

4/30/99

MINUTES OF THE SENATE WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 15, 1999 in Room 123S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Debra Hollon, Legislative Research Department
Rae Anne Davis, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ann Deitcher, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list.

Senator Salisbury read from the Subcommittee Report on the Kansas Department of Health and Environment. (Attach. 1).

The Subcommittee concurred with the Governor for Fiscal Year 1999 with the notations in items 1 through 4 on pages 1-2, 1-3 and 1-4.

For Fiscal Year 2000, the Subcommittee concurred with the Governor with the exceptions listed in items 1 through 12 on pages 1-7, 1-8 and 1-9.

In regard to item 1 on page 1-2, Chairman Kerr asked if there was any indication that the AIDS drugs which reduce the symptoms of AIDS were becoming not only more expensive but less effective as time goes on.

Senator Salisbury said they had not heard that.

Senator Ranson asked Secretary of Health and Environment, Clyde Graeber, if the holdups through the Foster Care system had been remedied through the use of the temporary licenses that were designed to speed up the process. The Secretary said it had. He added that they'd found that some of the placement agencies either were not aware of the ability to apply for the temporary license or they were not getting that information forwarded. They were now trying to see that more of the placement agencies used that temporary license. He said it wasn't going to solve the entire problem because of the number of children that needed to be placed.

Senator Downey asked in regard to item 6 on page 1-7, if the Subcommittee had learned what sort of things the money from the State Water Plan was being used for in local counties. She wondered what this program did that was distinctive from other programs.

Rae Anne Davis of Legislative Research, said that people from local health departments came in and informed the Subcommittee of examples of some of their activities. This money would clean things up to EPA standards.

Senator Salisbury said that this program was required by state law and this is the only financial support given to local government. Part of the expenditure is for a handbook that was developed by the agency. They hope to update this handbook.

William J. Fammerschmidt, Director of Environment for Department of Health and Environment, said that much of the money that the counties are using through the local EPA goes to either paying for the development of local sanitary codes or more likely paying salaries of local sanitary workers that are employed by the county. They are the ones that go out and work on septic systems, installation inspections and alleviating things that may pose a threat to public health.

Dr. Elizabeth Saadi, Director of the Health Care Information Office, answered a question in regard to the purpose of the Health Care Data Base Governing Board. She said the board was established by the Legislature to improve the availability of health information for the Legislature and to address health information issues within the state.

In answer to what use a trauma registry was, Secretary Graeber explained that in the event of a severe injury accident some distance from treatment, this would enable them to determine where it would be best to send this patient. He told the Chairman he would have a brief memo drawn up that spelled out the differences in the various state health information services and examine them to see if they could possibly be merged.

It was moved by Senator Morris and seconded by Senator Petty that the \$3.8 million in item 12 be shown as non-reportable expense. The motion carried on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Lawrence that the Subcommittee Report on the Department of Health and Environment be adopted as amended. The motion carried on a voice vote.

Senator Salmans read from the Subcommittee Report on the Homestead Property Tax Refunds. (Attach. 2).

The Subcommittee concurred with the Governor for Fiscal Year 1999.

For Fiscal Year 2000, the Subcommittee concurred with the Governor with the observations listed in items 1, 2 and 3 on pages 2-4 and 2-5.

It was moved by Senator Salmans and seconded by Senator Feleciano to adopt the Subcommittee Report on the Homestead Property Tax Refunds. The motion carried on a voice vote.

Senator Jordan read from the Subcommittee Report on the Department of Human Resources. (Attach. 3).

The Subcommittee concurred with the Governor for Fiscal Year 1999 with the modifications and observations in item 1 on page 3-2.

For Fiscal Year 2000, the Subcommittee concurred with the Governor with the modifications and observations in items 1 through 8 on pages 3-3, 3-4 and 3-5.

It was moved by Senator Jordan and seconded by Senator Salisbury that the Subcommittee Report on the Department of Human Resources be adopted. The motion carried on a voice vote.

Senator Salmans read from the Subcommittee Report on the Commission on Veterans Affairs. (Attach. 4).

The Subcommittee concurred with the Governor for Fiscal Year 1999 with the adjustments in items 1, 2 and 3 on pages 4-2 and 4-3.

For Fiscal Year 2000, the Subcommittee concurred with the Governor with the modifications in items 1 through 6 on pages 4-5, 4-6 and 4-7.

Chairman Kerr asked in regard to item 1 in the 1999 budget, if there was a way that the \$14,560 to restore a chaplain position at the Kansas Soldiers' Home at Dodge City could be paid for by federal money.

Senator Ranson asked how it was determined, when positions were being cut, that the position would be the chaplain's.

J. ...trukel, Chairman of the Kansas Commission on Veterans' Affairs. He said that the chaplain's position was removed at a time when there was a choice as to what was going to be retained. It was the decision of the Superintendent, supported by the Commission. Since the time of the removal there has been a request that chaplain services be restored.

Don Cawby of the Department of the Budget, said that ministers from Dodge City volunteered to provide some chaplain services and this cut the budget about half. Approximately \$46 thousand.

Senator Feleciano took up the reading of the Subcommittee Report for Fiscal Year 2000.

Dr. Lea Steele, Director of the Kansas Persian Gulf War Veteran's Health Initiative spoke to the Committee in regard to the findings of her Commission. (Attach. 4, page 4-8). She said that federal money had just become available for this study and they would be applying for it.

It was moved by Senator Salmans and seconded by Senator Feleciano that the Subcommittee Report be amended by acknowledging a concern in this area but deleting the request for the Governor's Budget Amendment for \$50 thousand for capital improvements to fund construction of a water treatment plant at the Soldiers' Home. The motion carried by a voice vote.

It was moved by Senator Ranson and seconded by Senator Downey to amend the Fiscal Year 2000 Subcommittee Report by the deletion of item 4. The motion failed on a voice vote.

It was moved by Senator Ranson and seconded by Senator Lawrence to remove the \$14 thousand from item 1 in the budget for Fiscal Year 1999. The motion carried by a voice vote.

It was moved by Senator Feleciano and seconded by Senator Salmans to adopt the Subcommittee Report on the Commission on Veterans Affairs as amended. The motion carried by a voice vote.

The Subcommittee Report on the Department of Aging was postponed until Tuesday, March 16.

