

Approved: Assumed Approved
Date

MINUTES OF THE SENATE WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 10:00 a.m. on April 22, 1999 in Room 123S of the Capitol. The meeting was recessed at 9:30 p.m. and reconvened at 8:00 a.m. on April 23, 1998. The meeting was recessed at 5:30 p.m. and reconvened at 9:00 a.m. on April 27, 1999.

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.

Alan Conroy, Chief Fiscal Analyst, referred to a handout that gave the status of where the budget is currently as approved by the Legislature on first adjournment. (Attach. 1). He then explained the State General Fund Profile that reflects the expenditures as approved by the Legislature on first adjournment. These figures reflect revisions made. (Attach. 2).

Reed Howegner of Legislative Research read from the Water Plan Fund Expenditures. (Attach. 3).

Rae Anne Davis of Legislative Research read from the Economic Development Initiatives Fund. (Attach. 4).

A memorandum titled "Items for Omnibus Consideration" by the Kansas Legislative Research Department was distributed to Committee members. Fiscal analysts reviewed items by agency as illustrated. (Attach. 5). Copies of the Governor's Budget Amendment (GBA) (Attach. 6). Dated April 21, 1999 were also distributed to members. Both of these documents were used as a basis for writing the Omnibus Appropriations Bill and are reprinted in their entirety in the context of these minutes. Committee discussion and decisions are denoted in italics following each item in attachment 5.

ITEMS FOR OMNIBUS CONSIDERATION

Department of Social and Rehabilitation Services

A copy of an "Omnibus Follow-up" was distributed by Rochelle Chronister of the Department of Social and Rehabilitation Services. (Attachment 7).

A. Caseload Estimates. Staff of the Kansas Legislative Research Department, the Division of the Budget, the Kansas Department on Aging (KDOA) and the Department of Social and Rehabilitation Services (SRS) met on April 15 to develop consensus caseload estimates on agency programs for FY 1999 and FY 2000. Consensus was reached on expenditure estimates for Temporary Assistance for Families, General Assistance, regular medical assistance, and adult care facilities (including nursing facilities, nursing facilities for mental health). At the request of the Division of the Budget, the Home and Community Based Services (HCBS) programs, and intermediate care facilities for the mentally retarded, and child welfare services (including foster care contracts, adoption contracts, and adoption support) were

removed from the caseload estimating process. In total, estimated State General Fund expenditures are increased by \$4.6 million in FY 1999 and \$12.1 million in FY 2000. State General Fund expenditures for programs operated by SRS were increased by \$4.2 million in FY 1999 and \$11.3 million in FY 2000. The following tables summarize the November 1998 and April 1999 caseload estimates and the resulting differences:

		<u>FY 1999</u>		November Estimate	April Estimate	Difference
Cash Assistance	Temporary Assistance for Families	All Funds	\$ 45,000,000	\$ 45,900,000	\$ 900,000	
		SGF	35,336,000	35,336,000	0	
	General Assistance	All Funds	\$ 4,455,000	\$ 4,265,000	\$ (190,000)	
		SGF	4,455,000	4,265,000	(190,000)	
Medical Assistance		All Funds	\$ 535,759,000	\$ 542,700,000	\$ 6,941,000	
		SGF	204,513,900	208,900,000	4,386,100	
Adult Care Homes	Nursing Facilities (KDOA)	All Funds	\$ 250,000,000	\$ 250,500,000	\$ 500,000	
		SGF	100,000,000	100,200,000	200,000	
	Nursing Facilities - Mental Health	All Funds	\$ 12,000,000	\$ 12,300,000	\$ 300,000	
		SGF	8,637,000	8,853,000	216,000	
Subtotal - Adult Care Facilities		All Funds	\$ 262,000,000	\$ 262,800,000	\$ 800,000	
		SGF	\$ 108,637,000	\$ 109,053,000	\$ 416,000	
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		<u>FY 2000</u>				
Cash Assistance	Temporary Assistance for Families	All Funds	\$ 41,000,000	\$ 44,000,000	\$ 3,000,000	
		SGF	35,336,000	35,336,000	0	
	General Assistance	All Funds	\$ 4,455,000	\$ 4,265,000	\$ (190,000)	
		SGF	4,455,000	4,265,000	(190,000)	
Medical Assistance		All Funds	\$ 543,639,358	\$ 566,700,000	\$ 23,060,642	
		SGF	211,292,800	222,500,000	11,207,200	
Adult Care Homes	Nursing Facilities (KDOA)	All Funds	\$ 262,500,000	\$ 264,600,000	\$ 2,100,000	
		SGF	105,000,000	105,840,000	840,000	
	Nursing Facilities - Mental Health	All Funds	\$ 12,600,000	\$ 13,000,000	\$ 400,000	
		SGF	9,068,900	9,356,000	287,100	
Subtotal - Adult Care Facilities		All Funds	\$ 275,100,000	\$ 277,600,000	\$ 2,500,000	
		SGF	\$ 114,068,900	\$ 115,196,000	\$ 1,127,100	

B. Omnibus Review Items.

1. Child Support Enforcement—Kansas Enhanced Statewide Support Enforcement Project (KESSEP) and the Centralized Payment Center Project (House Budget Committee and Senate Subcommittee). The House Budget Committee on Social Services and the Senate Subcommittee reviewing the SRS budget requested an update on the status of the KESSEP and centralized payment center mandated by the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The KESSEP system is now scheduled to cost a total of \$45.9 million all funds including \$13.3 million from state funds and was scheduled to be completed in September 1999. The centralized payment center is a joint effort with Office of Judicial Administration (OJA) and is scheduled for completion by October 1999. The Committees wished to know if these estimates of completion and costs are accurate. The agency indicates the above information is still accurate.

No action was taken by the Committee on this item.

2. Home and Community Based Services for the Physically Disabled (House Budget Committee). The House Budget Committee on Social Services reviewing the Adult and Medical Services Commission budget for FY 2000 recommended that the agency prepare a plan to address how services will be provided, without a waiting list, within the Governor's Budget Recommendation for the program. If the funding is insufficient, the agency is to inform the Governor and the Committee. The Committee is to review at Omnibus the new information. The agency's current estimate of the FY 2000 shortfall is \$6,849,948 all funds including \$2,739,979 from the State General Fund.

The Committee concurred with the Governor on this item but added an additional \$1.2 million.

3. Follow Up Study of Individuals Who Have Left the Welfare Roles (Senate Subcommittee). The Senate Subcommittee reviewing the Income Maintenance and Employment Preparation Services budget for FY 2000 appointed two members to draft a scope statement for a proposed study to determine why individuals who have left the welfare roles are no longer using Food Stamps. The Committee is to consider funding the study and determining the expectations of the study during review at Omnibus.

The Committee concurred with this item but requested that Post Audit develop a scope and cost estimate.

4. Foster Care Contracts, Adoption Contract, and Adoption Support (Conference Committee). The Conference Committee in reviewing the SRS budget deferred the additional funding requested

by the agency for foster care contracts (\$5.2 million), adoption contract (\$2.6 million), and adoption support (\$2.3 million) to totally fund the above services for FY 2000. The current approved amount in FY 2000 is \$140.0 million all funds (\$44.0 million SGF). The current approved amount in FY 1999 is \$110.4 million all funds (\$28.0 million SGF).

The Committee concurred with the Governor on this item.

Funding Approved by the Legislature

	FY 1999		FY 2000	
	State General Fund	All Funds	State General Fund	All Funds
Foster Care Contracts	\$ 23,474,408	\$ 100,503,946	\$ 8,246,786	\$ 81,603,946
Adoption Contract	12,454,411	26,394,141	10,731,723	14,769,807
Adoption Support	8,024,136	13,057,080	8,993,162	14,026,106
	<u>\$ 43,952,955</u>	<u>\$ 139,955,167</u>	<u>\$ 27,971,671</u>	<u>\$ 110,399,859</u>

The Committee concurred with the Governor on this item.

5. Mental Health Programs—Family Centered System of Care for Severely Emotional Distributed Children (House Budget Committee and Senate Subcommittee). The House Budget Committee on Social Services and the Senate Subcommittee reviewing the mental health services budget for FY 2000 received a request from the Association of Community Mental Health Centers of Kansas for funding of \$5,000,000 State General Fund to provide a statewide program of early intervention and prevention services for children who are at risk of developing severe emotional disturbances (SED) and their families. The program would be based on a federal pilot project located in Sedgwick County and 13 counties in southeast Kansas. The Legislature has funded the request with \$5,000,000 of tobacco funds in S.B. 325.

No action was necessary on this item.

6. Mental Health Programs—Case Management Services to Homeless persons with a Mental Ill (House Budget Committee). The House Budget Committee on Social Services reviewing the mental health services budget for FY 2000 received a request for \$1,440,000 from all funding sources including \$1,000,000 from the State General Fund to provide a statewide program of case management services to homeless persons with a mental illness. Currently a pilot project in Sedgwick and Shawnee Counties provides assertive outreach, where case managers search the streets and locations where homeless individuals stay. The Legislature in S.B. 325 has funded the request with \$750,000 State General Fund and a local match requirement of \$250,000 which will provide federal funds of \$440,000 according to SRS.

No action was necessary on this item.

7. Developmental Disabilities—Home and Community Based Services for Mental Retardation (HCBS/MR) FY 1999 and FY 2000 (House Budget Committee and Senate Subcommittee). The House Budget Committee on Social Services and the Senate Subcommittee reviewing the developmental disabilities budget requested that the HCBS/MR waiver program be reviewed again during the Omnibus Session. The Conference Committee added \$650,000 State General Fund and recommended the agency reallocate \$1,750,000 of state funds from within the existing agency budget to the waiver program. The above action would fund the FY 1999 shortfall of \$2,400,000 from state funds and \$5,990,000 all funds. The waiting list was not addressed.

The committees reviewing the HCBS/MR budget for FY 2000 were informed that a shortfall of \$10,371,564 from all funding sources, including \$4,097,425 from the State General Fund existed for the waiver program. In addition, an estimated 392 individuals are or would be placed on a waiting list during the year. The waiting list would require an additional \$6,294,724 from all funding sources, including \$2,871,350 from the State General Fund. The Conference Committee funded the shortfall of \$10.4 million (\$4.1 million State General Fund). The waiting list was not addressed by the Conference Committee recommendations.

The Committee concurred with the Governor on this item.

8. Mental Health and Developmental Disabilities—Inflationary Increases for Workers (House Budget Committee). The House Budget Committee on Social Services reviewing the mental

health and developmental disabilities budgets requested that inflationary increases for community based services be reviewed during the Omnibus Session. The Committee heard testimony that the community based services had not received inflationary increases at the same pace as the salary base increases received by state employees. The Conference Committee in S.B. 325 reviewed both the mental health and developmental disabilities budgets with regard to inflationary increases and added \$5,000,000 from all funding sources, including \$1,000,000 from the State General Fund and \$1,000,000 from tobacco funds for rate reimbursement increases for the developmental disabilities providers in FY 2000.

This item was not addressed in the GBA.

It was moved by Senator Lawrence and seconded by Senator Jordan that the Committee agree to work items number 7 and 8 together. This would mean \$1 million of the tobacco money less than the conference committee put into item #8 and \$2 million more than they put into item #7, paragraph 2. The motion carried on a voice vote.

C. S.B. 126 (Law) creates a Quality Enhancement Wage Pass-Through Program for nursing facilities that receive reimbursement through the Medicaid Program for treatment of the elderly, developmentally disabled, and mentally ill. The bill would allow facilities that choose to participate in the program to receive a payment option that would provide reimbursement to the facilities up to \$4 per resident day. The reimbursement would be designed to increase either salaries or benefits for the employees of the facilities who provide direct care or support services to the residents of the facilities. In addition, the bill would provide that the pass-through funds be used for the payment of salaries and benefits for nurse aides, medication aides, restorative-rehabilitation aides, licensed mental health technicians, hydration and nutrition aides, plant operating and maintenance personnel and non supervisory activity staff. The monies could be used to hire additional direct care or support staff or to increase salaries and benefits for existing staff. The bill would not allow pass-through monies to be used to increase management compensation or facility profits. The Department on Aging and SRS will administer the new law. SRS estimates the maximum additional cost would be \$1.7 million (\$1.0 million State General Fund) for the nursing facilities for developmentally disabled and mentally ill, and \$41,122 (\$34,131 State General Fund) for administration. The law specifies that the program is subject to line item appropriation prior to enactment.

The Committee concurred with this item.

D. Technical Adjustment. A posting error in S.B. 325 resulted in the Youth Aid and Assistance Account being underfunded by \$8,178,207. The technical adjustment is needed to properly reflect the Governor's and the Legislature's intent.

The Committee concurred with the technical adjustment in this item.

E. GBA No. 2, Item 57, pg. 25—Foster Care.

The Committee concurred with this item.

F. GBA No. 2, Item 58, pg. 26—HCBS/DD Waiver Shortfall FY 1999.

The Committee concurred with this item.

G. GBA No. 2, Item 59, pg. 27---Kansas Covering Kids Project.

State funding was not necessary for this item

H. GBA No. 2, Item 60, pg. 28--- HCBS/DD Waiver Waiting List FY 2000.

The Committee concurred with this item.

I. GBA No. 2, Item 61, pg. 28--- Caseload Adjustments.

The Committee concurred with this item.

J. GBA No. 2, Item 62, pg. 29--- Physically Disabled Waiver.

The Committee concurred with this item.

Department on Aging

A. Caseload Estimates. See Caseload Estimates under Department of Social and Rehabilitation Services.

B. Omnibus Review Items

1. Home and Community Based Services for the Frail Elderly Waiver Program (HCBS/FE) (House Budget Committee). The House Budget Committee on Social Services reviewing the Aging budget for FY 1999 and FY 2000 requested the agency to prepare a plan for the HCBS/FE waiver that will address how services will be provided, without a waiting list, within the Governor's budget recommendation for the program. The agency had requested \$38,940,000 all funds, including \$15,692,820 from the State General Fund for the program in FY 2000. The Governor recommended \$35.0 million including \$14,060,900 from the State General Fund. If the funding is insufficient, the agency is requested to inform the Governor and the Committee. In addition, during the Omnibus Session, after resolution of the HCBS waiver issues, the Committee also wished to review the funding for the Income Eligible and Senior Care Act programs. The Senate Subcommittee also wished to review the Income Eligible Program during the Omnibus Session. The Conference Committee added \$2,250,000 all funds, including \$900,000 from the State General Fund for the HCBS/FE waiver program in FY 2000. A proviso was also added to the FY 1999 and FY 2000 appropriation for Long Term Care directing the agency to apply immediately for authorization of a waiting list for the program from the federal government. Also, the Conference Committee added \$500,000 from the State General Fund for the Income Eligible and Senior Care Act programs with the understanding that the Area Agencies on Aging may determine how to spend the additional funding, either on the Senior Care Act or Income Eligible programs.

