. The Subcommittee urges the agency to provide funding for the Parent Assistance Network in light of the planned hospital closure. The Subcommittee believes the agency should identify the various small programs, evaluate their effectiveness and consider if the programs should be expanded statewide.

Centers for Independent Living

The Subcommittee notes that the current system of Centers for Independent Living does not provide statewide coverage. The Subcommittee received a request from the Statewide Independent Living Council of Kansas which proposed a \$400,000 increase in funding to increase the number of centers from 12 to 14. This proposal, however, also does not provide statewide coverage. Given the important role the centers serve in assisting disabled Kansans and the increasing number of people in need of services due to hospital closure, the Subcommittee encourages the agency to develop plans to expand the available coverage statewide.

Assistive Technology

The Subcommittee notes that the Governor's FY 1997 recommendation does not include the \$100,000 approved in prior years for the provision of equipment to assist the disabled in leading more independent lives. The Subcommittee recommends that the agency aggressively pursue Title I Vocational Rehabilitation funding for assistive technology. The Subcommittee further recommends that the full Committee have a hearing on the role of assistive technology including the possibility of requiring a private sector match and that funding for this item be considered in the Omnibus bill.

CDDOs

The Subcommittee recently heard that draft regulations proposed by the agency on the Community Disability Development Organizations are being viewed by some as very bureaucratic and cumbersome. The Subcommittee recommends that the agency meet jointly with this Subcommittee and the Subcommittee on State Hospitals and General Government to review this issue, with any required legislative action considered in the Omnibus bill.

Physical Disability Waiver

The Subcommittee received testimony that current agency practices restrict the ability of young persons with disabilities from moving out of an institution because they are more expensive to maintain in a community setting than the elderly are. The Subcommittee urges the agency to

continue discussing this matter with the appropriate representative groups and to balance the need and desire for independence with the desire for cost efficiency.

ADAS

The Subcommittee has learned that the agency has begun the use of assessment centers to prescreen substance abuse clients. This diverts people from the front door of the substance abuse system and reduces the demand for inpatient treatment. This change in treatment philosophy, along with the \$500,000 increase in treatment funding recommended by the Governor, should be sufficient to absorb the impact of the closure of substance abuse beds at the state hospitals. The Subcommittee further recommends the introduction of legislation which would allow a court to provide for the involuntary commitment of a person for the treatment of substance abuse to community programs in lieu of commitment to a state hospital. Passage of this legislation should further enhance the efficiencies in the state's substance abuse treatment network.

Long-Term Care

The Subcommittee notes that the agency's request and the Governor's recommendation for long-term care (LTC) assume the implementation of system reform through the expansion of available services to include assisted living and enhanced community services. As outlined in the program's objective and goals, the agency proposes the following:

Objective:

- To develop a system of LTC services that will maximize individual choice in care, ensure appropriate placement, and minimize Medicaid costs through LIFE (Living Independence for Everyone).

Long Term Care Strategies to Meet Goal

- Shift consumers and expenditures to the least restrictive and most cost-effective care setting which meets basic needs.
- Expedite the delivery of services (presumptive eligibility) to reduce risk of preventive institutionalization.
- Assist nursing facilities to diversify into community based services by initiating funding mechanisms which expand the provider pool.
- In cooperation with the Area Agencies on Aging, expand the community re-entry program, which assists persons in nursing facilities to return to the community.
- Submit a waiver amendment request to HCFA to ensure long term care service expenditures are appropriate and cost-effective to meet individual needs and provide quality care.
- Use case mix reimbursement data for nursing facilities to determine on going consumer eligibility for nursing facility services and to establish discharge status.
- Strengthen the effectiveness of case management to ensure accountability for long term care expenditures and reimburse for LTC services based on individualized plans of care.

- Submit a waiver request to HCFA for community based services which meet the specific needs of persons with physical disabilities under age 65.
- Formulate proposals with Kansas Department on Aging for a single point of entry for elderly and eliminate duplication of services.
- Develop an automated data collection system which is compatible with other agencies serving this population.
- Strengthen the Adult Protective Service Program through designation of a manager and training of field staff.
- Encourage individuals and families to plan for and participate in the cost of LTC services.

The Subcommittee notes that the proposal presents numerous challenges and opportunities. One major challenge is program funding. If the waiver to implement LIFE is not approved, or if the program is significantly delayed, or if the agency's estimates on the number of clients who would benefit from LIFE is too optimistic, then the potential exists that a supplemental appropriation will be required next year in order to adequately fund the budget. The fiscal constraints included in the FY 1997 budget would not permit the agency to absorb a major shortfall without reducing services in other programs below the current year levels. If such a shortfall does develop, the Subcommittee does not want the agency to cut other programs without the chance for the Legislature to be involved in any such decision. The Subcommittee recommends that the State General Fund line item for nursing facility payments and community based services be split into separate line items for those program elements. The Subcommittee further recommends that a legislative committee monitor the implementation of LIFE over the interim.

Another potential problem could be a significant expansion in the number of clients being served in nursing facilities. This could result either from persons desiring assisted living services who currently receive no services (the woodwork effect) or expansion by the nursing facility industry of the number of beds in the state with the resulting recruitment to fill those beds. In order to help prevent this from happening the Subcommittee recommends that the agency develop a plan to ensure we do not have a major expansion in the number of nursing facility beds in the state over the long term. In the interim, the Subcommittee recommends a proviso which would limit the total number of Medicaid beds to 28,250, which excludes beds for the developmentally disabled. It is the intent of the Subcommittee that the number of nursing facility beds should be reduced by the number of persons moving into assisted living.