The meeting was adjourned at 12:40 p.m. The next meeting is scheduled for Tuesday, March 16, 1999.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 3/15/99

NAME	REPRESENTING
Ken Bahr	Ks. Governmental Consulting
Julie Thomas	NOB
Jim Murphy	KDHE
Blyde Hoopes	KDHE
Randy Scott	KCLA
Jack Strubel	KCUA
Donna Deck	KEVA
Jim Bruner	KDOA
Denise Clemmons	KDOA
Patay Bruner	KDOA
Sheila Walker	Kansas Dept. of Revenue
Buff Harrison	KDOR
Harry Tiffany	KDOA
Helma Hunter Jordan	KDOA
Terry Glasscock	KDOA
Lee Stule	KCUA
Wesley Marshall	InterHab
DARRELL BENCKEN	Ks Veterans of Foreign Wars
LINDA McGill	MGA

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 3/15/99

NAME	REPRESENTING
John Kiefhaber	Ks. Health Care Assn.
Don Cowby	DOR
Sallene Cole	Sen. Japan - Intern

Senate Subcommittee Report

Agency: Kansas Department of Health
and Environment

Bill No. 323

Bill Sec. 19

Analyst: Davis

Analysis Pg. No. 515

Budget Page No. 183

Expenditure Summary	Agency Est. FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 105,920,002	\$ 105,438,863	\$ 0
Aid to Local Units	34,634,231	32,634,231	2,000,000
Other Assistance	30,235,000	32,485,000	(2,000,000)
TOTAL	\$ 170,789,233	\$ 170,558,094	\$ 0
State General Fund:			
State Operations	\$ 23,027,237	\$ 22,730,722	\$ 0
Aid to Local Units	9,180,928	9,180,928	0
Other Assistance	235,000	485,000	0
TOTAL	\$ 32,443,165	\$ 32,396,650	\$ 0
FTE Positions	835.6	836.5	0.0
Unclassified Temp. Positions	153.1	153.2	0.0
TOTAL	988.7	989.7	0.0

Agency Est./Governor's Recommendation

The Department's estimate for FY 1999 operating expenditures is \$170,789,233. This is a decrease of \$3,361,571 from the approved budget. This results from estimated expenditures below approved amounts in several funds, offset by increases in others. Notable decreased estimates include a decrease of \$10.6 million in the federal Women, Infants and Children's Health Program Fund and \$9.9 million in the Maternal and Child Health Services Block Grant. These decreases are due to lower than anticipated grant receipts.

Additionally, the Department requests authority to make expenditures in the Bureau of Environmental Field Services from two new federal funds in FY 1999.

- \$57,800 requested from the **Basin Model Calibration Utilization Fund** for:
 - developing total maximum daily loads for Grasshopper Creek and Vermillion River; and
 - contracting for Kansas River BASINS Modeling staff training with the developers of the BASINS model
- \$22,300 requested from the **Multimedia Equipment Fund** for:

Senate Ways and Means Committee

Date

Attachment #

-to allow for visual display when soliciting public input on water issues.

The Department's FY 1999 estimate includes approved expenditures for:

- **AIDS Drug Purchases**
 - \$235,000 from the SGF reappropriated from FY 1998
- **Estimated Aid and Assistance** expenditures of \$64,869,231
 - including \$9,415,928 from the SGF

The Governor recommends \$170,558,094 in FY 1999 for operating expenditures, a decrease of \$231,139 (0.1 percent) from the agency request. The Governor recommends the following changes from the agency's revised request:

- **AIDS Medication Supplemental**
 - \$250,000 from the SGF in the Bureau of Disease Prevention and Health Promotion
 - this is in addition to the amount carried forward from FY 1998
 - making total recommended expenditures \$485,000 in FY 1999
- **Salaries and Wages**
 - \$40,854,804 (including \$15,448,842 from the SGF)
 - decrease of \$481,139 (1.2 percent) from the revised request
 - decrease results from adjusted shrinkage rates in:
 - Administration
 - Director of Health
 - Bureau of Disease Prevention and Health Promotion
 - retirement reductions in:
 - Administration
 - Bureau of Disease Prevention and Health Promotion

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor with the following notations:

1. The Subcommittee notes that the Governor recommends an additional \$250,000 (SGF) in FY 1999 for an AIDS medication shortfall in the AIDS Drug Assistance Program (ADAP). The Subcommittee notes that the Department is fairly confident, at this point in the fiscal year, that it will be able to stay within the federal money granted for AIDS medication purchases. The federal fiscal year for this program runs from April 1 to March 31, so the funding for the next fiscal year will be available in less than one month. The Subcommittee further notes that if state funding is provided for any two years, not necessarily two consecutive years, the state would be obligated to a maintenance of effort in subsequent years. However, the Department's current projections do not take into account an ongoing freeze on new

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clients in the Kansas City area which presently pays for many Kansas citizens' AIDS drugs out of a separate federal grant. A continued freeze could add as many as 20 to 30 new clients to the Kansas ADAP. The Subcommittee was also informed that the increasing prices of drugs are negatively affecting the ADAP. Consequently, the Subcommittee recommends that this supplemental appropriation be reviewed at Omnibus for a better determination of whether it will be necessary.

2. The Subcommittee reviewed the recommendations of the Legislative Division of Post Audit regarding regulation of child care facilities and family day care homes and wishes to inform the Committee of the following:
 - a. The Department reports having addressed the problems cited by the Legislative Division of Post Audit regarding regulation of child care facilities and family day care homes by:
 - i. Adding six additional district office staff, two of which have presently been hired.
 - ii. Reorganizing the Central Office to assist with the enforcement streamlining process.
 - iii. Computerization of the Child Care Licensing and Registration (CCLR) project.
 - iv. The Department is working with the Department of Social and Rehabilitation Services to re-engineer the CCLR program. This includes new policies for enforcement and improved timeliness of inspections. The intended implementation date for the re-engineered program is in FY 2000.
 - v. A statewide orientation curriculum for local health departments is being developed to assure consistency of information.
 - b. In its review, the Subcommittee noted the length of the waiting period to obtain licenses for foster care homes. The Subcommittee notes that the average case load is 110-115 per staff person. The following is being done to specifically address foster care issues in the Department of Health and Environment:
 - i. The problem of delays in approving foster care homes is being addressed by the addition of a clerical staff position on loan from the Department of Social and Rehabilitation Services to process foster care home applications more quickly. The Subcommittee is pleased with the cooperative efforts between the two agencies.

- ii. The Department informed the Subcommittee that it is looking for ways to increase efficiencies on the front end of the licensure process. The Department has a temporary permit for foster care homes which can be issued after a walk through by the placement agency during the training period. The temporary permits generally require a three week wait for approval, the time required to do the background check. The Subcommittee encourages the Department to begin the licensing process during the foster care training period to decrease the waiting period.
3. The Subcommittee notes that it reviewed the findings of the Legislative Division of Post Audit on the Department's efforts to protect water from pollution caused by confined livestock feeding operations. The Department has added 11.5 positions in FY 1999 at various offices across the state (see Attachment) and has developed an integrated data base system and training manual to help with follow up, inspections and inspection based on complaints. The Department informed the Subcommittee that at the current time, it is not requesting additional resources.
4. Shift the \$2.0 million of State Water Plan expenditures for the Local Environmental Protection Program from other assistance to aid to local units. As this money is granted to local health departments, it is more accurately categorized as aid to local units. This action does not change the total expenditures.



Senator Alicia Salisbury, Chair



Senator Barbara Lawrence



Senator Marge Petty

Senate Subcommittee Report

Agency: Kansas Department of Health and Environment

Bill No. 326

Bill Sec. 53

Analyst: Davis

Analysis Pg. No. 515

Budget Page No. 183

<u>Expenditure Summary</u>	<u>Agency Req. FY 2000</u>	<u>Gov. Rec. FY 2000</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 108,133,314	\$ 107,038,622	\$ (1,581,991) *
Aid to Local Units	37,912,542	33,772,544	2,350,000
Other Assistance	30,000,000	31,800,000	(1,800,000)
TOTAL	<u>\$ 176,045,856</u>	<u>\$ 172,611,166</u>	<u>\$ (1,031,991)</u>
State General Fund:			
State Operations	\$ 22,699,537	\$ 21,350,374	\$ (573,273)
Aid to Local Units	11,797,600	9,125,976	550,000
Other Assistance	0	0	0
TOTAL	<u>\$ 34,497,137</u>	<u>\$ 30,476,350</u>	<u>\$ (23,273)</u>
FTE Positions	850.1	837.0	2.0
Unclassified Temp. Positions	157.0	152.2	0.0
TOTAL	<u>1,007.1</u>	<u>989.2</u>	<u>2.0</u>

* Includes a reduction of \$1,604,315 (including \$595,597 from the State General Fund) for the Governor's recommended pay plan adjustments. Absent the pay plan reduction, the Subcommittee's recommendation is an increase of \$572,324 from the Governor's recommendation.