The Committee took no action on this item.

2. Senior Companion Program (Senate Committee). The Senate Committee recommends that the Committee revisit the issue of the Senior Companion Program during the Omnibus Session to locate within the agency funding of approximately \$160,000 from the State General Fund to provide the match for the programs in Hays and Wichita. The agency maintains the funding issues have been resolved.

The Committee took no action on this item.

C. S.B. 126 (Law) creates a Quality Enhancement Wage Pass-Through Program for nursing facilities that receive reimbursement through the Medicaid Program for treatment of the elderly, developmentally disabled, and mentally ill. The bill would allow facilities that choose to participate in the program to receive a payment option that would provide reimbursement to the facilities up to \$4 per resident day. The reimbursement would be designed to increase either salaries or benefits for the employees of the facilities who provide direct care or support services to the residents of the facilities. In addition, the bill would provide that the pass-through funds be used for the payment of salaries and benefits for nurse aides, medication aides, restorative-rehabilitation aides, licensed mental health technicians, hydration and nutrition aides, plant operating and maintenance personnel and nonsupervisory activity staff. The moneys could be used to hire additional direct care or support staff or to increase salaries and benefits for existing staff. The bill would not allow pass-through monies to be used to increase management compensation or facility profits. The Department on Aging and the Department of Social and Rehabilitation Services will administer the new law. The Department on Aging estimates the additional nursing home reimbursements for elderly residents could be \$17.2 million (\$6.9 million State General Fund) and \$250,000 (\$125,000 SGF) for administration in FY 2000. The law specifies that the program is subject to line item appropriation prior to enactment.

The Committee concurred with this item.

D. GBA No. 2, Item 13, pg. 8—Funding Error.

This item was previously addressed in caseloads.

E. GBA No. 2, Item 14, pg. 8—KAMIS Funding.

The Committee concurred with this item.

F. GBA No. 2, Item 15, pg. 9—Nursing Homes.

This item was previously addressed in caseloads .

Kansas Department of Transportation

A. New Transportation Plan (H.B. 2071—Conference Committee). This bill would enact a comprehensive transportation program beginning in FY 2000. Both the House and Senate passed different versions of the bill. Two conference committee reports have been prepared with alternative House and Senate recommendations. The overall size of the four alternative programs differs as a result of different revenue streams and financing methods.

Each version of the bills and the conference committee recommendations would have a fiscal impact that is in addition to the Governor's recommendations in the FY 2000 Budget Report. The proposed legislation would have both programmatic and administrative impacts, including requested increases in both the approved limitation on agency operations expenditures and FTE limitation on staff positions as authorized in 1999 S.B. 325. The fiscal impact for agency operations would be an estimated increase of \$9,093,525 in the FY 2000 expenditure limitation. An increase of 136.0 FTE positions also is indicated. (Details are described in the section on budget impact.) Total FY 2000 KDOT expenditures would increase an estimated \$171 million to \$190 million, depending upon whether the House or Senate versions of H.B. 2071 were adopted.

Budget Impact

The KDOT FY 2000 approved budget in S.B. 325 would need modifications if a version of H.B. 2071 passes this session. Several new funds should be appropriated and one old fund deleted since its use would be discontinued. If any adjustments are adopted by the Legislature in regards to agency spending and staffing requested by KDOT, then approved limitations for agency operations and FTE positions would need to be modified accordingly. The budget summary is presented below as requested by KDOT for the House and Senate versions of the bill that passed each chamber. Most of KDOT expenditures are facilitated by no limit accounts and funds which would not require modification if S.B. 325 should pass. The revised expenditure estimates are present in the following table for FY 2000.

	House Passed	Senate Passed
Agency Operations:		
Salaries and Wages	\$ 5,151,465	\$ 5,151,465
Contractual Services	1,086,545	1,086,545
Commodities	322,833	322,833
Capital Outlay	2,532,682	2,532,682
Subtotal—Agency Operations (Limited Account)	\$ 9,093,525	\$ 9,093,525
Construction Contracts:		
Design Contracts	\$ 15,250,000	\$ 15,250,000
Construction Inspection Contracts	1,000,000	1,000,000
Subtotal—Contracts	\$ 16,250,000	\$ 16,250,000
Local State Aid:		
Public Transit	\$ 9,000,000	\$ 4,000,000
Aviation Grants	3,000,000	3,000,000
KLINK Payments	1,120,000	1,120,000
Special City/County Highway Fund Payments	10,155,161	10,155,161
Rail Service Loans	3,000,000	3,000,000
Subtotal—State Aid	\$ 26,275,161	21,275,161
Construction:		
State Projects	\$ 119,598,000	\$ 119,598,000
Debt Service:		
Principal and Interest	\$ 0	\$ 23,750,000
Total Expenditures	<u>\$ 171,216,686</u>	<u>\$ 189,966,686</u>
Positions:		
FTE Positions (Position Limitation)	136.0	136.0
Unclassified Temporary	1.0	1.0
Total Positions	<u>137.0</u>	<u>137.0</u>

According to this information, S.B. 325 would need to be modified by increasing the limited agency operations account by \$9,093,525, increasing the FTE limitation by 136.0, and increasing the limited KLINK account by \$1,120,000. The Secretary of Transportation points out that the payment for city connecting links (KLINK) could be made “no limit” instead of adjusting the expenditure limitation. In addition, the Secretary requests a “no limit” appropriation for the **Kansas Transportation Revolving Fund** (new) and for the **Coordinated Public Transportation Assistance Fund** (new).

The annualized cost in FY 2001 for the new staff positions is calculated at \$7,783,025, almost \$2.7 million more than the first year cost that reflects staggered hirings. The one-time capital outlay expenditures decrease from over \$2.5 million in FY 2000 to \$1,000 in FY 2001 after equipping the new employees is completed. Other categories of agency operations expenditures increase slightly in FY 2001 for contractual services and commodities. Staff has additional details in supplements, along with program level information about expenditures and staff levels requested by KDOT.

Programmatic Elements and Fiscal Impact

Additional background information about the different versions of the bill and conference committee reports is presented below. Certain elements are found in all versions and the changes in versions are noted where appropriate. Provisions are noted that authorize levels of spending or transferring funds. New fund names are identified.

A. The bill would authorize state highway system program components:

1. Substantial maintenance (no spending level in bills);
2. Major modifications and priority bridges (no spending level in bills);
3. System enhancements projects (\$1.1 billion spending in the Senate bill); and
4. A highway demonstration project to evaluate pavement guarantees by the contractor (no spending level in bills).

B. The bill would provide enhanced assistance to local units of government through:

1. A formula adjustment in the Special City and County Highway Fund to provide an average increase of \$14.0 million annually in state aid;
2. An increase in city connecting links (KLINK) maintenance state aid from \$2,000 to \$3,000 per lane mile;
3. Assistance for railroad crossings not on the state highway system (no spending level in bill); and
4. A program of credit enhancements for local units through the new **Kansas Transportation Revolving Fund** (no spending level in bills, but authority is included to capitalize initially with transfers from the State Highway Fund, proceeds of bonds sales, or other amounts appropriated).

C. The bill would authorize new modal elements in the plan:

1. A new loan program for railroads is established. The bill provides for transfer of \$3.0 million from the State Highway Fund to the Rail Service Improvement Fund on July 1, 1999, and on each July 1 thereafter through 2006. Currently, the only money available to this fund is federal financing from grants.
2. Funding for general aviation airports is authorized. On July 1, 1999, and on each July 1 thereafter, the bill authorizes transfers of \$3.0 million each year from the State Highway Fund to the Public Use General Aviation Airport Development Fund. Currently, there is no money in this fund. A program already is established by statute.
3. An enhanced public transit program is established and financed. The current transportation program for the elderly and disabled is expanded to include the general public. Funding is increased from \$1.0 million of state assistance to \$5.0 million (Senate) or \$10.0 million (House). Another average of \$5.0 million is available from the federal government on an annual basis. On July 1, 1999, and on each July 1 thereafter, the bill authorizes transfers each year either of \$5.0 million (Senate) or \$10.0 million (House) from the State Highway Fund to the new **Coordinated Public Transportation Assistance Fund**. The old fund (the Elderly and Disable Coordinated Public Transportation Assistance Fund) appropriated in 1999 S.B. 325 as approved by the Legislature is abolished by H.B. 2071 and would need to be deleted if a transportation plan is enacted.

D. Other parts of the bill that have fiscal impact:

1. During the program period from July 1, 1999, to either June 30, 2007 (House) or June 30, 2009 (Senate), the Secretary of Transportation is directed to spend a total of at least \$3.0 million in each county for highway, bridge, and substantial maintenance projects. The 1989-97 Comprehensive Highway Program guaranteed spending at least \$2.5 million per county.
2. The Secretary of Transportation would be authorized under several of the plans proposed by the Senate and one by the House to issue new bonds backed by the State Highway Fund's revenues. The bonds would be required to mature in not more than 20 years (Senate) or 15 years (House). Bond money spending has a fiscal impact on the budget by reducing reportable expenditures proportionate to the amount of bond money spent each year.

For example, the first year of the Governor's proposal introduced in January of 1999 would have reduced FY 2000 KDOT reportable expenditures in the *Governor's Budget Report* by \$216,696,314. The Governor's first proposal would have spent \$191,303,686 in FY 2000 in addition to the total included in the *Governor's Budget Report*. However, under the Governor's plan, \$408,000,000 of bond money would have been spent in FY 2000. The difference between the bond money to be spent and the total new expenditures is \$216,696,314, or the amount of reduction in the reportable expenditures for FY 2000 under the Governor's plan.

3. The demand transfers from the SGF to the SHF would be changed by several versions of the bills. Under one of the Senate plans, SGF transfers would be allowed to increase by 1.7 percent in FY 2000 and FY 2001. Beginning in FY 2002, the current statutory sales tax transfer rate of 7.628 percent would be increased to 9.51 percent. That percentage would then be increased to 11 percent in FY 2003; increased to 11.25 percent in FY 2004; increased to 12.25 percent in FY 2005; increased to 13.25 percent in FY 2006; and increased to 13.75 percent in FY 2007 and thereafter. The Senate position of capping demand transfers (both the sales tax and motor carrier property tax) at 1.7 percent in FY 2000 and FY 2001 was included in 1999 S.B. 325 as approved by the Legislature.

The Committee deferred on this item, doing a floor amendment that was included in Omnibus.

B. Revenue and State Aid Adjustments. Both House and Senate committees asked for review during omnibus of the motor fuels tax collections and revenue estimate adjustments in FY 1999 and FY 2000. Both committees suggested a Governor's Budget Amendment would be reviewed if submitted. Approved KDOT expenditures in FY 1999 and FY 2000 include estimates for state aid to cities and counties based on motor fuels tax receipts. The money is distributed through the Special City and County Highway Fund. Both House and Senate committees suggested consideration during the Omnibus period of revised estimates for receipts and any adjustments resulting from revisions to the approved state aid estimates in FY 1999 and FY 2000. The current FY 1999 estimated aid is \$138,139,268, and the estimated aid in FY 2000 is \$137,769,516.

The Committee concurred with the Governor on this item.

C. GBA No. 2, Item 55, pg 24—Comprehensive Transportation Plan.

The Committee deferred on this item. (See item A).

D. GBA No. 2, Item 56, pg. 25—Local Aid.

The Committee concurred with the Governor on this item.

Kansas Lottery

A. Reduction in Reportable Expenditures. Neither House nor Senate committees considered this item contained in Governor's Budget Amendment (GBA) No. 1-2. Earlier in the 1999 session, GBA 1-2 proposed a correction in FY 1999 and FY 2000 that reduces the Lottery Operating Fund expenditures both fiscal years by \$80,000. GBA 1-2 suggests that the expenditures are non-expense items, and therefore should not be counted as regular expenditures. These two non-expense items were included as reportable expenditures in the *Governor's Budget Report* and the correction would decrease total expenditures of the Lottery in FY 1999 and FY 2000 by \$80,000 each fiscal year. (**Staff Note:** The Budget Division analyst indicates that the agency operations expenditure limitation in FY 2000 reflects this correction and that the \$80,000 amount in FY 1999 and FY 2000 only need to be reconciled in the fiscal tracking of approved expenditures. No adjustments are needed in approved expenditure limitations.)

The Committee concurred with this item.

B. Technical Correction. In S.B. 325, an incorrect reference involving lottery transfers was attributed to June 15, 1999 instead of June 15, 2000. The context of the reference is correct since fiscal year 2000 is cited repeatedly and the correct date could be construed since June 15, 2000 is used correctly in the proviso several other times. However, a correction should be added in the Omnibus bill to fix the problem in section 45(e).

The Committee concurred with this item.

Kansas Public Employees Retirement System (KPERS)

A copy of KPERS Death and Disability Benefits Program Annual Report was distributed. (Attachment 26).

Julian Efird of Legislative Research passed out information in regard to the Kansas Employees Retirement System, Attachments 8 and 9). He spoke to the Committee of the overfunding of the Death and Disability Benefits by \$42,850,597.

The Committee agreed to the transfer of \$50 million from KPERS Death and Disability to the unfunded liability in regular KPERS.

Julian Efird, fiscal analyst, reappeared before the Committee on Tuesday, April 27, with additional information regarding KPERS. (Attachments 33 & 34).

A. Manager Fees Adjustment. The House and Senate Committees asked that KPERS manager fees be reviewed during Omnibus. Based on investment earnings to date, the estimated investment related expenses will total \$22,968,648 in FY 1999. The current approved expenditure limitation is \$24,084,723. An adjustment in the estimate represents a reduction of \$1,116,075 in FY 1999. (Staff Note: The Legislature may wish to make this adjustment in its tracking of approved expenditures, but do not adjust the actual expenditure limitation in order to leave the agency with flexibility if costs increase. Should the limitation be lowered, and if additional expenses above the new limit were to occur, KPERS would have to seek State Finance Council action if the Legislature were not in session.)