The Subcommittee also notes that the agency has been working with the Department on Aging to develop a plan to have the latter assume control of long-term care service delivery for the elderly. The Subcommittee recommends the introduction of legislation to accomplish this transfer of duties.

Finally, the Subcommittee notes that the philosophy proposed by the agency is the correct one and will help show that nursing facilities are not just a place to go and die. Assisted living provided through LIFE could help serve as the door out of institutionalization. In addition to improving the quality of life for elderly Kansans, LIFE may be one of the key elements in reducing the dramatic growth in long-term care expenditures.

1997 Expenditures

STATE GENERAL FUND

	Governor's Recommendation	House Committee Recommendation	Difference From Governor
Legislative & Elected Officials	\$106,852,628	\$106,852,628	\$0
Public Safety	59,900,509	59,900,509	0
Dept. of Administration/KPERS	22,314,463	22,405,074	90,611
KDHE/Aging	43,122,718	43,122,718	0
Regents	479,059,324	479,059,324	0
Revenue/Commerce	31,883,482	31,883,482	0
Judicial Agencies	81,171,424	81,171,424	0
Other Education Agencies	20,699,500	20,699,500	0
Department of Transportation	94,915,339	94,915,339	0
DOC & Correctional Institutions	173,134,316	173,134,316	0
Department of Education	1,741,746,056	1,740,447,056	(1,299,000)
Agriculture Agencies	21,788,659	21,673,659	(115,000)
SRS & State Hospitals	639,645,591	639,645,591	0
Fee Boards	0	0	0
Capital Improvements	5,937,551	5,995,087	57,536
Total SGF Expenditures	\$3,522,171,560	\$3,520,905,707	(\$1,265,853)

ALL FUNDS

	Governor's Recommendation	House Committee Recommendation	Difference From Governor
Legislative & Elected Officials	\$221,633,856	\$221,633,856	\$0
Public Safety	98,365,814	98,365,814	0
Dept. of Administration/KPERS	453,457,498	453,567,609	110,111
KDHE/Aging	461,072,605	459,720,257	(1,352,348)
Regents	1,193,198,664	1,193,198,664	0
Revenue/Commerce	288,843,886	287,343,886	(1,500,000)
Judicial Agencies	84,530,462	84,530,462	0
Other Education Agencies	25,324,292	25,324,292	0
Department of Transportation	1,091,878,198	1,091,878,198	0
DOC & Correctional Institutions	184,809,808	184,809,808	0
Department of Education	1,988,599,951	1,987,300,951	(1,299,000)
Agriculture Agencies	82,129,992	82,129,992	0
SRS & State Hospitals	1,566,173,459	1,566,173,459	0
Fee Boards	5,731,061	5,731,061	0
Capital Improvements	70,413,664	70,861,760	448,096
Total Expenditures	\$7,816,163,210	\$7,812,570,069	(\$3,593,141)

FTE POSITIONS

	Governor's Recommendation	House Committee Recommendation	Difference From Governor
Legislative & Elected Officials	528.1	528.1	0.0
Public Safety	1,861.1	1,861.1	0.0
Dept. of Administration/KPERS	1,347.9	1,347.9	0.0
KDHE/Aging	2,099.7	2,070.7	(29.0)
Regents	17,826.2	17,826.2	0.0
Revenue/Commerce	1,553.0	1,553.0	0.0
Judicial Agencies	1,896.0	1,896.0	0.0
Other Education Agencies	471.5	471.5	0.0
Department of Transportation	3,304.5	3,238.5	(66.0)
DOC & Correctional Institutions	3,068.5	3,068.5	0.0
Department of Education	205.0	205.0	0.0
Agriculture Agencies	930.8	930.8	0.0
SRS & State Hospitals	8,663.0	8,663.0	0.0
Fee Boards	96.2	96.2	0.0
Total FTE Positions	43,851.5	43,756.5	(95.0)

FY 1996 Expenditures -- All Agencies

	Governor's Recommendation	House Committee Recommendation	Difference From Governor
State General Fund	\$3,474,926,155	\$3,475,683,525	\$757,370
All Funds	7,906,731,783	7,905,067,518	(1,664,265)
FTE Positions	44,178.8	44,150.8	(28.0)

Combined FY 1996 and FY 1997 Expenditures -- All Agencies

	Governor's Recommendation	House Committee Recommendation	Difference From Governor
State General Fund	\$6,997,097,715	\$6,996,589,232	(\$508,483)
All Funds	15,722,894,993	15,717,637,587	(5,257,406)

HOUSE COMMITTEE ADJUSTMENTS TO AMENDED GOVERNOR'S RECOMMENDATION

Agency/Item	State General Fund	All Funds	FTE
FY 1996:			
Legislature			
Contested Election Claim	(\$41,630)	(\$41,630)	
KPERS			
Investment Related Expenses	0	670,247	
Dept. of Health & Environment			
Reduction in federal grant	0	(425,000)	
Health Care Stabilization Fund			
Computer System/Salary Redn.	0	25,118	
Department of Education			
General State Aid Shift from FY 97	1,299,000	1,299,000	
School Dist. Cap. Imp. Fund	(500,000)	(500,000)	
Partially Adopt GBA – SSDFF	0	(1,394,000)	
Addit. Redn. in SSDFF	0	(1,298,000)	
Human Resources			
Loss of KanWork Contract	0	0	(28.0)
TOTAL CHANGE - FY 1996	\$757,370	(\$1,664,265)	(28.0)