Agency Request/Governor's Recommendation

The Department's FY 2000 request is \$176,045,856. The request is an increase of \$5,256,623, or 3.1 percent over the FY 1999 estimate. The Department requests:

State General Fund

- \$34,497,137, or 19.6 percent of the total request
- including \$2.6 million requested enhancement for the General Health Program
- including \$196,875 for relocation from the Mills building

Special Revenue Funds

- \$141,548,719, or 80.4 percent of the total request

Salaries and Wages

- \$42,826,023 for 850.1 FTE positions and 157.0 unclassified temporary positions
- an increase of \$1,490,080 or 3.6 percent over the FY 1999 estimate

The Governor recommends operating expenditures of \$172,611,166 for FY 2000, a decrease of \$3.4 million (2.0 percent) from the agency request. The Governor recommends:

- \$30,476,350 from the State General Fund
- \$142,134,816 from other funds
 - including \$3,216,626 in Children's Health Care Programs Fund (tobacco settlement) expenditures

The following table summarizes the request and recommendation for FY 2000 enhancements:

FY 2000 Enhancements By Division						
Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Center for Health and Environmental Statistics						
Equipment Replacement - Vital Statistics	\$ 0	\$ 128,413	0.0	\$ 0	0	0.0
Re-engineering Database System - Vital Statistics	0	85,268	1.0	0	0	0.0
Replacement of Temporary Positions with Unclassified Temporary Positions - Vital Statistics	0	17,019	0.0	17,019	17,019	0.0
Electronic Birth Registration/Electronic Amendment Modifications - Vital Statistics	0	20,000	0.0	0	0	0.0
Research Analyst III - Kansas Health Insurance Information System Operations	0	57,898	1.0	0	0	0.0
Division of Health						
TB Control Program - Director of Health	27,520	27,520	0.0	0	0	0.0
General Health Program - Director of Health	2,616,672	2,616,672	0.0	0	0	0.0
Outsourcing Health Occupations Credentialing - Bureau of Adult and Child Care Licensing	0	13,584	0.0	0	0	0.0
Food Inspections - Bureau of Environmental Health Services	0	301,419	6.0	0	194,635	6.0
HIV Named Reporting - Bureau of Disease Prevention and Health Promotion	42,900	42,900	1.0	0	0	0.0
External Cause of Injury Coding - Bureau of Disease Prevention and Health Promotion	95,000	95,000	0.0	0	0	0.0
TUPP - FDA Enforcement Contracts - Bureau of Disease Prevention and Health Promotion	0	689,590	0.0	0	0	0.0
Division of Environment						
State Water Plan, continuation of water programs - Bureau of Environmental Field Services	0	900,000	2.0	0	900,000	2.0
Solid Waste Tipping Fee Changes and Grants - Bureau of Waste Management	0	1,050,000	0.0	0	0	0.0
Creation of Hazardous Waste Fee Fund and Program Expansion- Bureau of Waste Management	0	150,500	3.0	0	0	0.0
Radioactive Waste Disposal - Bureau of Air and Radiation	150,000	150,000	0.0	0	0	0.0
Radioactive Material Program Improvement - Bureau of Air and Radiation	275,595	275,595	5.0	0	0	0.0
Kansas Water Plan (Non-Point Source Water Pollution Control) - Bureau of Water	0	300,000	3.3	0	150,000	3.3
Kansas Water Plan (Local Environmental Protection Program) - Bureau of Water	0	2,000,000	0.0	0	1,800,000	0.0
Public Water Supply State Revolving Loan Fund Positions - Bureau of Water	0	0	4.0	0	0	0.0
Kansas Water Plan (Contamination Remediation, continuation) - Bureau of Environmental Remediation	0	1,600,000	4.0	0	1,390,000	4.0
Sunflower Army Ammunition Plant Remediation - Bureau of Environmental Remediation	0	106,323	2.0	0	0	0.0
Division of Health and Environment Laboratories						
Analytical Support of Statewide Bioterrorism Plan	0	47,000	0.0	0	0	0.0
TOTAL - FY 2000 Enhancement Request	\$ 3,207,687	\$ 10,674,701	32.3	\$ 17,019	\$ 4,451,654	15.3

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Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following exceptions:

1. Delete \$1,604,315 (including \$595,597 from the State General Fund) for the Governor's recommended pay plan adjustments for a 2.5 percent classified step movement (\$714,142), longevity bonus payments (\$325,741), a 1.0 percent classified base salary adjustment (\$362,287), and a 3.5 percent unclassified merit pool (\$202,145).
2. Shift \$50,000 from State General Fund operating expenditures to aid to local units for primary health projects. This returns funding for primary health projects to \$1,520,820, the FY 1999 level, and increases the program by \$50,000 from the Governor's recommendation.
3. Add 2.0 FTE for the Health Care Data Base Governing Board. The Subcommittee recommends that the Board be allowed to utilize the new positions if it is able to fund them outside existing resources. The Subcommittee notes that the Performance Audit Report from December 1998 recommended that "[i]f there is a need and intent to maintain a current inventory of health care resources in the State, then sufficient resources need to be committed to this program." The report noted that the level of staffing for the Health Care Data Base Governing Board does not allow for the inventories to be kept current and "the usefulness of the data may be compromised due to incomplete and untimely information."
4. Add \$72,324 (SGF) to correct an error in the Governor's budget. The Department reported that the money was inadvertently left out of the Governor's recommendation. The money is used to fund temporary positions in the Office of Vital Statistics.
5. The Subcommittee concurs with the Governor's recommendation that the proviso that no individual currently receiving ADAP funding will be cut off from medication be continued in FY 2000. However, the Subcommittee believes that the Secretary should consider changes in policy to control or eliminate SGF expenditures for the ADAP.
6. The Subcommittee notes that the Governor recommends \$1,800,000 from the State Water Plan for the Local Environmental Protection Program (LEPP). This is a decrease of \$200,000 from previous fiscal years. This program provides grants to local health departments or other local entities across the state for the purpose of developing and implementing environmental protection plans and programs. While the Subcommittee recognizes the value of this program to the recipient counties, it also recognizes that the Governor's recommendations for expenditures from the State Water Plan Fund in FY 2000 do not leave sufficient balances to fund this program at previous levels. The Subcommittee notes that the recommendation of the Water Authority was to fund the program at \$1,900,000 and the Department appealed to the Governor to fund the program at that recommended level. The Subcommittee recommends that the issue be reviewed at Omnibus to determine if this program should receive a higher priority in expenditures from the State Water Plan Fund.