The revised estimate for investment related expenditures in FY 2000 is \$24,455,059, or a decrease in the amount approved in S.B. 325. The FY 2000 approved expenditure limitation is \$24,803,544 and a reduction of \$348,485 is suggested by the revised estimate.

No action was taken on this item.

B. Reappropriation for Technology Project. The Chairperson of the Joint Committee on Information Technology recommends omnibus review of the KPERS \$3.0 million Technology Project. The Joint Committee has scheduled a meeting on Monday, April 26, 1999, in order to receive the quarterly report from KPERS. In that quarterly report, and in correspondence to both the Chairperson of the Appropriations Committee and of the Ways and Means Committee, the KPERS Executive Secretary indicates that of \$2.4 million appropriated in FY 1999 (less \$150,000 lapsed by the Legislature), \$298,255 has been spent and another \$100,000 is estimated to be spent this fiscal year. The lapse of \$150,000 in FY 1999 was approved in S.B. 325 earlier this session. It is estimated that \$1,851,745 will be carried over to FY 2000 due to delays in the project schedule. The KPERS Executive Director indicates that purchases for certain equipment and services previously planned for FY 1999 will be ordered in the first quarter of FY 2000. The current approved expenditure limitation in FY 2000 is \$600,000 for the second year of the Technology Project. The agency requests a revised expenditure limitation of \$2,451,745 in FY 2000.

The Committee agreed to the agency's request to a revised expenditure limitation of \$2,451,745 in FY 2000 by lowering expenditures FY 1999 to allow for this.

A motion was made by Senator Morris and seconded by Senator Salisbury to transfer \$20 million from the Death and Disability Benefit Program to the regular KPERS., designating it to be used to reduce the funded liability created by last year's COLA. The motion carried on a voice vote.

State Department of Education

A. Revisions to School Finance and KPERS-School (Deferred to Omnibus). Staff from the Legislative Research Department, the State Department of Education, and the Division of the Budget met April 15 to review school finance estimates for FY 1999 and FY 2000. Staff from the Legislative Research Department, the State Department of Education, and KPERS also met on April 15 to review the KPERS-School estimate. Revisions were made to the following aid programs:

General and Supplemental General State Aid. An increase of approximately \$4.0 million in local resources and lower enrollments than originally estimated result in additional savings in FY 1999 of \$8,045,000 in general state aid and \$175,000 in supplemental general state, for total savings of \$8,220,000. The revised estimates for FY 2000 result in savings of \$888,000 in general state aid and \$146,000 in supplemental general state, for total FY 2000 savings of \$1,034,000. Savings for the two years combined are \$9,254,000. **The savings are based on appropriations contained in S.B. 325, which fund a Base State Aid Per Pupil (BSAPP) increase of \$50 and take into account changes to the school**

finance law in S.B. 171, as passed by the Senate. The House-passed version of S.B. 171 would require an additional \$10,132,000 over the Senate version for general and supplemental general state aid to fund a \$67 increase in BSAPP. The House version of S.B. 171 also contains appropriations for general state aid of \$1.839 billion in FY 2001 and \$1.857 billion in FY 2002. These amounts would fund BSAPP increases of \$50 each year.

The table below shows revised school finance estimates. (Number are in thousands.)

	Previous Est. FY 1999	Revised Est. FY 1999	Savings FY 1999	Approp. For FY 2000 in S.B. 325	Revised Est. FY 2000 (Senate Version S.B. 171)	Savings FY 2000	Two-Year Savings
General State Aid	\$ 1,695,451	\$ 1,687,406	\$ 8,045	\$ 1,793,589	\$ 1,792,701	\$ 888	\$ 8,933
Supp. Gen. State Aid	65,275	65,100	175	76,890	76,744	146	321
TOTAL	\$ 1,760,726	\$ 1,752,506	\$ 8,220	\$ 1,870,479	\$ 1,869,445	\$ 1,034	\$ 9,254*

* The savings shown for FY 1999 are in addition to savings previously identified that total \$23,776,288 (net) for general and supplemental general state aid combined.

KPERS-School. For FY 1999, the appropriation for KPERS-School of \$84,561,389 is believed to be about \$500,000 too high. For FY 2000, the revised estimate, **based on an increase of \$50 in BSAPP**, is \$92,690,290, or \$259,565 less than the amount currently appropriated. The net savings over the two-year period are \$240,435. (Any further adjustment the Legislature were to make to BSAPP would have an effect on KPERS-School.)

The Committee concurred with this item.

B. Special Education (Deferred to Omnibus). The Conference Committee on S.B. 325 concurred with the position of the Governor and the Senate on special education, but agreed to revisit the issue in the Omnibus Bill. The current amount of money appropriated for FY 2000 is \$231,069,438, an increase of \$12.2 million over FY 1999. The appropriation would fund an estimated 85 percent of special education excess costs, compared to 86.4 percent in the current year. The House position prior to the Conference Committee agreement was to add \$3,835,746 (for a total of \$234,905,184), which would have kept the percentage at 86.4 in FY 2000. (Each percentage increase is about \$2.7 million.) Between FY 1995 and FY 1998, the percentage of excess cost funded was in the range of 84 percent to 80 percent. In the mid-1980s and in the late-1980s, the percentage was 90 percent or greater.

The Committee concurred with this item.

C. Kansas Historical Society's Kansas History Proposal (Consider in Omnibus Bill). Both subcommittees that considered the State Department's budget flagged for Omnibus consideration a proposal by the Kansas Historical Society to develop teaching materials specifically targeted toward teaching Kansas history. The proposal is prompted by the fact that social studies will be included in the statewide student assessments beginning in school year 2000-01 and questions about Kansas history most likely will be included. (State law since 1988 requires that a course in Kansas history and government be required for high school graduation.) According to the Historical Society, a survey of teachers indicates that teachers have difficulty finding materials to use to teach Kansas history.

The Society proposes a three-year project that would cost a total of \$1,435,000. Materials that would be prepared include thematic teacher packets for grades 7 through 12 (\$300,000); student workbooks and teachers' guides (\$75,000); resource guides for teachers in grades 7 through 12 (\$100,000); access to digitized society collections on the Internet (\$95,000); a Kansas history textbook (\$150,000); twenty traveling resource trunks (\$80,000); an encyclopedia of Kansas history aimed at grades 7 through 12 on CD-ROM (\$250,000); three elementary school-level videos on Kansas history (\$250,000); and teacher instruction for teaching Kansas history (\$135,000). First-year cost for the proposal would be \$185,000 in FY 2000. The three-year cost breakdown is shown below:

Expenditure	FY 2000	FY 2001	FY 2002
Thematic Teacher Packets	\$ 75,000	\$ 75,000	\$ 150,000
Student Workbooks	0	37,500	37,500
Resource Guides	50,000	50,000	0
Internet Access to Society Collections	30,000	25,000	40,000
Kansas History Textbook	0	75,000	75,000
Traveling Resource Trunks	20,000	20,000	40,000

Encyclopedia CD-ROM	0	0	250,000
Elementary School Videos	0	125,000	125,000
Teacher Training	10,000	25,000	100,000
TOTAL	<u>\$ 185,000</u>	<u>\$ 432,500</u>	<u>\$ 817,500</u>

No action was taken on this item.

D. State Technology Infrastructure (Consider in Omnibus Bill). The Senate Subcommittee that considered the State Department's budget invited the State Board to submit a specific proposal concerning the development of a state technology infrastructure for consideration in the Omnibus Bill. The Subcommittee was informed that the State Department has appointed an advisory committee comprised of representatives of the State Department, the Division of Information Services and Communications (DISC), and school districts to develop a framework or backbone that could be used to connect all school districts within the next 18 months and begin the research and development of a more advanced system to be recommended by the year 2002.

The plan developed by the School Information Technology Infrastructure Task Force would provide Internet and data services to 332 schools districts and interlocals and video services to 110 school districts and interlocals at a cost of \$10.1 million the first year and \$8.1 million annually thereafter. For an additional first-year cost of \$1.7 million and an annual cost of \$0.8 million thereafter, a research and development component could be added that would result in recommendations by the 2001-02 school year to provide a full range of services to all districts. That research would be conducted by 25 schools, agencies, and higher education institutions that would be responsible for developing ways to deliver a variety of instructional services at the school and classroom level.

No action was taken on this item.

E. H.C.R. 5010 (Adopted by Both Houses). H.C.R. 5010 concerns blind pupils and requests that the State Board of Education conduct a statewide study to assess the literacy skills and reading speed levels of blind pupils on a grade level basis. The purpose of the study is to document deficits or declining literacy trends of blind students so that corrective action can be taken. The resolution urges the State Board to evaluate the data from the study and issue a plan with specific dated milestones to correct any deficits in literacy or reading speed levels identified among blind students compared to their grade level sighted peers. The report from the State Board is due by January 31, 2000. According to the State Department, to do the study would cost \$41,000 in FY 2000. The State Department also believes the study could be funded from federal funds allocated for administration under the Individuals with Disabilities Education Act (IDEA).

No action was taken on this item.

F. S.B. 171 (Conference). S.B. 171 would amend the school finance act, add two new facilities that would qualify for funding for services provided by school districts to pupils in juvenile detention facilities or the Flint Hills Job Corps Center, and require the State Board of Education to conduct a study of school district organization. The impact of S.B. 171 on school finance in general has been discussed in item A. above. Other fiscal consequences of the bill are described below:

1. Juvenile Detention Facilities Grants (House and Senate Version). School districts are reimbursed for the actual cost of services provided persons who are confined in juvenile detention facilities or who reside at the Flint Hills Job Corps Center or at two times the base state aid per pupil amount, whichever is the lesser. They may use the highest pupil count taken on the 20th day of September, November, or April. Under current law, the estimated number of students who would be served is 485 students in FY 1999 and 505 students in FY 2000. The appropriation for juvenile detention facilities grants is \$3,071,667 in both FY 1999 and FY 2000. S.B. 171 would add two new facilities to the grant program at a total cost of \$263,000 in FY 1999 and \$708,458 in FY 2000. (The new facilities are the Sappa Valley Youth Ranch of Oberlin and Parkview Passages Residential Treatment Center of Topeka.) The total number of students who would be added is estimated to be 84 in FY 1999 and 108 in FY 2000. **These estimates are based on a \$50 increase in BSAPP. To fund existing services in FY 2000 if BSAPP were increased by \$50 would require an additional \$241,032, even if the new facilities were not added.**
2. School District Organization Study (House Version). S.B. 171 would direct the State Board of Education to make a comprehensive study of how school districts are organized in order to determine if they could be better operated under a different configuration. In the study, the State Board is directed to take into account current and

projected school district enrollments, traveling distance to schools, the condition of school facilities, and other matters relevant to the study. The State Board would be required to make a report to the House and Senate Committees on Education by January 15, 2001, containing the study's findings and recommendations for implementing a comprehensive plan for optimal school configuration. According to the State Department, undertaking the study would require the services of a consultant. The State Department has contacted the firm of Augenblick and Myers and been told that the firm could do the study for between \$250,000 and \$275,000. Dr. Augenblick and Mr. Myers propose that the study include:

- a. An examination of current and historical revenue and expenditure patterns;
- b. an examination of the school finance formula and any weights that provide more support to districts based on their size, location, or geographic characteristics;
- c. a review of previous studies of school district size and organization;
- d. discussions at periodic intervals with statewide leaders;
- e. visits to selected school districts;
- f. several meetings with whatever advisory committee would be overseeing the project;
- g. a review of data about pupils being transported and the cost of transportation;
- h. a review of information about school facilities, including the number, location, and condition of buildings;
- i. the development of options to reconfigure school districts, if reconfiguration appears to be appropriate; and
- j. the preparation of a report summarizing findings and recommendations.

Dr. Augenblick and Mr. Myers envision a team of several people would be involved in the study, including both staff of their firm and outsiders with particular expertise in needed areas. They estimate that 10 or 11 trips would have to be made to Kansas in connection with the study.

No action was taken on this item.

G. S.B. 345 (Conference). S.B. 345 concerns postsecondary education structure and funding and would affect the State Board of Education and the State Board of Regents. The effects of the bill on the Board of Regents are discussed elsewhere in this memorandum. With regard to the State Board of Education, the bill would transfer the supervision of community colleges, area vocational schools, and technical colleges from the State Board of Education to the State Board of Regents on July 1, 1999. Also transferred on that date would be the State Board of Education's duties to administer adult basic education and adult supplementary education programs and to regulate proprietary schools.

State aid programs that would be transferred from the State Board of Education to the State Board of Regents total \$92,915,380 from the State General Fund and the Economic Development Initiatives Fund. Also transferred would be the various federal funds associated with the transferred institutions and functions. In addition, 8.0 FTE employees and a total of \$526,730 in operating expenditures in the FY 2000 budget that are associated with community colleges, area vocational schools, technical colleges, adult basic and supplementary education, and proprietary schools would be transferred. The money consists of \$214,363 from the State General Fund, \$220,061 in federal funds, and \$92,306 in fee funds. All of these funds already are contained in the State Department's FY 2000 appropriation. Therefore, they do not represent an additional fiscal impact but instead are funds that would be deleted from the State Department's budget and added to the budget of the State Board of Regents if S.B. 345 passes. The funding changes proposed for community colleges—the elimination of credit hour, out-district, and general state aid; the phase-out of county out-district tuition; and the implementation of performance funding—would not begin until FY 2001 or later.

No action was taken on this item.

H. Parent Education Proviso (Technical). The current local match for state aid for the parent education program is 75 percent, but the Governor recommended that it be lowered to 50 percent. The

Conference Committee on S.B. 325 agreed to raise the match back to 75 percent, but the staff failed to make the change. To accurately reflect the Legislature's intent, the proviso should be fixed in the Omnibus Bill. The proviso also should be added to the \$777,833 for the parent education program that is funded from the Children's Health Care Programs Fund (tobacco money).

No action was taken on this item.

I. GBA No. 2, Item 23, pg. 12—Enrollment Savings.

Dale Dennis, Deputy Commissioner of the State Department of Education spoke to the Committee in regard to adding a proviso in the School District Capital Improvement. (Attachment 10). The Committee concurred with this.