Agency/Item	State General Fund	All Funds	FTE
FY 1997:			
Department of Administration			
Public Broadcasting Grants	\$90,611	\$90,611	
Statehouse Roof Repair	77,500	77,500	
Department of Education			
General State Aid Shift to FY 96	(1,299,000)	(1,299,000)	
State Fair			
Shift to EDIF	(115,000)	0	
Shift from SGF to Fair Fee Fund	(19,964)	0	
Dept. of Health & Environment			
Petroleum Storage Tank Redn.	0	(1,312,574)	
Department on Aging			
Sr. Employment Transfer to DHR	0	(39,774)	(1.0)
School for the Blind			
Student Residence	0	100,000	
School for the Deaf			
Air Conditioning	0	100,686	
Steam Tunnel Repairs	0	169,910	
KPERS			
Computer Upgrade/Cap. Outlay	0	19,500	
Dept. of Commerce & Housing			
Microloan Program	0	(1,000,000)	
Kansas Lottery			
Computer System	0	(500,000)	
Dept. of Transportation			
2% Position Reduction	0	0	(66.0)
Dept. of Human Resources			
Loss of KanWork Contract	0	0	(28.0)
TOTAL CHANGE - FY 1997	(\$1,265,853)	(\$3,593,141)	(95.0)

MEMORANDUM

Kansas Legislative Research Department

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February 15, 1996

HOUSE APPROPRIATIONS COMMITTEE FY 1996 AND FY 1997 ITEMS FOR FURTHER CONSIDERATION

1. **Kansas Public Employees Retirement System.** Assistant Investment Officer -- Request for a Governor's Budget Amendment for an assistant investment officer (1.0 FTE and \$58,870 from the KPERS Fund).
2. **Racing Commission.** Frontenac Race Track -- Request for a Governor's Budget Amendment to reflect the revised revenue, expenditure estimates, and deletion of 10.0 FTE based on the current status of the Frontenac Race Track in southeast Kansas.
3. **Youth Center at Beloit.** Conversion of Screening Unit Beds -- Consideration of converting the Comprehensive Screening Unit (ten beds) that is recommended to close in FY 1996 into a 14- to 16-bed residential unit at the facility. The FY 1997 estimated cost is \$309,000 of which \$20,000 are for capital improvements related to the conversion.
4. **Kansas Bureau of Investigation (KBI).**
 - a. Staffing/Turnover -- Request a Governor's Budget Amendment for restoration of 3.0 FTE positions and a reduction in the turnover rate (\$191,156 from the State General Fund). If no Governor's Budget Amendment is issued, then the item should be reviewed for consideration in the Omnibus bill.
 - b. Air Conditioning/Ventilation for Forensic Laboratory -- Consideration of \$46,300 (State General Fund) for air conditioning and ventilation improvements for the forensic laboratory. The Joint Committee on State Building Construction recommended that the item be reviewed during consideration of the Omnibus bill.
5. **Department of Administration.**
 - a. Enhanced Insurance for State Buildings -- Request that the enhanced insurance coverage for state buildings be reviewed during the Omnibus appropriation bill. The estimated cost for the enhanced coverage is \$75,000 to \$100,000 (State General Fund).
 - b. Public Broadcasting Council -- Consideration of \$49,500 (State General Fund) for portable satellite radio uplink and companion receiver equipment to be shared by all stations.

Attachment
3

2-15-96

House Appropriations

6. **Judicial Branch.** Juvenile Intake and Assessment -- Consideration of \$1,451,391 (State General Fund) to address the Judicial Branch estimate of the cost to fully fund the Juvenile Intake and Assessment Program in FY 1997.
7. **Adjutant General.** Construct an Addition to the Iola Armory -- The Joint Committee on State Building Construction has requested consideration in the Omnibus appropriation bill a request of the Adjutant General. The Adjutant General has requested a total of \$1,538,660 (\$384,665 from the State General Fund and \$1,153,995 from federal funds) to construct an addition to the Iola Armory.
8. **Kansas Corporation Commission.** Oil and Gas Information -- The Kansas Corporation Commission was instructed to work with the Department of Revenue to establish a procedure whereby the Department of Revenue can give the Commission more oil and gas production and assessment information so that the Commission can do a better job of monitoring receipts to the Conservation Fee Fund. If there are statutory impediments to this, such as confidentiality restrictions, the Commission is to report back with any statutory changes it wants the Legislature to consider.
9. **Attorney General.** Salaries for Unclassified Attorneys -- The Attorney General was directed to ask the Division of Personnel Services to do a study of differences in salaries and responsibilities of classified and unclassified attorneys in state government to see if the salaries in the Attorney General's office lag behind the salary of classified attorneys.
10. **Mental Retardation Hospitals.** Overall Funding Issues -- The Committee noted that the requests made by the mental retardation hospitals were not fully funded by the Governor pending a decision to close one of the hospitals. The Committee recommended the reexamination of the hospital budget requests by either the Senate or by a Governor's Budget Amendment once the closure issue has been decided by the Legislature.
11. **Mental Health Hospitals.** Reinstatement of 90 Adult Psychiatric Beds -- The Committee requested a Governor's Budget Amendment reinstating the 90 adult psychiatric beds (Topeka, Osawatomie, and Larned) and some chemical dependency beds (Osawatomie and Larned). The Subcommittee was informed by SRS that efficiencies and other budget reorganizations has made funding available to accomplish both of these items, so no additional money would be needed. If no Governor's Budget Amendment is issued, then the item should be reviewed for consideration in the Omnibus appropriation bill.
12. **Social and Rehabilitation Services -- Division of Mental Health and Developmental Disabilities.** Increased Support for Selected Services -- In view of the fact that additional resources have become available through economies in the MHDD system since the budget was submitted, and that further economies may be effected within the MH/DD system, the Committee directed the agency to consider increased support for the following mental health and developmental disabilities services. Mental Health Reform; Children's Mental Health Services; \$800,000 Pass-Through Cut to Community Mental Health Centers; Consumer-Run Organizations (CRO's) and Consumer-Run Program of Quality Control and Technical Assistance (C-STAR); Children's Mental Retardation Services; Parent Assistance Network (\$100,000 from the State General Fund); Reduction (\$3,000,000) in State Aid to Community Developmental Disability Organizations; Family Subsidy and Family Support Developmental Disabilities.