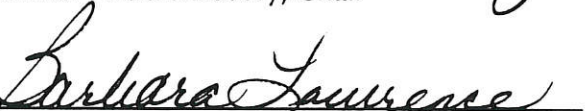
7. Shift the \$1.8 million of State Water Plan expenditures for the LEPP from other assistance to aid to local units. As this money is granted to local health departments, it is more accurately categorized as aid to local units. This action does not change the total expenditures.
8. The Subcommittee notes that the Department expressed its intention that the \$250,000 (Children's Health Care Programs Fund - tobacco settlement proceeds) included in the Governor's recommendation for immunizations be used for Hepatitis B vaccinations for 11 year old children.
9. Add \$500,000 SGF for aid to local health departments for replacement of federal Immunization Action Plan (IAP) funds. The Subcommittee notes that the IAP funds are required to be used for expansion of immunization programs, and the replacement state funding is recommended to carry the same requirements. The IAP program funds will be available to only three Kansas counties in FY 2000 (Sedgwick, Wyandotte and Finney). The Subcommittee further notes that the local health departments requested \$688,000 to maintain the same funding levels in FY 2000 as are available in FY 1999 through the federal grant. The Subcommittee encourages the Department to investigate whether it can shift the remaining funds requested by the local health departments out of the portion of the federal grant it uses for internal administration. Further, the Subcommittee requests the Department review all of its federal grants to see if additional dollars could be passed on to local health departments, rather than spent for internal administration.
10. Include language to allow for reappropriation of State General Fund aid to local units dollars from FY 1999 to FY 2000. Local health departments were unable to use approximately \$63,000 of the State General Fund appropriations in FY 1998 because the amount was lapsed. This underspending occurs when local health departments are unable to spend all of the grant in the last quarter of the fiscal year. The Subcommittee notes that the Department's FY 2000 budget request included \$2,616,672 (SGF) for an enhancement of the general health program which was not included in the Governor's recommendation. The general health program provides funding to local health departments for basic public health measures. The Subcommittee notes that funding for the program has increased by approximately \$300,000 only over the past 18 years. While local health departments receive additional state dollars in the form of categorical grants, those dollars are restricted to use in the specific programs for which they are granted. They may not be used to supplement basic health services. By allowing the Department to reappropriate aid to local units funding, some increases can be afforded the local departments without increases in appropriations. Additionally, those dollars intended by the Legislature to go to local health departments for basic health and other programs, will be used for that purpose. However, the Subcommittee encourages the Committee to look for ways to improve state funding for the general health program in the coming years.
11. The Governor's FY 2000 recommendation includes many federal funds and fee funds with no expenditure limitation. In the past, questions have been raised about whether the Department has used fees and receipts for their intended purposes and the Legislature placed expenditure limitations on most funds. The Subcommittee believes that the Department has made tremendous strides in improving fiscal accountability and concurs with the Governor's recommendation

to include no limit funds in the Department's budget. In addition to the Governor's proposal, the Subcommittee recommends that the Health Care Database Fee Fund and the Food Inspection Fee Fund be no limit funds to allow the Department increased flexibility.

12. The Subcommittee notes that \$3.8 million for nursing home inspections performed by the Department of Health and Environment pursuant to a contract with the Department on Aging is currently being counted as an expenditure in both agencies. It is the Subcommittee's recommendation that this issue should be addressed by the full Committee to determine the best place to account for these expenditures.



Senator Alicia Salisbury, Chair



Senator Barbara Lawrence



Senator Marge Petty

ATTACHMENT

Kansas Legislative Research Department

February 15, 1999

**KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
 CONFINED ANIMAL FEED OPERATIONS POSITIONS
 (February 1999)**

	<u>Inspectors/ Technical</u>	<u>Engineers</u>	<u>Clerical</u>	<u>Director</u>	
SW District	4.5 ¹	.75	1		Offer Pending on Engineer; otherwise fully staffed
SC District	2	1.2 ²			Fully staffed
SE District	2	.2			Last vacancy filled 3/8/99
NE District	2	.2			Fully staffed
NC District	2	1.5 ³			Conducting interviews on last vacancy for an Engineer
NW District	2	.5			Conducting interviews on last vacancy for an Engineer
Central Office	4	.3	2	1	One Clerical vacancy as of 3/1 and one Inspector/Technical as of 3/9 due to transfer to District

- 1) 3 Inspectors located in Ulysses Office.
- 2) 1.0 effort to provide plan review in SW, SC, and SE.
- 3) 1.0 effort to provide plan review in NW, NC, and NE.

Source: Kansas Department of Health and Environment, Human Resources.

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House Budget Committee Report

Agency: Homestead Property Tax Refunds

Bill No. 2521

Bill Sec. 17

Analyst: Nogle

Analysis Pg. No. 545

Budget Page No. 377

<u>Expenditure</u>	<u>Agency Est. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund:	\$ 13,776,554	\$ 13,776,554	\$ 0
Special Revenue Funds	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 13,776,554</u>	<u>\$ 13,776,554</u>	<u>\$ 0</u>
FTE Positions	0.0	0.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendations

The agency requests \$13,776,554 for Homestead Property Tax refunds in FY 1999, representing an increase of \$1,776,554 (14.8 percent) from the amount approved by the 1998 Legislature. The Governor concurs with the agency request.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The Committee concurs with the Budget Committee recommendation.

House Committee of the Whole Recommendation

The House Committee of the Whole has not considered this budget.

Senate Ways and Means Committee

Date 1/13/99

Attachment #

Senate Subcommittee Report

Agency: Homestead Property Tax Refunds

Bill No. 323

Bill Sec. 17

Analyst: Nogle

Analysis Pg. No. 545

Budget Page No. 377

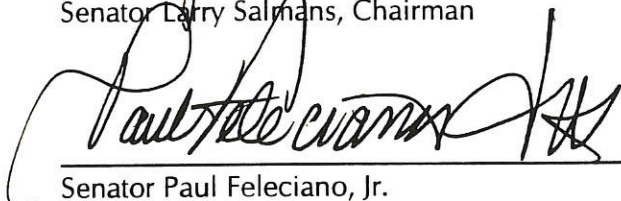
Expenditure	Agency Est. FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund:	\$ 13,776,554	\$ 13,776,554	\$ 0
Special Revenue Funds	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 13,776,554</u>	<u>\$ 13,776,554</u>	<u>\$ 0</u>
FTE Positions	0.0	0.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.



 Senator Larry Salmans, Chairman



 Senator Paul Feleciano, Jr.

House Budget Committee Report

Agency: Homestead Property Tax Refunds

Bill No. 2519

Bill Sec. 50

Analyst: Nogle

Analysis Pg. No. 545

Budget Page No. 377

<u>Expenditure</u>	<u>Agency Req. FY 00</u>	<u>Gov. Rec. FY 00</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 13,776,554	\$ 13,776,554	\$ 0
Special Revenue Funds	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 13,776,554</u>	<u>\$ 13,776,554</u>	<u>\$ 0</u>
FTE Positions	0.0	0.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendations

The agency requests \$13,776,554 for Homestead Property Tax refunds in FY 2000, representing an estimated increase of 1,089, or 1.6 percent, in the number of refunds claimed. The estimated average refund is \$197, the same as the actual refund for FY 1998. The \$13,776,554 request includes approximately \$13,276,554 for the refund program and \$500,000 for accounts receivables and set-offs.