State Board of Indigents' Defense Services

A. Death Penalty Defense Unit Caseload (Review During Omnibus Session). The Senate Subcommittee that reviewed the budget of the State Board of Indigents' Defense Services called attention to the fact that the Board's death penalty defense unit had 16 active capital cases, with the possibility of two more being added. The Subcommittee was informed that the Board did not have enough money left to handle any additional cases and agreed to review the status of the death penalty defense unit at the end of the Session. According to the Executive Director of the Board, no additional cases have been received and the Board is requesting no additional funding for FY 1999.

No action was taken on this item.

B. In Indigents' Defense Services Fund (Technical). The Conference Committee on S.B. 325 agreed to add \$150,000 for parity salary increases for the Board's unclassified attorneys and to pay \$100,000 of the increase from the Indigents' Defense Services Fund. That fund has a proviso allowing the Board to make expenditures from the Fund for assigned counsel and other professional services related to contract cases. Although the proviso does not expressly prohibit expenditures from the Fund for other purposes, it probably would be a good idea to make it clear that the Legislature intends for money from the Fund to be used for salaries and wages of attorneys who are officers or employees of the Board.

The Committee concurred with this item.

C. H.B. 2440 (Conference). H.B. 2440 would expand the definition of "aggravating circumstances" to be considered in determining whether to impose a Hard 40 sentence. It also contains provisions of S.B. 131, which would make revisions in the Kansas sentencing guidelines law that include increasing the length of sentences for certain crimes and for severity level III crimes on the nondrug sentencing grid. The Board of Indigents' Defense Services pays assigned counsel a rate that takes into account the severity of the offense and the difficulty of the case. According to the Board, the higher severity level of crimes that would be imposed by H.B. 2440 would increase the net cost of assigned counsel by an estimated \$118,800.

The Committee concurred with this item.

D. Sub. for H.B. 2469 (Conference). H.B. 2469 concerns drugs and would enact the Kansas Chemical Control Act. The impact of the bill on the Board primarily would be due to the creation of new crimes and the enhancement of penalties for certain convictions. The Department of Corrections estimates that the creation of several new offenses and increased penalties for existing offenses would result in between 111 and 426 new offenders. Using these figures, the Board estimates that its additional cost to defend these offenders in FY 2000 would be between \$88,356 and \$339,096. This estimate is based on an average cost of \$796 per case to defend Drug Level I felonies and makes the assumption that all of the offenders would be indigents, an assumption that the Board of Indigents' Defense Services says is not unreasonable.

The Committee concurred with this item.

E. Increase in the Per-Page Cost of Transcripts. Court Reporters recently requested, and the Kansas Supreme Court approved, an increase in the cost-per-page of transcripts from \$1.00 to \$1.75. Kansas statutes require that an indigent defendant be supplied with a transcript of the trial record in the event that the case is appealed, which means that the Board pays for the transcript. Based on the number of pages transcribed in FY 1998 (188,143), the Board estimates it will need an additional \$141,107 in FY 2000 to pay the higher charge.

The committee concurred with the amount of an additional \$150,000 in FY 200 to pay the higher charge and to add a proviso stating transcripts (1 copy) to be provided to indigent defendants at no cost.

On Tuesday, April 27, it was moved by Senator Ranson and seconded by Senator Gilstrap to return \$141 thousand to the State Board of Indigents' Defense Services to pay the higher pr-page charge of transcripts provided indigent defendants. The motion carried on a voice vote.

State Board of Tax Appeals

A. Impact of the Small Claims Division (Review During Omnibus Session). Both subcommittees that reviewed the budget of the State Board of Tax Appeals noted that operations of the Small Claims Division, which became operational in January, 1999, should be reviewed in the Omnibus Bill in the event that more funding is needed for FY 1999. According to the Chairman of the Board, the number of appeals to the Division has lagged behind earlier estimates. The main reason is that some appeals to the Small Claims Division go to local hearing officer panels first, resulting in a longer time for these appeals to reach the Division.

According to the Chairman of the Board, the lag in receiving appeals means that the Board most likely will have enough funding to operate in FY 1999. However, the number of appeals that could be received in FY 2000 and the difficulty in estimating workload and expenditures for a new program could mean that the Board will ask the 2000 Legislature for a supplemental appropriation.

No action was taken on this item.

Attorney General

A. S.B. 161 (Law). S.B. 161 requires the Attorney General to appoint a Statewide Drug Abuse Resistance Education (DARE) coordinator. The bill also authorizes the Attorney General to provide support staff to the coordinator. The primary duty of the DARE coordinator is to train police officers and parents around the state to work with youth to make them aware of the consequences of using drugs or engaging in acts of violence. The DARE coordinator also coordinates the DARE program in Kansas and coordinates with the national DARE organization.

Currently, there is a statewide coordinator and one secretarial position housed at the Topeka Police Department. The positions are paid for in part by a federal Byrne grant that will expire at the end of the current fiscal year. Additional costs for salaries and other operating expenditures have been absorbed by the Topeka Police Department. The Attorney General estimates that for FY 2000 it would cost \$165,351 to support the DARE coordinator's activities. The amount consists of \$83,101 for the salaries and fringe benefits of 2.0 FTE positions (the coordinator and a secretary); \$62,300 for contractual services such as the unit's share of postage, office rent, travel, and officer training contractual costs (such as rent of facilities and equipment to conduct the training sessions); \$7,200 for training supplies and materials; and \$12,750 for one-time costs for office furniture, computers, and other office equipment for the new positions. The officer's department and parents being trained pay their own expenses.

It was recommended by the Committee that the Attorney General contact the Sentencing Commission to see if there was funding available to pay for this coordinator. It was also suggested that it might be possible to use some of the federal grants for a service delivery and do the local match as the coordinator pay. The Deputy Attorney General present at the meeting promised to look into these possibilities.

Judicial Branch

A. H.B. 2222 (Law). H.B. 2222 allows a landlord to file an action for possession of premises (eviction) and then, in a separate action, pursue a claim for rent. Under prior law, any rent which was due at the time of filing had to be included in the action for possession or the claim for rent had to be waived.

Judicial Branch statistics on "Limited Actions-Real Property" filings (the category that includes the type of action that would be affected by H.B. 2222) indicate that in FY 1998 there were 11,739 such filings in the district courts. Of these, 11,233 (96 percent) were in the four urban counties of Johnson (2,121 filings), Sedgwick (3,715 filings), Shawnee (1,040 filings), and Wyandotte (4,357 filings). According to the Judicial Branch, the consequence of H.B. 2222 is that the number of filings could double. Assuming that it takes a trial court clerk one hour to process a filing, it would take an additional 5.5 FTE trial court clerks to handle the increased workload in the four urban counties, at a total cost of \$122,936 from the State General Fund in FY 2000 for salaries and fringe benefits (or \$22,352 per 1.0 FTE position). There also would be a benefit to the State General Fund as the result of increased filing fees, which are estimated to be \$136,843 in FY 2000.

In regard to a letter from Chief Justice Kay McFarland, (Attachment 11), the Committee discussed a proviso for \$800 thousand to be used for judicial salaries. The Committee did not concur with this.

B. GBA No. 2, Item 12, pg. 7—Magistrate Judge Positions.
The Committee concurred with this item.

Department of Revenue

A copy of a report from the Department of Revenue was distributed. (Attachment 12).

**FISCAL IMPACT OF BILLS WHICH HAVE BECOME LAW
OR ARE PENDING BEFORE THE GOVERNOR**

Bill No.	FY 1999	FY 1999	FY 2000	FY 2000	FTE
	SGF	All Funds	SGF	All Funds	
S.B. 47	\$ 0	\$ 0	\$ 7,650	\$ 7,650	0.0
S.B. 51	0	64,771	0	0	0.0
H.B. 2001	2,960	2,960	0	0	0.0
H.B. 2035	0	0	0	55,428	0.0
H.B. 2142	0	0	0	136,314	2.0
H.B. 2565	0	0	8,320	8,320	0.0
TOTAL	\$ 2,960	\$ 67,731	\$ 15,970	\$ 207,712	2.0

A. S.B. 47 (Law) S.B. 47 increases the Department of Revenue’s flexibility in taxpayer account administration and expands the Secretary of Revenue’s authority to abate tax liability. The agency reports that \$7,650 from the State General Fund is required in FY 2000 for the computer programming required to implement the change.

The Committee concurred with this item.

B. H.B. 2001 (Law) H.B. 2001 expands the local sales tax authority for several cities and counties. The agency reports that \$2,960 from the State General Fund in FY 1999 for computer programming costs to implement the changes and mailing notices to retailers.

The Committee concurred with this item.

C. H.B. 2035 (Law) H.B. 2035 amends numerous statutes related to persons with disabilities and accessible parking. The bill expands the eligibility for handicapped parking placards or plate holders, changes the types of information required to be submitted for an application for a handicapped parking permit, imposes limits on the length of time a person can use an individual handicapped parking zone, limits the length of time the state will honor another state’s handicapped placard and changes the standard for handicapped parking signs. The agency reports that \$55,428 from the Division of Vehicles Operating Fund will be required in FY 2000 for the necessary changes to the Vehicle Information Processing System (VIPS).

The Committee agreed that this item be paid from the VIPS/CAMA fund.

D. H.B. 2565 (Law) H.B. 2565 authorizes the Board of Regents of Washburn University to impose a countywide sales tax of up to 0.65 percent in Shawnee County. The Department of Revenue estimates that \$8,320 from the State General Fund in FY 2000 will be required to modify the sales tax computer system and to mail notices to retailers.

The Committee concurred with this item.

E. S.B. 51 (Governor) S.B. 51 amends numerous motor vehicle statutes relating to distinctive license plates and restrictions on drivers licenses. New distinctive plates are authorized for the Children’s Trust Fund and eligibility for distinctive plates is expanded to vehicles under 20,000 pounds and persons who lease instead of owning vehicles. New restrictions are imposed on persons who wish to obtain a drivers license. The agency reports that the bill requires \$64,771 from the Division of Vehicles Operating Fund in FY 1999 to implement, including \$8,896 for computer programming changes, \$5,875 for license plate production costs and \$50,000 to revise and ship drivers license related forms to state law enforcement officials.

It was authorized by the Committee to pay \$25 thousand to revise and ship drivers license related forms to state law enforcement officials and the amount be taken out of the Division of Vehicles operating fund.

F. H.B. 2142 (Governor) H.B. 2142 increases the service fee collected by county treasurers on registration related transactions, continues the allocation of \$1.00 of the \$7.00 dollar title fee to the VIPS/CAMA Technology Hardware Fund, continues the allocation of \$2.50 of the \$7.00 dollar title fee to the Kansas Highway Patrol Motor Vehicle Fund, extends the time allowed for filing notices of a security interest by lien holders on motor vehicles, and authorizes filing an affidavit with the agency when a certificate of title has been assigned by the owner to another person. The agency reports that \$136,314 from the Division of Vehicles Operating Fund and 2.0 FTE positions will be required in FY 2000 to implement the provisions of the bill. This amount includes \$74,880 for computer program modifications to the Vehicle Information Processing System (VIPS) and other agency computer systems, \$51,782 for 2.0 FTE Office Assistant III positions to process title transfer affidavits, \$9,100 for one time operating expenses for the new positions and \$552 for annual operations costs for the new positions.

No action was taken on this item.

G. Bills In Conference. Several bills impacting the operations of the Department of Revenue are currently pending in conference committee. These include S.B. 4 (DUI penalties and restrictions), S.B. 45 (income tax credit for adoption expenses), S.B. 59 (sales tax exemption for church contractors), S.B. 124 (adult care home property tax exemption), S.B. 226 (increased revenue from property taxes) and H.B. 2166 (projects of statewide as well as local importance). The fiscal notes associated with the various provisions currently included these bills range from no impact to in excess of \$1.0 million for implementation. Other Department of Revenue issues which may be considered by conference committees could significantly increase these fiscal notes, the largest of which is the food sales tax phased exemption which is estimated by the agency to cost \$8.2 million to implement. The final administrative impact of the bills will be dependent on what provisions are adopted by the conference committee and enacted into law.

No action was taken on this item.

H. Technical Adjustment. S.B. 325 does not reflect the approved expenditure limitation on the Salaries and Wages Account of the Division of Vehicles Operating Fund. The correct amount should be \$17,144,750 instead of the \$18,955,496 included in the bill.

The Committee concurred with this item.

I. GBA No. 2, Item 10, pg. 7—Legal Defense Costs.

The Committee concurred with this item.

Department of Administration

Paul West of the Research Department distributed copies of the Joint Committee on State Building Construction Recommendations. (Attachment 20).

A. S.B. 3 (conference). The House version of S.B. 3 includes a section originally in H.B. 2005 which requires that all new mandates for health insurance coverage for specific health services, for specific diseases, or for providers of specific health services applicable only to the State Health Care Benefits Program for state employees for a period of at least one year before they would be required to be implemented by other insurers. The bill also requires the agency to collect and report data on the fiscal impact and utilization costs of the mandates and to recommend if the mandated coverage should continue and be extended to all other insurance carriers in the state.

The agency reports that this provision would cost an additional \$80,184 from the Cafeteria Benefits Fund and 1.0 FTE to implement in FY 2000. The estimate includes \$50,184 for salaries and operating costs of Benefits Analyst position and \$30,000 for actuarial studies. Expenditures from the Cafeteria Benefits Fund are a portion of the agency's nonreportable budget.

No action was taken on this item.

B. Technical adjustment. The amount of State General Fund financing included in S.B. 325 for the agency in FY 2000 is overstated by \$690.

The committee concurred with this item.

C. GBA No. 2, Item 6, pg. 5—Architectural Services Operating Expenditures.

The Committee concurred with this item.

D. GBA No. 2, Item 7, pg. 5—Transfer to Construction Defects Recovery Fund.

The Committee concurred with this item.

E. GBA No. 2, Item 8, pg. 5—Public School District Health Care Benefits Program.

The Committee concurred with this item.

State Treasurer

A. Local Ad Valorem Tax Reduction Fund Revision (also GBA No. 2, Item 11, pg. 7). Based on the April Consensus Revenue Estimates and January, 1999, expenditures, the demand transfers for the Ad Valorem Tax Reduction Fund are reduced from the approved budget by \$138,106 to \$55,121,894 in FY 1999 and by \$127,000 to \$57,879,000 in FY 2000.

The Committee concurred with this item.

Juvenile Justice Authority (see GBA No. 2, Item 40, pg. 18.)

The Committee concurred with this item.