13. **Social and Rehabilitation Services.** Parent Assistance Network/Assisted Technology -- Consider additional FY 1997 review of funding for the Parent Assistance Network (\$100,000 -- State General Fund) and assisted technologies for physically challenged individuals (\$100,000 -- State General Fund).
14. **Department of Health and Environment.**
 - a. Medicare/Medicaid Expenditures for Licensing Medical Care Facilities -- The Committee suggested that additional review was necessary in the Omnibus appropriation bill on whether the Department will have enough Medicaid or Medicare moneys to cover the salary expenses of existing staff that are involved in licensing medical care facilities. The Governor's recommendation included a shift from the Department's request of State General Fund resources to Medicare/Medicaid resources (\$219,258).
 - b. Blood Lead Screening of Children -- Request a Governor's Budget Amendment to restore funding of \$50,000 (State General Fund) for the Department's laboratory costs associated with blood lead screening of children in Kansas. If the amendment is not forthcoming, the Committee asked the Secretary of Health and Environment to consider reestablishing priorities so that the Department can continue to provide blood lead screening services in FY 1997.
15. **Regents Institutions.** Systemwide Issues -- The Committee agreed to review all Regents issues, including funding and performance issues during the second-half of the 1996 Session.
16. **Capital Improvements.** Joint Committee on State Building Construction Recommendations -- The Committee agreed with the recommendations of the Joint Committee on State Building Construction, which for several items were different than the assigned agency subcommittee recommendation for capital improvements for the same agency.
17. **Secretary of State.** National Voting Rights Act -- The Committee requested a Governor's Budget Amendment to address the National Voter Registration Act. The Committee suggested consideration be given to shifting funds originally set aside for the Presidential Preference Primary be allocated for the implementation of the National Voter Registration Act. First year costs to implement the federal Act as estimated by the Secretary of State's Office are \$887,500 for county costs and \$707,751 for state agency costs.
18. **Department of Education.** Federal Funds -- The Committee called attention to the possible reduction in federal funding for programs for disadvantaged students, nutrition services, vocational education, and operating support for the State Department of Education.