The Governor concurs.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

Note: The 1996 Legislature enacted legislation (K.S.A. 79-4530) requiring a tax refund when the appraisal of a single family residence increases by 75 percent or more from the previous year, to begin after December 1996. The Department of Revenue estimates that 100 residences will be eligible for a refund with a total cost of \$20,000. 1999 S.B. 43 proposes an amendment that will allow the Department of Revenue to pay these refunds from the Homestead Property Tax Refund appropriation. The Governor's budget bill contains a proviso that would allow the Department of Revenue to pay these refunds from the Homestead Property Tax Refund appropriation. The Committee concurs with these proposals.

House Committee Recommendation

The Committee concurs with the Budget Committee request.

House Committee of the Whole Recommendation

The House Committee of the Whole has not considered this budget.

Senate Subcommittee Report

Agency: Homestead Property Tax Refunds

Bill No. 326

Bill Sec. 50

Analyst: Nogle

Analysis Pg. No. 545

Budget Page No. 377

Expenditure	Agency Req. FY 00	Gov. Rec. FY 00	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 13,776,554	\$ 13,776,554	\$ 0
Special Revenue Funds	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 13,776,554</u>	<u>\$ 13,776,554</u>	<u>\$ 0</u>
FTE Positions	0.0	0.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following observations:

1. The Subcommittee recommends that funding for this program be reviewed at Omnibus pending more accurate estimates for the total cost of the Homestead Property Tax Refund program.
2. The Subcommittee notes that the Homestead Property Tax Refund, which applicants currently file for separately, could be included on the income tax form as a refundable credit and directs the Department of Revenue to study this issue and report to the Subcommittee during the 2000 Session.
3. The Subcommittee notes that the current Homestead Property Tax Refund program provides a 100 percent refund only for those with a household income of \$3,000 or less. As the household income rises, the percentage of the refund drops. An increase in the household income limit that is eligible for a 100 percent refund would provide greater tax relief for those Kansans who need it the most - those with low, fixed incomes. The table below illustrates how the Homestead Property Tax Refund program works. The column on the left reflects the current system. The

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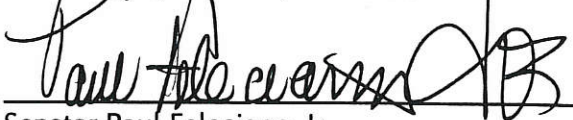
column on the right reflects the refund percentages available if the maximum household income eligible for a 100 percent property tax refund was increased from \$3,000 to \$15,000. For the table on the left, as the household income increases by \$1,000, the percent of refund decreases by 4 percent, after an initial 12 percent change at the \$3,001 to \$4,000 level. For the table on the right, for each \$1,000 increase in income, the amount of refund decreases by 9 percent following the \$15,000 level.

<u>Household Income</u>	<u>Current System Homestead Property Tax Refund</u>	<u>Alternative System Homestead Property Tax Refund</u>
\$0 to \$3,000	100	100
\$3,001 to \$4,000	88	100
\$4,001 to \$5,000	84	100
\$5,001 to \$6,000	80	100
\$6,001 to \$7,000	76	100
\$7,001 to \$8,000	72	100
\$8,001 to \$9,000	68	100
\$9,001 to \$10,000	64	100
\$10,001 to \$11,000	60	100
\$11,001 to \$12,000	56	100
\$12,001 to \$13,000	52	100
\$13,001 to \$14,000	48	100
\$14,001 to \$15,000	44	100
\$15,001 to \$16,000	40	91
\$16,001 to \$17,000	36	82
\$17,001 to \$18,000	32	73
\$18,001 to \$19,000	28	64
\$19,001 to \$20,000	24	55
\$20,001 to \$21,000	20	46
\$21,001 to \$22,000	18	37
\$22,001 to \$23,000	12	28
\$23,001 to \$24,000	8	19
\$24,001 to \$25,000	4	10

The cost of increasing the maximum household income to \$15,000 for a 100 percent refund would be \$16.1 million over the current cost estimate. The total cost would be \$29.9 million based on an estimate of 65,800 to 73,000 filers with a maximum refund of \$600. Approximately 42,000 households would receive the maximum refund. Presented to the Committee for its information and further consideration.



Senator Larry Salmans, Chairman



Senator Paul Feleciano, Jr.

Senate Subcommittee Report

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workman's comp*

Agency: Department of Human Resources

Bill No. –

Bill Sec. –

Analyst: Nogle

Analysis Pg. No. 682

Budget Page No. 227

Expenditure Summary	Agency Est. FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 48,890,244	\$ 48,890,244	\$ 36,615
Aid to Local Units	337,224	337,224	0
Other Assistance	<u>159,447,312</u>	<u>159,447,312</u>	<u>0</u>
Subtotal—Operating	\$ 208,674,780	\$ 208,674,780	\$ 36,615
Capital Improvements	<u>173,500</u>	<u>173,500</u>	<u>0</u>
TOTAL	<u><u>\$ 208,848,280</u></u>	<u><u>\$ 208,848,280</u></u>	<u><u>\$ 36,615</u></u>
All Funds:			
State Operations	\$ 2,204,097	\$ 2,204,097	\$ 0
Aid to Local Units	337,224	337,224	0
Other Assistance	<u>2,616,405</u>	<u>2,616,405</u>	<u>0</u>
Subtotal—Operating	\$ 5,157,726	\$ 5,157,726	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 5,157,726</u></u>	<u><u>\$ 5,157,726</u></u>	<u><u>\$ 0</u></u>
FTE Positions	1,002.5	1,001.5	0.0
Unclassified Temp. Positions	<u>65.0</u>	<u>65.0</u>	<u>0.0</u>
TOTAL	<u><u>1,067.5</u></u>	<u><u>1,066.5</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The agency's estimate for FY 1999 operating expenditures of \$208,674,780 is a decrease of \$4,457,843 from the approved budget. This is due to a decrease in the estimated unemployment benefits to be paid out in FY 1999.

The Governor concurs with the agency estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following modifications and observations:

Senate Ways and Means Committee

Date 3/2/99

Attachment # 2-1

1. Increase the expenditure limitation of the Occupational Safety and Health Administration (OSHA) Fee Fund by \$36,615. The Subcommittee recommends raising the expenditure limitation on the federal OSHA Fund from the \$392,385 recommended by the Governor to \$429,000 (\$36,615 increase) due to an increase in funding for the OSHA Consultation program. The OSHA Consultation program allows facilities to invite the Department of Human Resources to inspect their facility, rate their OSHA compliance, and suggest changes. The Consultation program does not levy fines for violations. The Department of Labor then pays the Department of Human Resources a consultation fee for its work. The agency is required to provide a 10 percent match. The increased match cost associated with the increase of the expenditure limitation will be absorbed by the agency's operating budget.