Regents Systemwide

A. General Fees Fund (Tuition) Revised Estimates—Non-Tuition Accountability Institutions (also GBA No. 2, Item 24, pg. 12). Based on Spring 1999 enrollments, the institutions not participating in tuition accountability have submitted revised estimates of tuition revenues for both FY 1999 and FY 2000. The Consensus Tuition Estimating Committee (comprised of staff of the Board of Regents Office, Division of the Budget, and the Legislative Research Department) has concurred with the institutions' revised estimates.

For FY 1999, based on Spring enrollments, a net increase in available tuition revenue totaling \$21,959 is projected. Based on these revisions, under traditional budgeting methods, State General Fund dollars of \$21,959 would be lapsed to maintain institutional operating budgets at the approved levels. The table below shows the net increase or decrease in available tuition revenue at each institution based on the revised estimates.

For FY 2000, based on Spring enrollments, a net increase in available tuition revenue totaling \$39,165 is projected. Based on these revisions, under traditional budgeting methods, State General Fund dollars of \$39,165 would be lapsed to maintain institutional operating budgets at the approved levels. The table below shows the net increase or decrease in available tuition revenue at each institution based on the revised estimates.

FY 1999 Revised Tuition Estimates

	Amount Approved	Revised Estimate	Difference
KU Medical Center	\$ 9,870,320	\$ 9,870,320	\$ 0
KSU Veterinary Medical Center	5,280,738	5,315,132	34,394
Emporia State University	8,089,533	8,008,807	(80,726)
Fort Hays State University	7,895,347	7,963,638	68,291
Pittsburg State University	10,494,316	10,494,316	0
TOTAL	\$ 41,630,254	\$ 41,652,213	\$ 21,959

FY 2000 Revised Tuition Estimates

	Amount Approved	Revised Estimate	Difference
KU Medical Center	\$ 10,057,878	\$ 10,095,528	\$ 37,650
KSU Veterinary Medical Center	5,017,298	5,031,935	14,637
Emporia State University	8,274,558	8,189,257	(85,301)
Fort Hays State University	7,823,325	7,892,097	68,772
Pittsburg State University	10,481,538	10,484,945	3,407
TOTAL	\$ 41,569,296	\$ 41,779,063	\$ 39,165

The Committee concurred with these items.

Board of Regents

A memorandum regarding the fiscal note on SB 345 was distributed by Budget Director, Duane Goossen. (Attachment 21).

A. S.B. 345 (Conference). S.B. 345 concerns postsecondary education structure and funding and would affect the State Board of Education and the State Board of Regents. The effects of the bill on the State Board of Education are discussed elsewhere in this memorandum. With regard to the Board of Regents, the bill would transfer the supervision of community colleges, area vocational schools, and technical colleges from the State Board of Education to the State Board of Regents on July 1, 1999. Also transferred on that date would be the State Board of Education’s duties to administer adult basic education and adult supplementary education programs and to regulate proprietary schools.

State aid programs that would be transferred from the State Board of Education to the State Board of Regents total \$92,915,380 from the State General Fund and the Economic Development Initiatives Fund. Also transferred would be the various federal funds associated with the transferred institutions and functions. In addition, 8.0 FTE employees and a total of \$526,730 in operating expenditures in the FY 2000 budget that are associated with community colleges, area vocational schools, technical colleges, adult basic and supplementary education, and proprietary schools would be transferred. The money consists of \$214,363 from the State General Fund, \$220,061 in federal funds, and \$92,306 in fee funds. All of these funds already are contained in the State Department’s FY 2000 appropriation. Therefore, they do not represent an additional fiscal impact but instead are funds that would be deleted from the State Department’s budget and added to the budget of the State Board of Regents if S.B. 345 passes. The funding changes proposed for community colleges—the elimination of credit hour, out-district, and general state aid; the phase-out of county out-district tuition; and the implementation of performance funding—would not begin until FY 2001 or later.

The Board of Regents report that a transition team has been appointed which will determine the additional staffing and funding necessary to implement the provisions of S.B. 345 which are new duties beyond those currently performed by the State Board of Education.

No action was taken on this item.

Emporia State University

A. GBA No. 2, Item 27, pg. 14—Student Recreation Center.

The Committee concurred with this item.

University of Kansas Medical Center

A. GBA No. 2, Item 63, pg. 29—Tele-Kidcare.

The Committee concurred with this item.

University of Kansas

A. Technical Adjustment. Proviso language included on a special revenue fund in the capital improvements section of S.B. 325 contains an incorrect fund name. A technical adjustment is necessary to accurately reflect the name of the fund.

The Committee concurred with this item.

Kansas State University

A. GBA No. 2, Item 25, pg. 13—Authority to Issue Revenue Bonds for Ackert Hall Addition.

The Committee concurred with this item.

Kansas State University Extension Systems and Agriculture Research Programs

A. GBA No. 2, Item 26, pg. 14—Federal Land Grant Funds.

The Committee concurred with this item.

Wichita State University

A. GBA No. 2, Item 28, pg. 14—Transfer Authority.

The Committee concurred with this item.

Department of Agriculture

A. S.B. 65 (Governor and GBA No. 2, Item 50, pg. 22). S.B. 65 lowers the maximum fertilizer inspection fee from \$1.70 per ton to \$1.67. This would decrease fertilizer fee revenue by \$56,000. The bill also authorizes the expenditure of \$100,000 from the Fertilizer Fee Fund for the purpose of conducting a pesticide use survey. The survey would determine the types and amounts of pesticides used in the state for agricultural and non-agricultural purposes. For FY 2000, the Legislature approved an additional \$100,000 from the Fertilizer Fee Fund for the survey in S.B. 325. S.B. 65 was also amended by the House to allow the State of Kansas to enter into an interstate dairy compact with other states for the purpose of marketing milk. Prior to entering into a compact, an economic impact study is to be conducted. The study is to determine the impact on producers, processors, and consumers. According to the agency, the study would have no fiscal impact in FY 2000.

The Committee concurred with this item.

State Fair Board

A status comparison sheet was distributed. (Attachment 22).

A. Renovation of the Domestic Arts Building (Senate Subcommittee). The Senate Subcommittee requested to review the revised costs of renovating the Domestic Arts Building. For FY 2000 the State Fair Board had originally requested \$846,400 from the State General Fund for both interior and exterior renovation. This request was based upon a 1982 construction estimate adjusted for seventeen years of inflation. This request was not recommended by the Governor. During the 1998 legislative interim, the Joint Committee on Building Construction reviewed the Fair Board's five year capital improvement plan. The Joint Committee requested the agency to provide a new estimate. In early March the State Fair presented its new estimate to the Joint Building Committee. The agency requests \$1,199,436 from the State General Fund. This is an increase of \$353,036 (41.7 percent) from the original request. The primary reasons for the increased cost is because of code compliance items.

The Committee did not concur with this item.

Water Office

A Water Plan outline, (Attachment 23) and a State Water Plan Fund Expenditures sheet for FY 1999 and FY 2000, (Attachment 24) was distributed.

A. GBA No. 2, Item 51, pg. 23—Increase Water Plan Funding for three programs.

The Committee did not concur with this item.

Wheat Commission

A. Increase the authorized amount that can be spent by the Commission without approval of the State Finance Council (Technical Correction). For FY 2000 the Legislature approved (in S.B. 325) operating expenditures of \$3,894,731 for the agency. This includes an additional \$700,000 from the Wheat Fee Fund that the Governor did not recommend. This additional amount of money is to be used to develop a new market plan that is to increase the market share of Kansas wheat. In order for the Wheat Commission to be able to spend the additional \$700,000, it must first present a new market plan to the State Finance Council. Section 85 of S.B. 325, as currently written, allows the agency to spend \$13,268 less than what the Legislature intended the agency to spend (\$3,194,731) before being required to seek approval of the State Finance Council.

The Committee concurred with this item.

B. Authorize \$0 limitation for the Wheat Research Reserve Fund (Technical Correction). This fund was created during the 1998 Legislative Session (see *1998 Session Laws*, Chapter 123 Sec. 9) to be used solely to replace funding shortfalls in the Kansas Wheat Commission Fee Fund for wheat research and market development. Such expenditures are to be made in accordance with appropriations acts and as approved by the Kansas Wheat Commission. It was discovered after S.B. 325 passed that it did not set any limitation on the fund for FY 2000. The Governor has not recommended any expenditure from this fund, and the Legislature has not approved any expenditures from it.

The Committee concurred with this item.

Developmental Disabilities Institutions—Systemwide

A. Mental Retardation Trainee Pay Range Upgrade (Senate Subcommittee). The Senate Subcommittee recommended the addition of \$29,766 (\$13,395 SGF) to upgrade the salaries of Mental Retardation Trainees from salary grade 10 to salary grade 13. The Subcommittee recognized the recruitment and retention difficulties experienced by KNI. The agency believes that one causal factor in this situation is the starting salary range for direct care staff. A Mental Retardation Trainee position is currently at salary grade 10 with a starting salary of \$6.90 per hour.

A question was raised during the Committee hearing on this budget concerning the Department of Social and Rehabilitation Services' authority to increase pay grades without the approval of the Department of Administration. Kansas Administrative Regulations 1-5-4 and 1-5-7 state that any assignment of pay grade and changes of pay grade must be approved by the Director of Personnel Services.

The full Senate Committee recommended deferring this item for further consideration during Omnibus.

No action was taken on this item.

B. Teacher Salary Increase. The Governor's recommendation and Legislative approved budget for FY 2000 for the school contract at Parsons State Hospital and Training Center did not include funding for teacher salary increases. The approved budget for Kansas Neurological Institute included funding for a 7.0 percent salary increase. The following table illustrates the amounts from the State General Fund that would be needed to fund salary increases of various percentages.

Percentage Increase	Parsons State Hospital and Training Center
0.5	\$ 2,408
1.0	4,816
1.5	7,224
2.0	9,632
2.5	12,039
3.0	14,447
3.5	16,855
4.0	19,263
4.5	21,671
5.0	24,079
5.5	26,486
6.0	28,894
6.5	31,302
7.0	33,710

The Committee concurred with funding for a 3-1/2% salary increase.

C. Categorical Aid. In FY 1999, the budgeted school contract for each of the institutions include categorical aid based on a rate of \$19,554 for Kansas Neurological Institute and \$20,300 for Parsons State Hospital and Training Center. The current FY 1999 categorical aid rate per eligible teaching unit is estimated to be \$20,000. If this rate is maintained, the school contracts at the institutions would need adjustments. The table below identifies the State General Fund adjustments required.

Hospital	SGF Amount
Kansas Neurological Institute	\$ (6,105)
Parsons State Hospital and Training Center	2,512

In FY 2000, the categorical aid rate was budgeted at \$19,750 for both KNI and Parsons. The current FY 2000 categorical aid rate is estimated to be \$20,480. The reductions in State General Fund required to adjust for the rate difference are outlined in the table below.

Hospital	SGF Amount
Kansas Neurological Institute	\$ (8,030)
Parsons State Hospital and Training Center	(6,112)

The Committee concurred with this item.

Mental Health Hospitals—Systemwide

A. Mental Health Aide Pay Range Upgrade (Senate Subcommittee). The Senate Subcommittee recommended the addition of \$236,650 (\$106,452 SGF) in FY 2000 to upgrade the salaries of Mental Health Aides from salary grade 12 to salary grade 16. The Subcommittee recognized the continued problem experienced by the institutions in the area of recruitment and retention of mental health aides. Facilities in urban areas have difficulties attracting individuals in entry-level positions while facilities in rural areas have similar problems with professional positions. Facilities have also been losing staff to other state agencies with higher starting wages. For instance, approximately 40 employees of Larned State Hospital have left for employment with the Department of Corrections or the Juvenile Justice Authority. The Subcommittee noted the relatively high estimated shrinkage rates at the three institutions for FY 1999: 9.2 percent at Larned State Hospital, 7.1 percent at Osawatomie State Hospital, and 6.3 percent at Rainbow Mental Health Facility. The Subcommittee believed that a pay grade increase would help attract quality employees, stabilize the workforce, and provide greater continuity in patient care.

A question was raised during the Committee hearing on this budget concerning the Department of Social and Rehabilitation Services' authority to increase pay grades without the approval of the Depart-

ment of Administration. Kansas Administrative Regulations 1-5-4 and 1-5-7 state that any assignment of pay grade and changes of pay grade must be approved by the Director of Personnel Services.

The full Senate Committee recommended deferring this item for further consideration during Omnibus.

No action was taken on this item.

B. Teacher Salary Increase. The Governor's recommendation and the Legislative approved budget for FY 2000 for school contracts did not include funding for teacher salary increases. The following table illustrates the amounts from the State General Fund that would be needed to fund salary increases of various percentages.

Percentage Increase	Larned State Hospital	Rainbow Mental Health Facility	Total
0.5	\$ 8,060	\$ 4,271	\$ 12,331
1.0	16,120	8,542	24,662
1.5	24,180	12,813	36,993
2.0	32,240	17,083	49,323
2.5	40,300	21,354	61,654
3.0	48,359	25,625	73,984
3.5	56,419	29,896	86,315
4.0	64,479	34,167	98,646
4.5	72,539	38,438	110,977
5.0	80,599	42,708	123,307
5.5	88,659	46,979	135,638
6.0	96,719	51,250	147,969
6.5	104,779	55,521	160,300
7.0	112,839	59,792	172,631

The Committee concurred with 3-1/2% to fund salary increases of various percentages.

C. Categorical Aid. In FY 1999, the budgeted school contract for each of the institutions include categorical aid based on a rate of \$19,750 for Larned State Hospital and \$19,360 for Rainbow Mental Health Facility. The current FY 1999 categorical aid rate per eligible teaching unit is estimated to be \$20,000. If this rate is maintained, the school contracts at the institutions would be over funded. The table below identifies the State General Fund reductions required to adjust for the rate difference.

Hospital	SGF Amount
Larned State Hospital	\$ (3,585)
Rainbow Mental Health Facility	(13,760)

In FY 2000, the categorical aid rate was budgeted at \$19,750 for Larned State Hospital and \$19,360 for Rainbow Mental Health Facility. The current FY 2000 categorical aid rate is estimated to be \$20,480. The reductions in State General Fund required to adjust for the rate difference are outlined in the table below.

Hospital	SGF Amount
Larned State Hospital	\$ (10,468)
Rainbow Mental Health Facility	(24,080)

The Committee concurred with this item.