ECONOMIC DEVELOPMENT INITIATIVES FUND FY 1996 - FY 1997

Agency/Program	GOV. REC. FY 1996	Pct. of Expend.	GOV. REC. FY 1997	Pct. of Expend.	CHANGE FY96-FY97	HOUSE ADJ. FY 97	SEN. ADJ. FY 97
Department of Commerce and Housing							
Agency Operations	\$ 6,243,094		\$ 6,624,521		\$ 381,427	\$ --	\$ --
Small Business Development Centers	325,000		325,000		--	--	--
Certified Development Companies	475,000		475,000		--	--	--
Kansas Industrial Training/Retraining	3,000,000		3,250,000		250,000	--	--
Trade Show Promotion Grants	270,000		270,000		--	--	--
Strategic Planning/Action Grants	400,000		250,000		(150,000)	--	--
Kansas Quality Improvement Network					--	--	--
Economic Initiative Opportunity Fund	4,000,000		4,000,000		--	--	--
High Performance Incentive Grants	75,000		75,000		--	--	--
Existing Industry Expansion			1,000,000		1,000,000	--	--
Tourism Grants	379,600		379,600		--	--	--
Mid-America World Trade Center	65,000				(65,000)	--	--
Micro Loan Program	1,000,000		1,000,000		--	(1,000,000)	--
Mainstreet Grant and Development Prog.	200,000		200,000		--	--	--
Travel Information Center Repairs	35,000		35,000		--	--	--
Olathe Travel Center	68,084		--		(68,084)	--	--
Subtotal - KDCH	\$ 16,535,778	33.20%	\$ 17,884,121	37.60%	\$ 1,348,343	\$ (1,000,000)	\$ --
Kansas Technology Enterprise Corporation							
Agency Operations	\$ 1,255,192		\$ 1,511,118		\$ 255,926	\$ --	\$ --
Centers of Excellence	4,350,000		4,350,000		--	--	--
Research Matching Grants	1,260,000		1,060,000		(200,000)	--	--
Business Innovative Research Grants	86,000		86,000		--	--	--
Training Equipment Grants	250,000		250,000		--	--	--
Industrial Liaison Program	300,000		300,000		--	--	--
Venture Capital	3,300,000		--		(3,300,000)	--	--
Special Projects	603,000		487,303		(115,697)	--	--
Commercialization	1,268,407		1,300,000		33,593	--	--
Agricultural Value Added Center	880,737		--		(880,737)	--	--
Mid-America Manufact. Tech. Center	1,000,000		1,000,000		--	--	--
Industrial Ag. Grants	--		200,000		200,000	--	--
EPSCoR	3,450,000		3,400,000		(50,000)	--	--
Subtotal - KTEC	\$ 18,001,336	36.14%	\$ 13,944,421	29.32%	\$ (4,056,915)	\$ --	\$ --
Kansas, Inc.							
Agency Operations	\$ 137,927		\$ 132,851		\$ (5,076)	\$ --	\$ --
Special Studies	--		--		--	--	--
Subtotal - Kansas, Inc.	\$ 137,926	0.28%	\$ 132,851	0.28%	\$ (5,076)	\$ --	\$ --
Department of Revenue - Appraisal Aid	\$ --	--	\$ --	--	\$ --	\$ --	\$ --
Board of Agriculture							
Market Promotion and Development	\$ 366,707		\$ 41,491		\$ (325,216)	\$ --	\$ --
Subtotal - Agriculture	\$ 366,707	0.74%	\$ 41,491	0.09%	\$ (325,216)	\$ --	\$ --
State Fair - Agency Operations	\$ 114,000	0.23%	\$ --	--	\$ (114,000)	\$ 115,000	\$ --
Department of Wildlife and Parks							
Capital Improvements	\$ 75,000		\$ --		\$ (75,000)	\$ --	\$ --
Wildscape	40,000		--		(40,000)	--	--
Subtotal - Wild. & Parks	\$ 115,000	0.23%	\$ --	--	\$ (115,000)	\$ --	\$ --
Department of Education							
At-Risk/Innovative Program Assist.	\$ 1,485,000		\$ 1,485,000		\$ --	\$ --	\$ --
Matching Grants - AVTS	500,000		--		(500,000)	--	--
Postsecondary Aid - AVTS	8,050,000		6,716,110		666,110	--	--
Capital Outlay Aid - AVTS	1,650,000		1,650,000		--	--	--
Cultural Arts Center	20,000		--		(20,000)	--	--
Foundation for Agriculture	25,000		--		(25,000)	--	--
Less Funds Available From Prior Years	--		(146,110)		(146,110)	--	--
Subtotal - Education	\$ 9,730,000	19.53%	\$ 9,705,000	20.40%	\$ (25,000)	\$ --	\$ --
School for the Blind - Accessible Arts	\$ --	--	\$ --	--	\$ --	\$ --	\$ --
Kansas Arts Commission - Prog. Grants	\$ 500,000	1.00%	\$ --	--	\$ (500,000)	\$ --	\$ --
Historical Society							
Agency Operations	\$ --		\$ --		\$ --	\$ --	\$ --
Other Projects	--		--		--	--	--
Humanities Council Grant	--		--		--	--	--
Subtotal - Historical	\$ 187,490	0.38%	\$ --	--	\$ --	\$ --	\$ --
State Library							
Literacy Grants	\$ 39,625		\$ --		\$ (39,625)	\$ --	\$ --
Library Grants	--		--		--	--	--
Local Library Data Base Grants	211,200		--		(211,200)	--	--
Less Funds Available from Prior Years	(39,625)		--		--	--	--
Subtotal - State Library	\$ 211,200	0.42%	\$ --	--	\$ (250,825)	\$ --	\$ --
Public Broadcasting Equipment Grants	\$ --	--	\$ --	--	\$ --	\$ --	\$ --
Board of Regents and Regents Institutions							
Council on Economic Education	\$ --		\$ --		\$ --	\$ --	\$ --
Centers of Excellence	--		--		--	--	--
KSU - ESARP	--		--		--	--	--
University General Research	--		--		--	--	--
Ag. Land Use Value Support	--		--		--	--	--
Subtotal - Regents Institutions	\$ --	--	\$ --	--	\$ --	\$ --	\$ --
Dept. of Human Resources - One Stop Career Center System	\$ --	--	\$ 500,000	1.05%	\$ 500,000	\$ --	\$ --
State Water Plan Fund	\$ 2,000,000	4.02%	\$ 2,000,000	4.20%	\$ --	\$ --	\$ --
TOTAL TRANSFERS AND EXPENDITURES	\$ 47,899,437	100.00%	\$ 44,207,884	100.00%	\$ (3,543,689)	\$ (885,000)	\$ --
EDIF Resource Estimate	GOV. REC. FY 1996		GOV. REC. FY 1997			HOUSE ADJ. FY 1997	SEN. ADJ. FY 1997
Beginning Balance	\$ 5,339,000		\$ 1,567,000			\$ 0	\$ 0
Gaming Revenues	42,500,000		42,500,000			0	0
Other Income	1,627,000		350,000			0	0
Total Available	\$ 49,466,000		\$ 44,417,000			0	0
Less: Expenditures and Transfers	47,899,000		44,208,000			0	0
ENDING BALANCE	\$ 1,567,000		\$ 209,000			\$ 1,094,000	\$ 0

STATE OF KANSAS



DIVISION OF THE BUDGET
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Bill Graves
Governor

Gloria M. Timmer
Director

January 30, 1996

The Honorable Dave Kerr, Chairperson
Senate Committee on Ways and Means
Room 120-S, Statehouse

and

The Honorable Robin Jennison, Chairperson
House Committee on Appropriations
Room 514-S, Statehouse

Dear Senator Kerr:

I offer the following corrections to the budget document submitted to the Legislature. The adjustments do not contain policy changes to the recommendations made by the Governor. Rather, they correct technical errors made in posting the detailed budgets or publishing *The FY 1997 Governor's Budget Report*. Errors were identified through a cooperative process involving the Division of the Budget, state agencies, and your fiscal staff. We are thankful for their cooperation and assistance.