Senator Nick Jordan, Chairman



Senator Alicia Salisbury



Senator Marge Petty

Senate Subcommittee Report

Agency: Department of Human Resources

Bill No. 326, 325

Bill Sec. 51, 20

Analyst: Nogle

Analysis Pg. No. 682

Budget Page No. 227

<u>Expenditure Summary</u>	<u>Agency Est. FY 00</u>	<u>Gov. Rec. FY 00</u>	<u>Senate Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ 48,170,297	\$ 47,507,078	\$ (1,430,228)
Aid to Local Units	340,224	340,224	0
Other Assistance	<u>164,455,136</u>	<u>162,517,252</u>	<u>0</u>
Subtotal-Operating	\$ 212,965,657	\$ 210,364,554	\$ 0
Capital Improvements	<u>405,000</u>	<u>355,000</u>	<u>0</u>
TOTAL	<u><u>\$ 213,370,657</u></u>	<u><u>\$ 210,719,554</u></u>	<u><u>\$ (1,430,228)</u></u>
State General Fund:			
State Operations	\$ 2,220,869	\$ 1,569,845	\$ (37,004)
Aid to Local Units	340,224	340,224	0
Other Assistance	<u>2,437,884</u>	<u>500,000</u>	<u>0</u>
Subtotal Operating	\$ 4,998,977	\$ 2,410,069	\$ (37,004)
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 4,998,977</u></u>	<u><u>\$ 2,410,069</u></u>	<u><u>\$ (37,004)</u></u>
FTE Positions	1,002.5	997.5	0.0
Unclassified Temp. Positions	<u>65.0</u>	<u>65.0</u>	<u>0.0</u>
TOTAL	<u><u>1,067.5</u></u>	<u><u>1,062.5</u></u>	<u><u>0.0</u></u>

* Includes a reduction of \$1,492,893 (\$42,004 from the State General Fund) for the Governor's employee salary adjustment. Excluding the recommendation to omit the Governor's employee salary adjustment, the Subcommittee recommends \$62,615 more than the Governor's recommendation. Of that amount, \$5,000 is from the State General Fund.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following modifications and observations:

1. The Worker's Compensation Fee fund currently has an unappropriated balance of \$2.0 million. The agency has indicated that 10 percent of expenditures from that fund are the necessary balance. To date, that amount would be approximately

\$700,000. The Subcommittee proposes no reduction to the balance at this time in recognition of the fiscal impact that responding to the Post Audit recommendations will have on the agency. The agency will take steps to implement the recommendations of the Division of Post Audit. Post Audit has recommended that the agency proceed with its database migration project, make electronic transmission of workers' compensation data a priority by allocating appropriate staff time and resources and replacing outdated computers, improve data collection and database development on claims, and make policy changes to the fraud unit. The actual cost of implementing those recommendations should be available before the end of the 1999 Legislative session. The agency has currently budgeted \$400,000 in KSIP funds to fund the database migration project. The Subcommittee notes that SB 219 addresses some of these issues and recommends review of this item at omnibus, when the costs of compliance with the post audit are known.

2. Increase the expenditure limitation on the OSHA fee fund by \$57,615. The Subcommittee recommends raising the expenditure limitation on the OSHA fund from the \$392,385 recommended by the Governor to \$450,000 (\$57,615 increase) to accommodate an increase in estimated OSHA Consultation Program funds. The OSHA Consultation program allows facilities to invite the Department of Human Resources to inspect their facility, rate their OSHA compliance and suggest changes. The Consultation program does not levy fines for violations. The Department of Labor then pays the Department of Human resources a consultation fee its their work. The agency is required to provide a 10 percent match. The increased match cost with the increase of the expenditure limitation will be absorbed by the agency's operating budget.
3. The Subcommittee recommends that the Capital Improvements Subcommittee review and approve an additional \$20,000 from the Penalty and Interest fund for the purchase of buildings on 400 block of SW Jackson in Topeka, for a total cost of \$250,000. The agency's original request was \$230,000, which the Governor recommended. Subsequent negotiations have increased the cost to \$250,000. The agency will use \$100,000 in federal funds from the sale of two buildings in Ottawa (FY 1998) and Coffeyville (FY 1997), and \$150,000 from the Penalty and Interest Fund. The agency currently pays \$57,000 annually for rent and the Subcommittee believes that the purchase of the buildings will result in a cost savings for the agency.
4. The Subcommittee is pleased with coordination of the Welfare to Work program and notes that as of January 1999, the program had been in operation for two months, had received 416 referrals and had enrolled 108 participants in some sort of job training or education program. The Subcommittee looks forward to an update from the agency after the completion of the NCSL study to evaluate work training programs in the state.
5. Add \$5,000 from the State General Fund for the Commission on Disability Concerns. The Subcommittee recommends an additional \$5,000 from the State General Fund for travel expenditures for the Commission on Disability Concerns and encourages the program to continue to utilize alternative forms of commission meetings. The additional \$5,000 will allow the program to maintain its current services level.

6. The Subcommittee notes that while it does not recommend funding the African American Advisory Commission salary appeal to increase the base salaries of the executive director and education coordinator, it recognizes the commission's concern regarding recruitment and retention of qualified staff. The commission expressed concern that funding for the two appealed positions is not comparable to other state and private positions with the same requirements. The Subcommittee recognizes a similar concern with equitable salary increases for the other commissions, which did not ask for those increases for FY 2000.
7. Delete \$1,492,843 (including \$42,004 from the State General Fund) to remove the Governor's recommended pay plan adjustment.
8. Make technical adjustments to the Appropriations Bill to accurately reflect the Governor's intent.



Senator Nick Jordan, Chairman



Senator Alicia Salisbury



Senator Marge Petty

Subcommittee Report

Agency: Kansas Commission on Veterans Affairs **Bill No. 323**

Bill Sec. 18

Analyst: Davis

Analysis Pg. No. 666

Budget Page No. 317

Expenditure Summary	Agency Est. FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 7,088,601	\$ 7,166,029	\$ 14,560
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 7,088,601	\$ 7,166,029	\$ 14,560
Capital Improvements	8,832,857	8,624,658	0
TOTAL	\$ 15,921,458	\$ 15,790,687	\$ 14,560
State General Fund:			
State Operations	\$ 3,515,040	\$ 3,561,630	\$ 14,560
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 3,515,040	\$ 3,561,630	\$ 14,560
Capital Improvements	0	0	0
TOTAL	\$ 3,515,040	\$ 3,561,630	\$ 14,560
FTE Positions	227.8	225.8	1.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	228.8	226.8	1.0

Agency Est./Governor's Recommendation

The agency's revised FY 1999 estimate for operating expenditures is \$7,088,601. This is an increase of \$148,780 or 2.1 percent from the amount approved by the 1998 Legislature. The agency's revised request includes:

- **State General Fund**
 - **Supplemental appropriation request** of \$125,000 (SGF) to establish a **Community Based Outpatient Clinic (CBOC)** at the KSH at Fort Dodge
 - Requested funds are for capital outlay
 - Operational costs will be funded through increased federal VA reimbursements
 - Clinic would facilitate the VA goal of providing medical treatment to veterans within 50 miles of their home
- **Special Revenue Funds**
 - Expenditure limitation increase of \$17,771 requested in the KSH Fee Fund to pay for salaries and wages for the driver for the **CBOC**

Senate Ways and Means Committee

Date 3/15/99
Attachment # 4-1

- Expenditure limitation increase of \$4,020 requested in the Kansas Commission on Veterans Affairs (KCVA) Fund for other operating expenditures
- Additional spending of \$1,989 from the Benefit and Gift Fund at KSH. While subject to legislative appropriation, the Benefit and Gift Fund is treated as a no limit appropriation
- **Capital Improvements**
 - Request for additional \$58,960 from the State Institutions Building Fund for capital improvements for the **CBOC** at the KSH
 - Request for additional \$202,234 from the State Institutions Building Fund for capital improvements at the Wichita Annex to the Kansas Veterans Home. Operating expenditures for the 60-bed nursing facility are requested as an enhancement in FY 2000

The Governor's recommendation for FY 1999 operating expenditures is \$7,166,029. This is an increase of \$226,208 from the amount approved by the 1998 Legislatures, and an increase of \$77,428 (1.1 percent from the agency's revised request). The Governor's recommendation includes:

- **Community Based outpatient Clinic**
 - \$209,400 for operations
 - \$149,735 from the **SGF**
 - \$26,665 from the State Budget Stabilization Fund
 - \$33,000 from fees generated from VA reimbursement
 - \$58,960 (State Institutions Building Fund) for capital improvements
- **Salaries and Wages**
 - \$5.6 million (\$4.7 million from the SGF)
 - reduction of 2.0 FTE in Veterans Services
 - to more accurately reflect program staffing (funding shifted to other operating expenditures)
 - \$21,855 from the SGF to reduce shrinkage from 4.5 percent to 3.0 percent in the Veterans Services program

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor with the following adjustments:

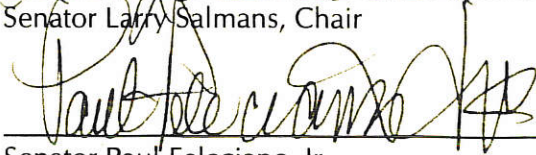
1. Add \$14,560 (SGF) and 1.0 FTE to the Kansas Soldiers Home at Fort Dodge. The Subcommittee recommends that one of the positions eliminated in the Veterans Services Program in FY 1999 and FY 2000 by the Governor be restored as a chaplain position at the Kansas Soldiers' Home at Fort Dodge. The Subcommittee notes that the average age of the 262 residents of the Soldiers' Home is 76 and recognizes that the elimination of the chaplain position at Fort Dodge has caused great concern among that population. The Subcommittee recommends that the Commission be given the flexibility to either hire a chaplain or contract for the services of a chaplain, whichever would provide the best service to the Home.
2. The Subcommittee notes that the Governor's recommendation includes \$20,000 for general rehabilitation and repair capital improvements at the Kansas Veterans Home

at Winfield in FY 2000. However, the Commission informed the Subcommittee that \$52,000 was needed to repair the leaking roof on the Treatment Building as soon as possible. The Subcommittee recommends that the Subcommittee on Capital Improvements review the agency's request to repair the roof of the Treatment building. The Subcommittee recommends that the Subcommittee on Capital Improvements fund this project from the State Institutions Building Fund.

3. The Subcommittee requests a Governor's Budget Amendment for additional remodeling and architectural fees needed for Halsey Hall at the Kansas Soldiers' Home. The Commission informed the Subcommittee that despite the efforts of members of the Subcommittee on the Commission's behalf a year ago to bring the Halsey Hall remodeling costs to within the \$200,0000 appropriated by the Governor in FY 1999, regulations of the Department of Health and Environment require that additional work be done. The Commission reported needs of an additional \$68,000.



Senator Larry Salmans, Chair



Senator Paul Feleciano, Jr.

Subcommittee Report

Agency: Kansas Commission on Veterans Affairs Bill No. 326

Bill Sec. 52

Analyst: Davis

Analysis Pg. No. 666

Budget Page No. 317

<u>Expenditure Summary</u>	<u>Agency Req. FY 00</u>	<u>Gov. Rec. FY 00</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 15,563,933	\$ 11,051,230	\$ (85,031) *
Aid to Local Units	0	0	0
Other Assistance	0	20,000	0
Subtotal - Operating	<u>\$ 15,563,933</u>	<u>\$ 11,071,230</u>	<u>\$ (85,031)</u>
Capital Improvements	6,277,158	5,729,430	0
TOTAL	<u><u>\$ 21,841,091</u></u>	<u><u>\$ 16,800,660</u></u>	<u><u>\$ (85,031)</u></u>
State General Fund:			
State Operations	\$ 6,245,084	\$ 4,972,121	\$ (888)
Aid to Local Units	0	0	0
Other Assistance	0	20,000	0
Subtotal - Operating	<u>\$ 6,245,084</u>	<u>\$ 4,992,121</u>	<u>\$ (888)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 6,245,084</u></u>	<u><u>\$ 4,992,121</u></u>	<u><u>\$ (888)</u></u>
FTE Positions	497.8	334.8	1.0
Unclassified Temp. Positions	1.0	0.0	1.0
TOTAL	<u><u>498.8</u></u>	<u><u>334.8</u></u>	<u><u>2.0</u></u>

* Includes a reduction of \$178,648 (\$94,505 SGF) for the Governor's recommended pay plan. Absent the pay plan reduction, the Subcommittee's recommendation is an increase of \$93,617 from the Governor's recommendation.

Agency Req./Governor's Recommendation

The agency's FY 2000 operating expenditures request of \$15,563,933 is an increase of \$8,475,332 or 119.6 percent over FY 1999. The request includes:

- **State General Fund**
 - \$6,245,084 or 40.1 percent of the total FY 2000 operating request
- **Special Revenue Funds**
 - \$9,318,849 or 59.9 percent of the total FY 2000 operating request
- **Salaries and Wages**

- \$12,036,314 (including \$2,064,021 in fringe benefits) for 497.8 FTE positions and 1.0 Unclassified Temporary Position, an increase of \$6,415,547 (114.1 percent) over the FY 1999 estimate
- **Enhancement Requests** of \$2,542,224 (\$938,934 from the State General Fund)
- **Kansas Veterans Home at Winfield First-Year Operating Expenditures** of \$8,719,566
 - including \$3,402,377 from the **State General Fund** (39.0 percent of the total Kansas Veterans Home (KVH) operating request)
 - \$5,317,189 from the KVH Fee Fund (61.0 percent of total KVH operating request)
 - \$2,182,278 and 41.0 FTE positions enhancement request for operation of the Wichita Annex

The Governor recommends total operations funding of \$11,071,230 including:

- \$4,992,121 from the State General Fund
- \$8,897,293 for salaries and wages
- \$4,100,724 for the first year of operations at the Kansas Veterans Home
 - The Governor's recommendation makes adjustments for later opening dates of two of the Home's buildings.
- \$20,000 for two grants of \$10,000 each
 - The World War II Veterans War Memorial in Washington, DC
 - The National Women War Veterans Memorial

FY 2000 Enhancements						
Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Development of Residential Community - KSH	\$ 0	\$ 230,100	0.0	\$ 0	\$ 0	0.0
Wichita Annex - KVH	928,934	2,182,278	41.0	0	0	0.0
Overtime for Veterans Service Representatives	10,000	10,000	0.0	5,412	5,412	0.0
Persian Gulf War Health Initiative Program	0	119,847	0.0	0	0	0.0
TOTAL—FY 2000 Enhancement Request	\$ 938,934	\$ 2,542,225	41.0	\$ 5,412	\$ 5,412	0.0

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor with the following modifications:

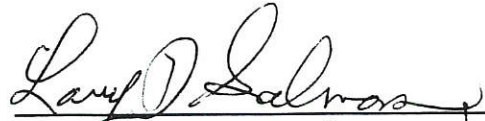
1. Add \$50,000 (SGF) and 1.0 unclassified temporary position for continuation of the Persian Gulf War Health Initiatives Program (PGWHIP). The Subcommittee also recommends that the Commission be allowed to reappropriate FY 1999 funding for the program to FY 2000. The Subcommittee believes that the work being done in this program is an invaluable service to Kansas veterans of the Persian Gulf War. The Subcommittee notes with great concern that assistance for these veterans is not

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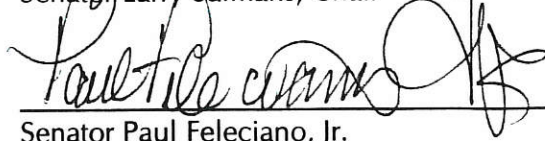
forthcoming from the federal government. The Subcommittee further notes that the survey conducted by the PGWHIP has been completed and results are currently being analyzed and a report is imminent. The Subcommittee notes that the preliminary results show a startling correlation between service in the Persian Gulf War and illness in veterans (Attachment 1). The Subcommittee believes that the \$50,000 recommended will provide funding for the program to continue into FY 2000, and that the Commission will find outside sources of funding for the further continuation of this important program. The continued funding will allow the program to develop and maintain a register and for further investigation and fulfillment of the needs identified by the study.