D. GBA No. 2, Item 58, pg. 26—HCBS/DD Waiver Shortfall.

The Committee concurred with this item.

Board of Hearing Aid Examiners

A. Enhancement Funding (Senate Subcommittee). The Senate Subcommittee recommended review of the Board's requested enhancement package upon passage of H.B. 2214 (law). The bill increases the statutory fee maximums charged by the Board. The table below illustrates the change in each fee.

Board of Hearing Aid Examiners Fee Structure

Fee	Previous	Adopted Maximum	Proposed Fees
License Application	\$ 50	\$ 150	\$ 75
Temporary License	25	150	75
Temporary License - Renewal	100	150	135
Certificate of Registration or Endorsement	50	150	75
Certificate of Registration or Endorsement - Renewal	50	150	75
Certificate of Registration or Endorsement - Late Renewal	100	200	150
Certificate of Registration or Endorsement - Extended Late Renewal	200	300	250
Examination—Written	—	50	25
Examination—Practicals	—	35	15
State License Verification	—	25	10
Replacement License	—	25	10
Change of Sponsor	—	25	25
Check Returned for Insufficient Funds	—	35	15

The fiscal note from the Division of the Budget estimates an increase in revenues in FY 2000 of approximately \$10,865 (based upon the statutory maximums). This increase would be distributed among the State General Fund (approximately \$2,173) and the Board of Hearing Aid Examiners Fee Fund (approximately \$8,692).

License renewals occur June 30 of each year. The agency would not be able to enact regulations regarding the new fees for the upcoming renewal cycle. As a result, the increased revenue would not be realized until the end of FY 2000. The agency estimates receipts available for FY 2001 to total \$8,700 of which \$1,740 would be transferred to the State General Fund.

The Board's requested enhancement package of \$2,525 for FY 2000 includes \$2,113 to fund five additional hours per week for the part-time secretary and \$412 to fund Board member per diem and travel expenses for one additional Board meeting during the year.

The enhancement request of \$4,957 for FY 2001 includes \$2,113 to continue the five additional hours per week for the part-time secretary, \$400 to fund Board member per diem and travel expenses for one additional Board meeting, and \$2,184 for office rental and equipment usage fees.

The Committee concurred with this item.

Secretary of State

A. S.B. 130 (Law). The bill enacts the Revised Kansas Trademark Act and repeals the previous Kansas Trademark Act. The bill adds definitions and requirements for registration, halves the duration of regular registrations, and permits the Secretary of State to adopt a classification system for trademarks. The bill also sets forth remedies to prevent the dilution or weakening of famous trademarks as well as remedies for cases involving infringement.

The fiscal impact of this bill centers around the costs incurred by the Secretary of State in computer programming. The agency estimates costs ranging from \$4,000 if the programming is done in-house to a maximum of \$15,000 if the programming is contracted out. The agency is unsure whether funding for these expenditures would come from the State General Fund or the agency's fee funds.

The Committee concurred with \$4 thousand being taken from the agency's fee fund.

Board of Barbering

A. GBA No. 2, Item 2, pg. 3—Operations.

The Committee concurred with this item.

Legislature

A. S.B. 135 (Law). Health Care Reform Legislative Oversight Committee. S.B. 135 creates the Health Care Reform Joint Legislative Oversight Committee. The Committee is charged with the oversight of changes in state laws and regulations that might be necessary due to federal legislation and to the fullest extent possible, implementation of health care reform that is specific to Kansas needs. The Committee will be composed of 12 members, six members from the House of Representatives and six from the Senate. Meetings of the Committee will be held on call of the chairperson, as authorized by the Legislative Coordinating Council. Authorization for the Committee would expire or sunset on June 30, 2001. S.B. 135 replaces similar legislation which expired on December 31, 1998. The exact fiscal note would depend on who was appointed to the Committee and the number of meetings held during FY 2000. However, based on actual expenditures for the Committee in 1998 the estimated fiscal note for legislator compensation, subsistence, mileage and clerical assistance would be \$27,643 (State General Fund) in FY 2000.

The Committee supported funding of \$14 thousand for FY 2000 (SGF) for legislator compensation, subsistence, mileage and clerical assistance.

B. H.B. 2227 (Law). SRS Transition Oversight Committee. H.B. 2227 relates to certain local boards and the Social and Rehabilitation Services (SRS) Transition Oversight Committee. The authorizing language in H.B. 2227 continues the 12-member committee for two additional years or until July 1, 2001. The duties and responsibilities of the Oversight Committee are expanded to include monitoring and reviewing federal social welfare reform laws and the operation of the home and community based services programs. Expenditures, including legislator compensation, subsistence, mileage and clerical assistance for FY 2000 are estimated to total \$37,582 (State General Fund). However, the exact fiscal note would depend on who was appointed to the Committee and the number of meetings held during FY 2000.

The Committee supported funding of \$20 thousand for FY 2000 (SGF) for legislator compensation, subsistence, mileage and clerical assistance.

C. H.B. 2092 (Conference Committee). Concerning Crimes and Punishments, and Juvenile Offenders. H.B. 2092 allows the Secretary of Corrections to make direct placements of certain inmates to a correctional conservation camp. The bill also amends the juvenile justice code to address dual adjudication of juvenile offenders and Child in Need of Care Code status. Finally, the bill also extends the existence of the Joint Committee on Corrections and Juvenile Justice by four years. The current Committee would sunset in December, 1999 but H.B. 2092 would extend the Committee until December, 2003. The duties and responsibilities of the 14 member committee (seven from the Senate and seven from the House of Representatives) remain unchanged. Expenditures, including legislator compensation, subsistence, mileage and clerical assistance for FY 2000 are estimated to total \$33,603 (State General Fund). However, the exact fiscal note would depend on who was appointed to the Committee and the number of meetings held during FY 2000.

The Committee supported funding of \$20 thousand for FY 2000 (SGF) for legislator compensation, subsistence, mileage and clerical assistance.

D. H.B. 2065 (Conference Committee). Membership of the Joint Committee on State Building Construction; Joint Committee on Information Technology; and Joint Committee on State-Tribal Relations. H.B. 2065, as amended, would expand the membership of the Joint Committee on State Building Construction and the Joint Committee on Information Technology from six members to ten members. Each Joint Committee would consist of five members from the Senate and five members from the House of Representatives. The bill also would reconstitute the Joint Committee on Gaming Compacts as the Joint Committee on State-Tribal Relations. The Committee would be composed of 12 members, five from each house of the Legislature and the Governor and Attorney General, or their designees, who would serve as nonvoting members. The current Joint Committee on Gaming Compacts consists of six legislators. In addition to the responsibilities of the Joint Committee on Gaming Compacts, the new Committee would be authorized to meet, discuss, and hold hearings on issues concerning state-tribal relations. The Joint Committee on State-Tribal Relations may meet at any time and any place within the state on the call of the Chairperson of the Joint Committee. Expenditures, including legislator compensation, subsistence, mileage and clerical assistance for FY 2000 are estimated to total \$64,181 (State General Fund). However, the exact fiscal note would depend on who was appointed to the joint committees and the number of meetings held during FY 2000.

The Committee supported funding of \$50 thousand for FY 2000 (SGF) for legislator compensation, subsistence, mileage and clerical assistance.

E. S.B. 352 (House General Orders). FY 2000 State Employee Pay Plan Language. S.B. 352 would amend current law to specify the biweekly pay rate for legislators, legislative leadership, and statewide elected officials effective June 13, 1999 (the first day of the first payroll period chargeable to FY 2000), be increased in effect 3.5 percent. The statewide elected officials include the Governor, Lieutenant Governor, Attorney General, Secretary of State, State Treasurer, and the Commissioner of Insurance.

The Governor for FY 2000 recommended and the Legislature approved financing in S.B. 325 for a 3.5 percent salary increase. If S.B. 352 does not become law, the Legislature could add one-year authorizing language for the pay increases in the 1999 Omnibus bill. However, if the Legislature would not add the one-year authorizing language for FY 2000 the budget of the Legislature could be reduced by \$56,887 (State General Fund).

Again assuming that S.B. 352 is not enacted, and if the Legislature still intends to implement the Governor's pay plan proposal of a 3.5 percent merit pool for state unclassified employees and the 1.0 percent base salary adjustment for classified employees, additional authorizing language would need to be added to the Omnibus bill. The entire funding (\$32.4 million from the State General Fund and \$60.0 million from all funds) for the FY 2000 state employee pay adjustments, including longevity bonus payments and classified step movement was contained in S.B. 325.

The Committee concurred with this item.

Revisor of Statutes

A. Staff Turnover, Salaries and Workloads and Retirement Benefits (House Appropriations). The House Appropriations Committee requested a review by the House Education and Legislative Budget Committee regarding the competitiveness of professional staff salaries, the amount of professional staff turnover, and staff workloads within the Office of Revisor of Statutes. The Appropriations Committee also requested that the Budget Committee review the possibility of shifting the Revisor of Statutes staff from membership in the regular Kansas Public Employees Retirement System (KPERs) to the 8.0 percent deferred compensation plan that currently exists for legislative leadership staff and certain executive branch unclassified executives and staff. The Appropriations Committee requested that the Budget Committee report back their findings to the Appropriations Committee during Omnibus review.

The Committee concurred with this item.

Legislative Division of Post Audit

A. Staff Turnover, Salaries and Workloads and Retirement Benefits (House Appropriations). The House Appropriations Committee requested a review by the House Education and Legislative Budget Committee regarding the competitiveness of professional staff salaries, the amount of professional staff turnover, and staff workloads within the Legislative Division of Post Audit. The Appropriations Committee also requested that the Budget Committee review the possibility of shifting the staff of the Legislative Division of Post Audit from membership in the regular Kansas Public Employees Retirement System (KPERs) to the 8.0 percent deferred compensation plan that currently exists for legislative leadership staff and certain executive branch unclassified executives and staff. The Appropriations Committee requested that the Budget Committee report back their findings to the Appropriations Committee during Omnibus review.

The Committee concurred with this item.

Legislative Research Department

A. Staff Turnover, Salaries and Workloads and Retirement Benefits (House Appropriations). The House Appropriations Committee requested a review by the House Education and Legislative Budget Committee regarding the competitiveness of professional staff salaries, the amount of professional staff turnover, and staff workloads within the Legislative Research Department. The Appropriations Committee also requested that the Budget Committee review the possibility of shifting the staff of the Legislative Research Department from membership in the regular Kansas Public Employees Retirement System (KPERs) to the 8.0 percent deferred compensation plan that currently exists for legislative leadership staff and certain executive branch unclassified executives and staff. The Appropriations Committee requested that the Budget Committee report back their findings to the Appropriations Committee during Omnibus review.

The Committee concurred with this item.

Selected Agencies

A. GBA No. 2, Item 64, pg. 30—Tobacco Settlement Funds.

The Committee concurred with this item.

B. GBA No. 2, Item 65, pg. 30—Retirement Reductions.

The Committee concurred with this item.

Kansas Commission on Veterans Affairs

Information was distributed regarding additional SIBF funding for FY 1990. **Attach. 25).**

A. Water Treatment Facility at the Kansas Soldiers' Home (House Budget Committee and GBA No. 2, Item 20, pg. 11—Water System Upgrades). The House Budget Committee recommended review of the funding for a water treatment facility at the Kansas Soldiers' Home at Fort Dodge. The Governor included \$200,000 for a water system upgrade. The Commission requested a total of \$270,000 to construct a water treatment facility. S.B. 325 includes \$10,000 from the State Institutions Building Fund for a water system upgrade study.

The Committee concurred with this item.

B. Wichita Annex to the Kansas Veterans Home (House Committee). The House Committee recommended review of funding for the Wichita Annex to the Kansas Veterans Home (KVH) at Winfield. The Commission requested \$202,234 from the State Institutions Building Fund in FY 1999 for capital improvements for the proposed 60-bed nursing facility annex at the Wichita Veterans Administration Hospital. In FY 2000, the Commission requested:

- \$2,182,278 (of which \$928,934 or 42.6 percent is from the State General Fund)
- 41.0 FTE positions (\$1.2 million for salaries and wages)
- Includes \$153,000 (KVH Fee Fund) to lease the facility from the VA and \$88,950 (SGF) for a nonrecurring maintenance fund; these two payments (totaling \$241,950) will be placed into trust funds to be expended by the VA in Kansas in support of Kansas veterans programs
- This level of funding will allow the facility to operate at 80 percent capacity in FY 2000

The Governor did not recommend funding for the Wichita annex and no funding was included in S.B. 325.

No action was necessary on this item.

C. S.B. 19 (Law). S.B. 19 authorizes the Kansas Commission on Veterans Affairs to establish and maintain a state system of veterans cemeteries. The Veterans Administration (VA) provides grants to cover 100 percent of construction costs for the state veterans cemeteries. The state is responsible for all operating expenditures. S.B. 19 limits the Commission to no more than three additional grant applications, for a total of four state veterans cemeteries statewide. The Kansas Soldiers' Home at Fort Dodge has been approved for a cemetery construction grant. The Commission intends to develop state veterans cemeteries at sites on Fort Riley, at the Kansas Veterans Home in Winfield and in the northwest quadrant of the state. The Commission's current estimates are for planning costs of \$25,000 from the State General Fund in FY 1999 which will be reimbursed by the VA after construction has begun. For FY 2000, the Commission estimates total expenditures of \$140,057 as follows:

	SGF	Fee Fund	Total
Reimbursable Planning Costs	\$ 75,000	\$ 0	\$ 75,000
Salaries and Wages	45,599	16,458	62,057
Other Operating Expenditures	3,000	0	3,000
TOTAL	\$ 123,599	\$ 16,458	\$ 140,057

The Commission estimates 2.0 FTE will be needed in FY 2000. This includes one program manager located in the central office in Topeka and one office assistant located in Fort Dodge.

The Committee supported the funding of this item. (SBIF).

D. GBA No. 2, Item 21, pg. 11—Replace Treatment Building Roof at the Kansas Veterans' Home.

The Committee recommended that the cost of replacement of the roof in 2-3 years be looked into.

E. GBA No. 2, Item 22, pg. 11—Energy Conservation Improvements Program at the Kansas Soldiers' Home.

The Committee concurred with this item.