Total adjustments to expenditures are shown below. The net effect is to decrease the FY 1996 ending balance of the State General Fund by \$400,942 and to decrease the FY 1997 balance by \$799,088.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ 400,942	\$ 398,146
All Funds	\$ 2,188,553	\$ 2,749,038

House Appropriations
2-15-96

Attachment
5

2-15-96

Department of Revenue

1. Step Movement

The FY 1997 salaries and wages for the Collections and Motor Vehicles Programs of the Department of Revenue were understated by a total of \$205,656 from all funding sources. Expenditures recommended by the Governor should be increased by \$151,775 from the Division of Vehicles Operating Fund and \$53,881 from the State General Fund.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 53,881
All Other Funds	<u> --</u>	<u> 151,775</u>
All Funds	\$ --	\$ 205,656

Department of Administration

2. Rehabilitation and Repair

In order to reflect the Governor's recommendation correctly concerning the 1.5 percent rescission in the Department of Administration, an amount of \$5,575 needs to be reduced from the FY 1996 appropriation. This amount would be lapsed from the account for rehabilitation and repair projects in the capital improvements budget.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ (5,575)	\$ --
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ (5,575)	\$ --

3. Positions

The number of FTE positions in the Division of Architectural Services is overstated by 1.0 for FY 1996 and by 4.0 for FY 1997. The total number of FTE positions for the Department of Administration should be 912.9, instead of 913.9, for FY 1996 and 897.4, instead of 901.4, for FY 1997. In addition, 2.0 unclassified temporary positions for the Department were omitted in both FY 1996 and FY 1997.

Kansas Corporation Commission

4. Commissioner Salaries

The FY 1997 Governor's Budget Report left out salary increases for the Corporation Commissioners in FY 1997. The cost of correcting this error is \$7,738 from the agency's three major fee funds. The aggregate limit on the Public Service Regulatory Fund, the Conservation Fee Fund, and the Motor Carrier Fee Fund should increase from \$11,660,152 to \$11,667,890.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u>7,738</u>
All Funds	\$ --	\$ 7,738

Judiciary

5. Judges Retirement Costs

The judges retirement amount was calculated using a salary base that did not include step movement. Therefore, judges retirement costs, as part of the salaries and wages budget, was understated by \$64,090, all of which is from the State General Fund.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 64,090
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ --	\$ 64,090

6. Longevity for Non-Judicial Personnel

An amount for longevity for non-judicial for FY 1997, as required by statute, was not included in the Governor's recommendation because accurate data were not available at the time. The addition of \$139,752 from all funding sources, \$138,752 from the State General Fund, is required to implement the Governor's longevity plan for the Judiciary.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 138,752
All Other Funds	<u>--</u>	<u>1,000</u>
All Funds	\$ --	\$ 139,752

Citizens' Utility Ratepayer Board

7. Salaries and Wages

The FY 1997 Governor's Budget Report understates salaries and wages for CURB by \$796 in FY 1997. An error was made in the calculation of KPERs benefits.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>796</u>
All Funds	\$ --	\$ 796

Osawatomie State Hospital

8. Coffee Shop FTE Position

The Hospital has a 0.5 FTE position of Food Service Worker in the Coffee Shop Program. The position was funded in *The 1997 Governor's Budget Report*, but through an oversight the position was not included in the FTE count of the Hospital. *The FY 1997 Governor's Budget Report* should be corrected to add the 0.5 FTE position to the agency for FY 1996 and FY 1997.

Topeka State Hospital

9. Unclassified Temporary Positions

To account for unclassified temporary positions properly, 4.0 positions are added to the unclassified temporary total of Topeka State Hospital for FY 1996 and FY 1997. The positions are funded in *The FY 1997 Governor's Budget Report*.

Department of Education

10. State School District Finance Fund

The State School District Finance Fund was incorrectly funded in FY 1996 and FY 1997 at \$32,600,000. Expenditures from this fund are increased to \$34,510,000 to reflect correctly the Governor's intent to fund school finance fully.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>1,910,000</u>	<u>1,910,000</u>
All Funds	\$ 1,910,000	\$ 1,910,000

Fort Hays State University

11. General Fees Revenue

An error was made in determining the amount of money available for expenditure from the General Fees Fund for FY 1997. This correction to *The FY 1997 Governor's Budget Report* will increase General Fees Fund expenditures by \$250,000 and decrease State General Fund expenditures by the same amount.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ (250,000)
All Other Funds	<u>--</u>	<u>250,000</u>
All Funds	\$ --	\$ --

Emporia State University

12. Capital Improvements

The FY 1996 Governor's budget includes \$125,000 from the Parking Fees Fund to make repairs to the parking lots at Emporia State University. These funds were not requested by the university and should not have been part of the Governor's recommendation.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>(125,000)</u>	<u>--</u>
All Funds	\$ (125,000)	\$ --

University of Kansas

13. FTE Positions

The FTE positions for the Service Clearing Program of the University of Kansas were not added to the agency's total reported positions. FTE positions recommended by the Governor should be increased in all three fiscal years to correct the error.

FY 1995	98.0
FY 1996	89.3
FY 1997	89.3

Kansas State University

14. FTE Positions

The FTE positions for the Academic Support Program of Kansas State University were overstated. The FTE positions recommended by the Governor in FY 1997 should be decreased by 1.0 to correct the error.