2. The Subcommittee expresses concern about the negative effects of 1993 H.B. 2211 (K.S.A. 75-6801) which requires the elimination of 1.0 FTE position for every four retirements. The high level of services provided by agencies such as the Kansas Commission on Veterans Affairs may be eroded by this policy. Those employees who are responsible for direct patient care at the Kansas Soldiers' Home and the Kansas Veterans Home are exempted from this requirement pursuant to 1998 H.B. 2678. However, the employees providing services to veterans at the agency's area offices are not exempt. The policy is resulting in those offices being short staffed. The Subcommittee expresses support for S.B. 327 which repeals this law.
3. The Subcommittee notes that the construction of the Kansas Veterans Home at Winfield is a fluid project, with changes necessitated by delays at the federal Department of Veterans Administration (VA). The VA construction grant allows for up to a 10 percent variance in bids from the initial estimated grant request. The state would have to provide 35 percent of that variance as a match in order to receive the federal dollars. The Subcommittee includes the revised project bidding schedule for the Committee's review (Attachment 2).
4. Add \$43,617 (SGF) and 1.0 FTE to the Kansas Soldiers Home at Fort Dodge. The Subcommittee recommends that one of the positions eliminated in the Veterans Services Program in FY 1999 and FY 2000 by the Governor be restored as a chaplain position at the Kansas Soldiers' Home at Fort Dodge for the reasons discussed in the FY 1999 Subcommittee Recommendations. The Subcommittee recommends that the Commission be given the flexibility to either hire a chaplain or contract for the services of a chaplain, whichever would provide the best service to the Home.
5. The Subcommittee requests a Governor's Budget Amendment for \$50,000 for capital improvements to fund the construction of a water treatment plant at the Soldiers' Home. The Governor included \$200,000 to address the issue of the Home's contaminated wells; however the Commission has determined that the best option is to construct a water treatment plant. The Commission informed the Subcommittee that an additional \$50,000 will be required to construct a water treatment facility. Over the years, four wells at the Soldiers' Home have become contaminated with nitrates. The Home is less than one-half mile east of a livestock facility with over 50,000 head of cattle. The Home has continued to dig wells farther away from the livestock facility but as it does so, it is digging closer to known test wells reported contaminated by a large fertilizer plant to the north of the Home.

6. Delete \$178,648 (including \$94,505 from the State General Fund) for the Governor's recommended pay plan adjustments for a 2.5 percent classified step movement (\$11,718), longevity bonus payments (\$73,698), a 1.0 percent classified base salary adjustment (\$47,095) and a 3.5 percent unclassified merit pool (\$10,340).



Senator Larry Salmans, Chair



Senator Paul Feleciano, Jr.



THE KANSAS PERSIAN GULF WAR VETERANS HEALTH INITIATIVE
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**PRELIMINARY FINDINGS:
 NOT FOR MEDIA RELEASE
 PLEASE DO NOT QUOTE**

Major Findings of the Kansas Gulf War Veterans Health Initiative Program

The Federal Response to Gulf War Veterans' Health Problems Has Been Inadequate. The U.S. Departments of Defense and Veterans Affairs have made little progress in answering basic questions about the prevalence, causes, or treatments for Gulf War-related health problems. Few veterans have been compensated for undiagnosed illnesses associated with Gulf War service. A U.S. congressional report characterizes the government response as "irreparably flawed."

The Kansas Gulf War Veterans Health Study Provides Important Information Not Yet Identified in Federal Studies. Preliminary results of a survey of over 2000 Gulf War-era veterans indicate that:

- ▶ **30% of Kansas Gulf War veterans are affected by "Gulf War Illness (GWI),"** a symptom complex characterized by fatigue, joint and muscle pain, and cognitive problems, and a variable array of respiratory, gastrointestinal, neurological, skin, and auditory problems.
- ▶ **Gulf War Illness occurs in identifiable patterns.** GWI affects Army veterans more than those in other branches, and enlisted personnel more than officers. Veterans who served on board ship are least affected, with intermediate rates among those deployed to Saudi Arabia, and highest rates among those who were in Iraq or Kuwait.
- ▶ **Gulf War Illness occurs at an increased rate among veterans who did not deploy to the Gulf War, but received vaccines during that period.**
- ▶ **Children of Gulf War veterans may also be affected.** Gulf War veterans were significantly more likely to report that children born since the war have health problems, including birth defects, than veterans who did not deploy to the war.
- ▶ **Kansas Gulf War veterans receive VA disability compensation at a significantly lower rate than veterans of the same period who did not deploy to the war.**

NOTE: Dr. Lea Steele, an epidemiologist, directs the Kansas Persian Gulf War Veterans Health Initiative for the Kansas Commission on Veterans Affairs. State Representative Dan Thimesch chairs the project advisory board. For more information contact Dr. Lea Steele at (785) 296-3976.

REVISED PROJECT BIDDING SCHEDULE
Kansas Veterans Home Projects

Revision Date: January 27, 1999

CCR NO. & Project Name	Issue Bid Documents	Bidding Period	Prebid Meeting Date	Receive Bids	Notice To Proceed Date	Project Completion
A-8430 (A) Sanitary Sewer Improvements	1/21/99	4 Weeks	2/16/99 10 AM	2/23/99 2 PM	3/24/99	150 Calendar Days
A-8430 (B) Waste Water Pump Station	1/25/99	4 Weeks	2/16/99 1:30 PM	2/24/99 2 PM	3/24/99	250 Calendar Days
A-8430 (D) Veterans Home – Asbestos Abatement	1/28/99	4 Weeks	2/17/99 10 AM	2/24/99 2 PM	3/25/99	Holly - 10 Cal. Days Treat. - 20 Cal. Days Med Ser-10 Cal Days Pwr Plt-10 Cal Days
A-8430 © Conversion of Winfield State Hospital to Kansas Veterans Home	1/29/99	5 Weeks	2/17/99 1:30 PM	3/2/99 2 PM	4/2/99	Juniper-185 Cal Days Holly - 245 Cal. Days Treat - 305 Cal. Days Med. - 365 Cal. Days

- Note No 1: The Notice to Proceed Dates are based on approval to enter into Contracts and receipt of signed contracts, Bonds, and Insurance within Thirty (30) days from respective bid dates.
- Note No. 2: The above Revised Project Bidding Schedule was re-typed from a FAX submitted by the Kansas State Division of Architectural Services dated January 27, 1999.
- Note No. 3: Telephone inquiries should be referred to the State Division of Architectural Services at (785) 296-899 FAX (785) 296-8898.