Department of Commerce and Housing

A. Kansas Economic Opportunity Initiatives Fund (House Budget Committee). The House Budget Committee recommended a reduction of \$750,000 from the Kansas Economic Opportunity Initiative Fund (KEOIF) and recommended further review of that reduction during Omnibus. In S.B. 325, FY 2000 funding for KEOIF was ultimately restored to the \$5.0 million recommended by the Governor.

No action was taken on this item.

B. Tourism Promotion Grants and H.B. 2016 (House Budget Committee). The House Budget Committee noted that the Governor recommended FY 2000 funding of \$952,100 for tourism promotion grants, an increase of \$500,000 over FY 1999. H.B. 2016 would provide up to \$2.0 million for tourism grants if passed. The Budget Committee recommended reviewing this issue for possible redirection of the increased funding for tourism promotion grants in FY 2000 if H.B. 2016 passed. Currently, H.B. 2016 has passed the House and is assigned to the Senate Committee on Ways and Means.

No action was taken on this item.

Kansas Department of Health and Environment

A. AIDS Medication Shortfall (Senate Subcommittee and House Budget Committee). Both the Senate Subcommittee and the House Budget Committee recommended reviewing the supplemental appropriation of \$250,000 (SGF) for a possible AIDS medication shortfall in the AIDS Drug Assistance Program (ADAP) in FY 1999. The Department informed the Committees that it might not need the supplemental appropriation included in the Governor's recommendation. Because state funding for the program in any two years can establish a mandatory maintenance of effort in subsequent years, efforts would be made to avoid using the state funds. The 1998 Legislature approved \$235,000 (SGF) for a shortfall in 1998.

At this point, the new federal fiscal year for the ADAP funds has begun and the Department reports that it was able to stay within the federal money for the program and the \$250,000 (SGF) included in S.B. 325 is not needed.

The Committee concurred with this item.

B. Local Environmental Protection Program (Senate Subcommittee). The Senate Subcommittee recommended reviewing FY 2000 funding for the Local Environmental Protection Program (LEPP) from the State Water Plan Fund. The program is currently funded at \$1.8 million, the Governor's recommendation. This is a decrease of \$200,000 from prior fiscal years. The recommendation of the Water Authority was to fund the program at \$1.9 million in FY 2000. The Governor's recommendations for expenditures from the State Water Plan Fund in FY 2000 did not leave sufficient balances to fund the program at previous levels. The Subcommittee recommended this be reviewed to determine if the program

should receive a higher priority in expenditures from the State Water Plan Fund. The LEPP 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.

The Committee recommended the shifting of funds from 2 other environmental programs.

C. Infant Toddler Program (House Budget Committee). The House Budget Committee recommended that funding for the Infant Toddler program be reviewed to determine if additional funding from sources such as Temporary Assistance for Needy Families would be available in FY 2000. Subsequently, the House recommended adding \$1.25 million (including \$1,220,417 SGF and \$29,583 from the Children's Health Care Programs Fund—tobacco settlement proceeds) to the program. S.B. 325 funds the Infant Toddler program at \$5,217,000, an increase of \$750,000 (including \$500,000 SGF and \$250,000 from the Children's Health Care Programs Fund) over the Governor's recommendation in FY 2000.

No action was taken on this item.

D. Gifts, Grants and Donations Fund (House Budget Committee). The House Budget Committee recommended review of the receipts and expenditures of the Gifts, Grants and Donations Fund to determine if the expenditure limitation on the fund should be removed for FY 2000. In FY 1999, the fund had a carryforward balance of \$1,901,245. According to the state accounting system, the fund has had receipts of \$329,126 and expenditures of \$709,514 to date in FY 1999. S.B. 325 increases the FY 1999 expenditure limitation from \$1,248,055 to \$1,532,168 and limits FY 2000 expenditures to \$606,643. At the time this memorandum was prepared the Department was unable to provide further information on expenditures from the fund.

No action was taken on this item.

E. Criminal Background Checks System (House Budget Committee). The House Budget Committee requested additional information regarding the system used by the Department to provide criminal background checks for health care providers. The Budget Committee specifically requested information regarding the Department's interaction with the Kansas Bureau of Investigation and the delay in notifying employers of prohibited employees. At the time this memorandum was prepared, the Department was unable to provide further information on criminal background checks.

No action was taken on this item.

F. H.B. 2362 (Law). H.B. 2362 enacts the Newborn Infant Hearing Screening Act. The Act requires that every child born in the state of Kansas be given a hearing screening within five to eight days. The screening is to detect significant hearing loss. The tests are to be conducted in a manner prescribed by the Secretary of Health and Environment, who is required to adopt rules and regulations as necessary to carry out the provisions of the Act. The screening would only take place with parental consent and all information acquired under this Act is confidential. H.B. 2362 also repeals the current Newborn Hearing Risk Screening Program. The fiscal note for H.B. 2362 indicates the Newborn Infant Hearing Screening Act would cost an additional \$150,000 from the State General Fund in FY 2000 over the amounts currently spent for the Newborn Hearing Risk Screening Program. The funds would be needed for a full-time audiologist, contractual services for quality control of the screenings at the local level, and automation costs for the Department.

The agency was asked by the House to seek federal funding.

G. H.B. 2074 (Law). H.B. 2074 requires that individuals who test positive for HIV be reported by name to the Secretary of Health and Environment. Previous state policy had been that only documented cases of AIDS be reported in such a fashion. Further, H.B. 2074 requires the Secretary to monitor cases of persons who have HIV infection and maintain all records as confidential. H.B. 2074 also requires the Secretary to establish confidential testing sites for HIV infection so that an anonymous test site is available within 100 miles of any resident of the state. The fiscal note for H.B. 2074 indicates a cost of \$42,900 from the State General Fund and 1.0 FTE in FY 2000 to conduct the HIV monitoring required by the bill. This is to fund one medical investigator position at \$34,000 (salaries and wages) and other operating expenditures of \$8,900.

The Committee concurred with this item.

H. S.B. 296 (Law). S.B. 296 creates the Hazardous Waste Management Fund, where moneys collected for the purpose of regulating hazardous waste will be credited. Money in the Fund will be expended for the following purposes:

- technical review of applications for permits issued under the hazardous waste statutes, including permit modification and permit renewals for hazardous waste facilities;
- evaluation of options available for minimizing the generation of hazardous wastes;
- completion of background investigations of applicants for hazardous waste facilities;
- assurance that a permittee under the hazardous waste statutes fulfills all permit conditions during the effective period of the permit; and
- payment of the administrative, technical, and legal costs incurred by the Secretary of the Kansas Department of Health and Environment (KDHE) in administering the hazardous waste laws, including the cost of any additional employees or increased operating cost of KDHE.

The Department of Health and Environment indicates that S.B. 296 would shift \$418,000 in receipts from the State General Fund to the new Hazardous Waste Management Fund in FY 2000. The transfer of moneys from the Perpetual Care Trust Fund would result in a one-time receipt of \$300,000 to the Hazardous Waste Management Fund in FY 2000. The Department proposes to use these moneys to reduce State General Fund expenditures by \$300,000 in FY 2000.

No action was taken on this item.

I. S.B. 107 (Law). S.B. 107 deletes the sunset provision in an existing law that mandates a child health assessment prior to first entrance to a Kansas school and creates the Residential Childhood Lead Poisoning Prevention Act. Provisions of the Residential Childhood Lead Poisoning Prevention Act which allow the Secretary of Health and Environment to establish licensing and certification fees will result in additional state revenues to be deposited, along with federal grants, in the newly created Lead Based Paint Hazard Fee Fund. Activities associated with establishing educational programs, inspections of sites, laboratory testing, and remediation programs would require state expenditures. The Department of Health and Environment estimates total expenditures of \$108,000 in FY 2000. The moneys would finance a 0.5 FTE office specialist position (\$12,750), contractual services (\$87,200) and capital outlay (\$8,050). The contractual services costs would include \$60,000 for the services of 1.5 FTE environmental scientists. The Department estimates that fees collected would be sufficient to finance the total cost of the program.

The Committee concurred with this item with a no limit fund and the hiring of 1/2 FTE.

J. Sub. for S.B. 106 (Governor). Sub. for S.B. 106 establishes the Advisory Committee on Trauma within the Department of Health and Environment and directs the Secretary of Health and Environment to develop a statewide trauma system plan and a statewide trauma registry. Sub. for S.B. 106 would create a Trauma Fund within the Department of Health and Environment. Sub. for S.B. 106 also increases the amount assessed for docket fees for moving violations by district and municipal courts by \$1. The Trauma Fund is to be credited with the increased amount in the case of municipal courts and with 2.34 percent of the total docket fees collected by district courts. The Judicial Branch estimates receipts to the fund of approximately \$402,691 in FY 2000. The Department of Health and Environment estimates that the administration of the statewide trauma system plan and the statewide trauma registry will require 2.0 additional FTE, one administrator and one clerical staff. Total expenditures are estimated at \$320,000, \$84,000 for salaries and wages and \$236,000 for other operating expenditures to develop the trauma registry. The estimated revenue to the Trauma Fund is sufficient to cover all estimated expenditures in FY 2000.

The Committee supported funding of \$300 thousand and the hiring of 2 additional FTE.

K. Substitute for H.B. 2469 (Conference). H.B. 2469 establishes the Kansas Chemical Control Act, the purpose of which is to prevent illegal diversion of precursor chemicals for methamphetamine production. The bill would also authorize the Secretary of Health and Environment to contract for investigation and clean up of chemicals at illegal drug manufacturing sites and to issue and collect fines for violations of the Act. The Department estimates the bill would require 3.0 additional FTE, 1.0 Environmental Scientist II, 1.0 Environmental Geologist II and 1.0 Attorney II. Funding for the FTE and other operating expenditures are estimated at \$187,583. Estimated costs for site cleanup are \$1,086,000. The total FY 2000 fiscal impact on the Department of Health and Environment should the bill become law would be \$1,273,583. While the bill provides for joint and several liability for the clean up costs, the fiscal note from the Division of the Budget assumes that no such recovery would be made and all funding would come from the State General Fund. The bill also creates new sentences for crimes related to methamphetamine production which impact the Department of Corrections between \$7.9 million to \$21.7 million in increased operating and capacity expansion costs during the coming fiscal years.

No action was taken on this item.

L. H.B. 2166 (Conference and GBA No. 2, Item 16, pg. 9—Oz Entertainment Company Theme Park). H.B. 2166 would allow for the development of the proposed Oz Theme Park and Resort on the Sunflower Ammunition Site in Johnson County. If H.B. 2166 is passed, a fiscal impact would be realized to the Department of Health and Environment as the agency responsible for monitoring the environmental remediation which would have to be undertaken by the developers. The Department estimates that 5.0 unclassified temporary Environmental Geologist positions will be needed for the monitoring. The developers of the Oz Theme Park and Resort will reimburse the Department for the costs of at least two of the positions and the costs of the other three positions will be reimbursed by either the developers or the United States Army. A new fund would need to be created to receive the reimbursements. The Department estimates expenditures \$261,410 for the 5.0 unclassified temporary positions to be located at the site. Passage of H.B. 2166 would also impact the Department of Revenue.

No action was taken on this item.

M. GBA No. 2, Item 17, pg. 10—Increase Expenditure Limitation on Health Care Database Fee Fund.

The Committee concurred with this item.

N. GBA No. 2, Item 18, pg. 10—Rural and Local Health.

The Committee concurred with this item.

O. GBA No. 2, Item 19, pg. 10—Federal Cancer Registry.

The Committee concurred with this item.

Office of the State Bank Commissioner

A. Status Report on Substitute for S.B. 271—Abolishment of the Office of Consumer Credit Commissioner (House Budget Committee and Senate Subcommittee). Both the House Budget Committee and the Senate Subcommittee expressed a desire to review the status of S.B. 271, which, as introduced, would have abolished the Office of the Consumer Credit Commissioner and created within the Office of the State Bank Commissioner a new position of Deputy Commissioner of Consumer and Mortgage Lending. Substitute for S.B. 271 passed the Senate, but in the House the bill's provisions were deleted and replaced with the provisions of H.B. 2022, relating to campaign finance.

The Committee concurred with this item.

Consumer Credit Commissioner

A. Status Report on S.B. 271—Abolishment of the Office of Consumer Credit Commissioner (House Budget Committee and Senate Subcommittee). Both the House Budget Committee and the Senate Subcommittee expressed a desire to review the status of S.B. 271, which, as introduced, would have abolished the Office of the Consumer Credit Commissioner and created within the Office of the State Bank Commissioner a new position of Deputy Commissioner of Consumer and Mortgage Lending. Substitute for S.B. 271 passed the Senate, but in the House the bill's provisions were deleted and replaced with the provisions of H.B. 2022, relating to campaign finance.

Same as above.

B. GBA No. 2, Item 4, pg. 4—Increase Grant to HCCL.

The Committee concurred with this item.

Real Estate Commission

A. Status Report on S.B. 115—Real Estate Commission Fees (Senate Subcommittee). The Senate Subcommittee recommended that the status of S.B. 115, which would permit the Commission to increase its fees, be reviewed at Omnibus. A fee increase would be one option to address a potential cash flow shortage in FY 2001. S.B. 115 has passed the Senate but remains in the House Committee on Federal

and State Affairs. According to the agency, the cash position has eased somewhat and there should be no cash flow problem through the end of FY 2000.

No action was taken on this item.

Insurance Department

A. H.B. 2517—Selected Employees Salary Caps (Senate Subcommittee). The Senate Subcommittee noted that legislation had been introduced in the House to remove or modify the salary cap contained in K.S.A. 40-110 which limits the salary of any employee within the Insurance Department to the Commissioner's salary (currently, \$68,860), with the exception of two actuaries. The Subcommittee requested that the agency report back to the full committee at Omnibus. The House Budget Committee recommended a proviso to lift the salary cap, but the Appropriations Committee did not recommend that proviso. The bill, H.B. 2517, remains in the House Committee on Insurance.

No action was taken on this item.

Securities Commissioner

A. GBA No. 2, Item 5, pg. 4—Investor Education Program Expansion.

The Committee concurred with the amount of \$45 thousand (for both years) and the hiring of 1.8 FTE.

Kansas Corporation Commission

A. GBA No. 2, Item 9, pg. 6—Development of a National Pipeline Mapping System.

The Committee concurred with this item.