15. Health Insurance Costs

Group health insurance costs for state agencies were reduced in *The FY 1997 Governor's Budget Report*. Funding for health insurance for the following universities was understated in both fiscal years and should be restored to correct this error.

	<u>FY 1996</u>	<u>FY 1997</u>
Kansas State University	\$ 109,272	\$ 115,035
Kansas State University--ESARP	289,781	274,886
Kansas State University--Vet. Med. Center	<u>26,145</u>	<u>26,508</u>
Total	\$ 425,198	\$ 416,429

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ 425,198	\$ 416,429
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ 425,198	\$ 416,429

Kansas State University--Salina

16. Other Operating Expenditures

Other operating expenditures funded by general use sources were understated in FY 1997. To correct this error, the expenditure limitation on the General Fees Fund should be increased by \$17,182.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u> 17,182</u>
All Funds	\$ --	\$ 17,182

Kansas State University--ESARP

17. Other Operating Expenditures

A total of \$19,450 in general use expenditures was incorrectly financed with a restricted use special revenue fund. To correct this error, the State General Fund appropriation in FY 1997 should be increased.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 19,450
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ --	\$ 19,450

Historical Society

18. Salaries and Wages

The amounts recommended from certain special revenue and State General Fund accounts for salaries and wages were incorrectly calculated in both fiscal years. In order to correct these, the following amounts should be added or subtracted from the accounts in both fiscal years.

<u>FY 1996</u>	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Additions (Savings)</u>
State General Fund	\$4,112,877	\$4,090,767	\$ (22,110)
Archeology Fee Fund	496,816	499,418	2,602
Fed. Hist. Pres. Fund	168,592	167,112	(1,480)
Heritage Trust Fund	34,021	34,192	171
General Fees Fund	19,785	20,866	1,081
EDIF-OOE Fund	<u>29,586</u>	<u>32,586</u>	<u>3,000</u>
Total	\$4,861,677	\$4,844,941	\$ (16,736)

<u>FY 1997</u>	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Additions (Savings)</u>
State General Fund	\$4,149,507	\$4,163,434	\$ 13,927
Archeology Fee Fund	512,125	500,434	(11,691)
Fed. Hist. Pres. Fund	167,312	168,012	700
Heritage Trust Fund	<u>34,772</u>	<u>35,035</u>	<u>263</u>
Total	\$4,863,716	\$4,866,915	\$ 3,199

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ (22,110)	\$ 13,927
All Other Funds	<u>5,374</u>	<u>(10,728)</u>
All Fund	\$ (16,736)	\$ 3,199

Parole Board

19. Unclassified Merit for Parole Board Members

The full amount of unclassified merit for FY 1997 was not included in the Governor's recommendation. The addition of \$5,395 from the State General Fund, which includes fringe benefits, is required to provide the remaining amount of funding for unclassified merit.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 5,395
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ --	\$ 5,395

Wheat Commission

20. Salaries and Wages

The FY 1997 recommendation for the Wheat Commission Fee Fund needs to be decreased by \$17,721. This change will reflect the proper amount for the unclassified merit pool.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u> (17,721)</u>
All Funds	\$ --	\$ (17,721)

Grain Inspection Department

21. Operating Expenditures

The FY 1996 recommendation for the Grain Inspection Department needs to be increased by \$33,113 from the State General Fund. The Grain Inspection Fee Fund needs to be decreased by an equal amount. This is because of an error made in financing salaries and wages.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ 33,113	\$ --
All Other Funds	<u> (33,113)</u>	<u> --</u>
All Funds	\$ --	\$ --

Kansas State Fair

22. Salaries and Wages

The FY 1997 budget recommendation for the Kansas State Fair needs to decrease salary and wage expenditures from the State Fair Fee Fund by \$2,760. An increase in salary and wage

expenditures from all funding sources by an equal amount is also needed. This is because of an error in calculating salary and wage amounts.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u> (2,760)</u>
All Funds	\$ --	\$ (2,760)

23. Capital Improvement Expenditures

Budget recommendations for the Kansas State Fair need to decrease State General Fund capital improvement expenditures by \$29,684 in FY 1996 and \$80,479 in FY 1997. Operating expenditures need to be increased by equal amounts, respectively, in both fiscal years from the State Fair Fee Fund. This is because of an error in calculating the agency's demand transfer.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ (29,684)	\$ (80,479)
All Other Funds	<u> 29,684</u>	<u> 80,479</u>
All Funds	\$ --	\$ --

State Conservation Commission

24. Operating Expenditures

The State Conservation Commission's budget recommendation needs to decrease expenditures by an amount of \$32,168 from the State Water Plan Fund in FY 1997. This is a correction to fix errors made in calculating operating expenditures.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u> (32,168)</u>
All Funds	\$ --	\$ (32,168)

Department of Agriculture

25. Fee Funds

An error was made in determining the amount of money available for expenditure from several fee funds for FY 1996 and FY 1997. These corrections to *The FY 1997 Governor's Budget Report* will increase expenditures from all funding sources by \$666 in FY 1996. In FY 1997, State General Fund expenditures should be increased by \$16,701, while decreasing special revenue fund expenditures by an equal amount.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 16,701
All Other Funds	<u>666</u>	<u>(16,701)</u>
All Funds	\$ 666	\$ --

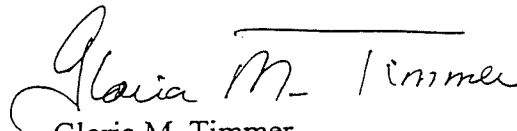
Department of Wildlife and Parks

26. State Water Plan Funds

The expenditure limitation on the Department of Wildlife and Parks' State Water Plan Fee Fund is incorrectly set at \$538,000. The Department of Wildlife and Parks is expected to carry forward \$12,000 from this funding source from FY 1996 to FY 1997. The expenditure limitation on the fund needs to be increased to allow for the expenditure of this carry-forward balance and to reflect the intent of the Governor's recommendation properly.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>12,000</u>
All Funds	\$ --	\$ 12,000

Sincerely,



Gloria M. Timmer
Director of the Budget

APPROPRIATIONS

Kansas Bureau of Investigation

Fill 9 Special Agent positions and 3 Lab
scientist positions 250,049

Restore 3 FTEs' scheduled for elimination
1 agent & 2 positions in Criminal Information
Services Division 145,602
395,651

AFIS (72,000) 323,651

Department of Education

Public Education report card 10,500
10,500

Kansas State Historical Society

Transition costs of 3 Historic Sites
Staffing & Fringe Benefits 28,953
Operating Costs 6,898
35,851

School for the Deaf

Replace 8-passenger van 16,394
Utilities - A/C for 2nd floor Roth Bldg. 10,880
27,274

State Library

OOE Communications - KICNET 16,910
16,910

Kansas Department of Health and Environment (KDHE)

Blood lead test 50,000
50,000

2-15-96

House Appropriations

Attachment
6

Department of Aging

In home meals (1,680 meals)

24,350

AAO (1,680 meals)

16,864

41,214

Social & Rehabilitation Services (SRS)

Assistive Technology (1 to 1 match with private sector)

100,000

100,000

=====

TOTAL

605,400

KDOT FY 1997 BUDGET AGENCY OPERATIONS

Programs	Governor's Rec. (S & W + OOE)	FTE	Reduction (S & W) Amount	Total HB2636/2734
Maintenance	\$ 93,554,028	25	\$ 658,468	\$ 92,895,560
Local Support	3,421,732	1	35,857	3,386,075
Management	38,196,827	14	389,468	37,807,359
State Operations	<u>\$ 135,172,587</u>	<u>40</u>	<u>\$ 1,083,593</u>	<u>\$ 134,088,994</u>
Construction	52,851,204	26	886,770	51,964,434
Agency Operations	<u>\$ 188,023,791</u>	<u>66</u>	<u>\$ 1,970,363</u>	<u>\$ 186,053,428</u>

Prepared by Management and Budget
February 14, 1996

KDOT FY 1997 BUDGET AGENCY OPERATIONS

Programs	HC Total (S & W + OOE) HB2636/2734	Merit/Longevity (S & W)	Amended HB2636/2734
Maintenance	\$ 92,895,560	\$ 557,272	\$ 92,338,288
Local Support	3,386,075	68,887	3,317,188
Management	37,807,359	541,875	37,265,484
State Operations	<u>\$ 134,088,994</u>	<u>\$ 1,168,034</u>	<u>\$ 132,920,960</u>
Construction	51,964,434	740,090	51,224,344
Agency Operations	<u>\$ 186,053,428</u>	<u>\$ 1,908,124</u>	<u>\$ 184,145,304</u>

Prepared by Management and Budget
February 15, 1996

Attachment

7

2-15-96

House Appropriations

0001
KDOT OFC of MGMT & BUDG
02/14/96 WED 12:43 FAX 913 296 1543
ADULT OFC of MGMT & BUDG
02/15/96 WED 10:00 FAX 913 296 1543

FUNDING PLAN FOR CHEYENNE BOTTOMS CHALLENGER TRACTOR

Purchase Price (new)	\$124,900	
Apply FY96 Lease Amount	<u>(\$10,500)</u>	
Balance	\$114,400	
<u>Non-Restricted Funds (No Limit)</u>		
WildTrust Fund		\$20,000
Nongame Fund		\$10,000
Migratory Waterfowl Fund		\$73,900
<u>Restricted Fund</u>		
Cheyenne Bottoms FY97 O&M		\$10,500
TOTAL		<u>\$114,400</u>

2-15-96

House Appropriations

Attachment
8

State of Kansas

Bill Graves



Governor

Department of Health and Environment

James J. O'Connell, Secretary

M E M O R A N D U M

Date : February 15, 1996

To : Rep. Melvin Neufeld, Subcommittee Chairman

From : Secretary James J. O'Connell *James J. O'Connell*

Subject : Blood Lead Screening

I am sorry that I could not complete our review by the close of business yesterday as we discussed on Monday. However, I am now able to submit our plan to address your subcommittee's concern regarding the blood lead screening services provided in KDHE Laboratories.

We have identified a clerical support position in the Laboratories that will be abolished in place of the Chemist I position that does the work of the blood lead screening. The table below describes the funding shift that the agency is proposing in order to continue to provide this service in the KDHE Laboratories.

<u>Position</u>	<u>Fund</u>	<u>Amount</u>
Chemist I	State General Fund	\$37,748
Blood Lead Operations	State General Fund	<u>\$12,000</u>
	TOTAL	\$49,748
Office Assistant IV	State General Fund	\$28,500
AV/Pubs. Distribution	Maternal Child B1 Gr	<u>\$21,248</u>
Service Savings		
	TOTAL	\$49,748

Finally, the agency plans to offer this funding shift to the Division of the Budget as a potential item for a Governor's Budget Amendment.

Let me know if you need any additional information.

7 Local Applications
2-15-96.
Attachment 9

pc: Pat Mah

2-15-96