Department of Human Resources

A. Worker's Compensation Fee Fund Balance (Senate Subcommittee). The Senate Subcommittee requested updated information on the status of the Worker's Compensation Fee Fund during Omnibus. The Worker's Compensation Fee Fund currently has an unappropriated balance of \$2.4 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 Senate Subcommittee proposed no reduction to the balance at the time of the report in recognition of the fiscal impact responding to the Post Audit recommendations will have on the agency. 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 is as follows: \$513,000 for the computer upgrade portion of the changes; and approximately \$465,680 for 10.0 new FTE positions (1 Assistant Attorney General, 2 Safety and Health Inspector IIs, 1 Industrial Hygienist, 4 Office Assistant IIIs, 1 Program Consultant I, 1 Research Analyst III) to create the database and analyze the data. The computer upgrade will be paid for out of KSIP moneys. The agency currently has approximately \$500,000 in the KSIP account. The agency has stated it will make up the difference for the computer upgrade from program funds. The new FTE positions will be paid for out of the Worker's Compensation Fee fund monies. This would leave a balance of approximately \$1.2 million in excess of the amount the agency has indicated as the necessary ending balance.

The Committee supported the transfer of \$500 thousand in excess funds to the state general fund.

On Tuesday, April 27, Senator Salisbury moved and Senator Jordan seconded the motion to support funding of \$465,680 for the hiring of 9 FTE. These positions would be paid for out of the Worker's Compensation Fee fund monies. The motion carried on a voice vote.

Kansas Commission on Human Rights

S.B. 22 (Law). S.B. 22 will add an additional provision to the Kansas Act Against Discrimination (KAAD) (K.S.A. 44-1002 and 44-1009). The bill will add genetic screening or testing to the list of unlawful employment practices. Genetic screening and testing is defined as a laboratory test of a person's genes or chromosomes for abnormalities, defects, or deficiencies, including carrier status, that are linked to

physical or mental disorders or impairments, or that indicate a susceptibility to illness, disease, or other disorders, whether physical or mental.

According to the Kansas Human Rights Commission, S.B. 22 will result in expenditures of \$750 from the State General Fund to update printed documents on discriminatory practices which are distributed to the public and to provide training in the area of genetic testing for staff. The Commission indicates that this will be a one-time cost and will be absorbed by the agency.

No action was necessary on this item.

Behavioral Sciences Regulatory Board

A. Review budget pending fee board consolidation legislation. (House Budget Committee). The House Budget Committee suggested review of the Behavioral Sciences Regulatory Board (BSRB) budget if legislation consolidating the health care regulatory boards, S.B. 109 and H.B. 2389, passed. Both bills are still in first committee.

The Committee did not consider this an issue.

B. Proviso omitted from the Conference Committee list. The House Budget Committee added a proviso in FY 2000 and 2001 restricting the BSRB from expending funds for disciplinary action against a former or current SRS "state supervisor." The proviso would read as follows:

"Notwithstanding the provisions of any other statute, subsections (a)(2)(C) and (a)(8) of K.A.R. 102-2-7 or any other rules and regulations to the contrary, on and after the effective date of this act, no expenditures shall be made from the behavioral sciences regulatory board fee fund for fiscal year ending June 30, 2000 and 2001, for any operating expenditures or other expenses for any disciplinary action or other disciplinary activity by the behavioral sciences regulatory board or by an officer or employee of the behavioral sciences regulatory board against any person, who is hereinafter referred to in this subsection as a state supervisor, who is licensed by the behavioral sciences regulatory board as a licensed social worker and who is or was employed by the department of social and rehabilitation services in a position with supervisory responsibility over another person who is licensed by the behavioral sciences regulatory board as a licensed social worker, for any failure by such state supervisor to make any report to the behavioral sciences regulatory board regarding the impaired condition of such licensed social worker, who is or was employed by the department of social and rehabilitation services in a position requiring the employee to be a licensed social worker and who was dismissed, demoted or suspended as a direct result of the impaired condition of such licensed social worker in accordance with K.S.A. 75-2949 through 75-2949f, and amendments thereto, under the Kansas civil service act while under the supervisory responsibility of such state supervisor."

The proviso was not recommended by the Senate. The item should have been included on the list of items for the Conference Committee to resolve in S.B. 325 but was inadvertently omitted.

No action was taken on this item.

H.B. 2033 (Law). H.B. 2033 standardizes the terminology used in the statutes that govern the licensing and practice of professional counselors, marriage and family therapists, and masters level psychologists to describe the type of license that may be issued to an applicant who has fulfilled all the requirements for licensure except passage of the required examination or the completion of required post-graduate training as a temporary license. Currently, the statutes governing persons licensed by the Behavioral Sciences Regulatory Board refer to both temporary licenses and temporary permits.

The fiscal note on H.B. 2033 indicates an expenditure of between \$2,800 to \$3,300 in FY 2000 to amend the rules and regulations affected by the bill. Expenditures will be from the Behavioral Sciences Regulatory Board Fee Fund.

The Committee authorized the amount of \$3 thousand for this item..

H.B. 2213 (Law). H.B. 2213 amends a number of statutes that concern professional counselors, social workers, marriage and family therapists, licensed psychologists, and licensed masters level psychologists, all of who are licensed and regulated by the Behavioral Sciences Regulatory Board.

The fiscal note on H.B. 2213 reports H.B. 2213 will generate more revenue and require more expenditures from the Behavioral Sciences Regulatory Board fee fund. It is estimated \$126,180 will be generated in additional revenue from the new clinical level licenses for the fee fund and \$31,545 for the

State General Fund. The Behavioral Sciences Regulatory Board estimates expenditures of \$27,808 from the fee fund.

The Committee concurred with this item.

Kansas State Historical Society

A. Security/Fire System Replacement (Senate Subcommittee and House Budget Committee, also GBA No. 2, Item 29, pg. 15). Both the Senate Subcommittee and the House Budget Committee recommended reviewing the security/fire system replacement issue at omnibus, pending more accurate information on the cost of replacement. The agency was informed in December, 1998 that the current security/fire system was not Year 2000 compliant. The current system is leased from ADT. The cost of replacing the CentraScan Fire and Security system and switching from the autoterms (a device that transmits the alarm) that ADT no longer produces to new Micro five controllers is estimated at \$148,006. The agency has contacted two other vendors, both of whom can provide 1990's technology with no Y2K concerns and which will allow the guard to pinpoint the exact room of the alarm. The current system only indicates the vicinity of the alarm and the guards must search out the specific alarm that has been tripped. Since the autoterms are made and used only by ADT, they must be replaced or bypassed by the other vendors, increasing the cost of replacing the system. Competitive bidding of the system replacement may reduce the cost estimates listed below. Both vendors have stated that upon award of the bid they can have the new system in place in 120 days.

Vendor 1 - \$170,140 Vendor 2 - \$158,200

The agency has requested a Governor's Budget Amendment of \$148,006 from the State General Fund for replacement of the system. The agency believes it can absorb any additional cost for the replacement of the system.

The Committee supported funding in the amount of \$148,006 (SGF).

B. Technical Adjustment. The EDIF visitor donation match fund was started in FY 1999, matching each dollar donated by a visitor to any of the historic sites with a dollar from the Economic Development Initiatives Fund up to \$100,000. The Governor and the Legislature approved the continuation of this program in FY 2000 utilizing the remainder of the FY 1999 appropriation, totaling \$80,000. However, the following language is necessary for the transfer of funds to occur:

"On September 15, 1999, December 15, 1999, March 15, 2000, and June 15, 2000, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer amounts specified by the executive director of the state historical society from the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing to the economic development initiatives fund of the state historical society."

The Committee concurred with this item and the addition of a proviso.

Board of Pharmacy

A. GBA No. 2, Item 3, pg. 3—Executive Secretary Salary Increase

The Committee did not concur with this item.

Adjutant General

A. STARBASE (House Budget Committee). The House Budget Committee recommended funding of \$75,000 from the State General Fund (subject to local matching funds) be considered if nonstate funding for a STARBASE site in Kansas City, Kansas. STARBASE is a math and science program taught by military personnel to 4th through 6th grade students at selected locations in Kansas.

No action was taken on this item.

B. Emergency Supplemental Funding (Senate Subcommittee). The Senate Subcommittee noted the revised estimates received from the agency concerning the amount of funding needed to finance state matching costs associated with the weather related disasters in Northeast, and South central Kansas, and the DeBruce Grain Elevator explosion. The Subcommittee recommended that consideration be given to using any excess moneys in the emergency supplemental bill S.B. 39 (\$2,151,901 as of March 12) to finance armory roofing projects. S.B. 39 is currently in Conference Committee.

The Committee supported funding of \$1.151 million.

C. Educational Assistance (Senate Committee). The Senate Committee noted its concerns as to the administration of the Educational Assistance program for Kansas National Guard members. The program provides state payment of tuition and fees for eligible members of the Kansas Army and Air National Guard at Kansas educational institutions. For Kansas National Guard members to be eligible for the program the member must be: a Kansas resident who is newly-enlisted or is re-enlisting; has been a member of the Kansas National Guard for not more than 15 years; has had no prior military service; has completed basic training; and is enrolled at a Kansas educational institution. The agency's goal is to pay 100 percent tuition for those who qualify. However, the agency has only been able to pay approximately 49 percent of the fall semesters fees due to processing time between the receipt of all applications and final review. The Senate Committee requested the agency present an update of the program during Omnibus. As of April 21, 1999, the Legislative Research Department has not received the requested information.

No action was taken on this item and the agency was told to correct their problem.

D. GBA No. 2, Item 43, pg. 20—Emergency Funding.

The Committee concurred with the amount of \$651 thousand plus an additional \$500 thousand for a total of \$1,151 million. (See B above.)

E. GBA No. 2, Item 44, pg. 20—Active Duty Reimbursement.

The Committee concurred with this item.

Kansas Bureau of Investigation

A copy of testimony presented by Terry Knowles, Deputy Director of the KBI, in support of HB 2418, (Attachment 27) and an executive summary of the Legislative Division of Post Audit, (Attachment 28), was distributed to the Committee.

KBI Deputy Director Knowles spoke to the Committee in regard to additional funding to enable the agency to fill the 9 vacancies.

Bobbi Mariani of the Department of Administration, spoke of the need for salary increases for forensic scientists. She said that the current range was: step 1, \$23,000; step 2, \$27,000 and step 3, \$28,000 and step 4, \$30,000.

It was suggested that Ms. Mariani and Director Knowles meet together and decide just where the range should be in salary for a forensic scientist and what additional funding should be put in for this change.

On Tuesday, April 27, Bobbi Mariani reappeared before the Committee with her findings of the amount that would be required to cover the grade change for additional forensic scientists. She said it would take \$68 thousand for FY 2000 to accomplish this.

It was moved by Senator Salisbury and seconded by Senator Feleciano that the Committee support the funding of \$68 thousand contingent on the completion of grade changes for FY 2000. The motion carried on a voice vote.

It was moved by Senator Gilstrap and seconded by Senator Downey that the proposed KBI laboratory be located in Kansas City, Kansas.

A substitute motion was made by Senator Salisbury and seconded by Senator Salmans that \$254 thousand be appropriated for remodeling facilities at Great Bend, \$200 thousand for four forensic scientists, \$80 thousand for OOE and \$50 thousand to match federal grant money for equipment. The substitute motion carried by a show of hands with the Chair voting aye to break the tie.

A. Technical Correction. A posting error in S.B. 325 resulted in the wrong FTE limitation being placed with the bill for FY 2000. The recommended FTE position limitation is 198.0, the amount posted was high by 0.5 FTE positions.

The Committee concurred with this item.

B. Capital Improvement at Great Bend (House Committee). The House Committee recommenced pursuit of federal crime prevention funds (\$253,590) to finance the renovation of the second floor of the Great Bend laboratory for the purpose of additional space for office, storage, and laboratory

use. The Committee asked the agency to return during Omnibus with any updated information on the availability of federal funding. However, the latest information from the agency indicates that there are no available federal funds to finance the renovation of the Great Bend laboratory.

The Committee agreed to hold this item for more information.

It was moved by Senator Gilstrap and seconded by Senator Downey that \$445 thousand be appropriated for a crime lab to be established in Wyandotte County.

Senator Gilstrap read from a letter in regard to a KBI crime lab in Wyandotte County, KS. (Attachment 29).

A sub-motion was made by Senator Salisbury and seconded by Senator Lawrence that this item be tabled at this time until the Committee acquires more information. The motion passed on a voice vote.

C. Assessment of Space Needs (Senate Committee). The Senate Subcommittee recommended the agency conduct an assessment of its space needs and present that information during Omnibus. However, the assessment is not complete, since the agency is still in the process of developing an assessment of their space needs.

No action was necessary on this item.

D. Technical Adjustment. A posting error in S.B. 325 resulted in the wrong adjustment for the Kansas Bureau of Investigation operating expenditures for FY 2000. Capital improvement expenditures of \$185,000 were included within that figure. Therefore, the operating expenditures amount needs to be decreased by \$185,000.

The Committee concurred with this item.

E. GBA No. 2, Item 46, pg. 21—Private Detective Fee Fund.

The Committee concurred with this item.

F. GBA No. 2, Item 47, pg. 21—Automated Fingerprint Identification System.

The Committee concurred with this item.

Sentencing Commission

A. GBA No. 2, Item 48, pg. 21—Criminal Justice Information System.

The Committee concurred with this item.

State Fire Marshal

A. Fee Fund (Senate Subcommittee). The Senate Committee recommended an evaluation of the Fire Marshal Fee Fund during Omnibus to consider the transfer of a portion of the FY 2000 ending balance (\$653,785) of the Fire Marshal Fee Fund to the State General Fund. In recent years, the Fire Marshal Fee Fund has had a large ending balance. As a percentage of expenditures, FY 1996 ending balance was \$1,291,908 or 67.0 percent of expenditures and \$1,511,354 or 42.0 percent in FY 1997. Further in 1998, \$716,852 was transferred out of the Fire Marshal Fee Fund into the State General Fund, which reduced the ending balance to 37.0 percent of reported expenditures.

No action was taken on this item.

B. Technical Adjustment. A posting error in S.B. 325 resulted in the wrong adjustment for the recommended Fire Marshal Fee Fund expenditure limitation. The amount should have totaled \$2,611,094. An increase of \$12,161 is necessary to correctly reflect the Legislature's approved level of funding.

The Committee concurred with this item.

C. H.B. 2012 (Law) H.B. 2012 amends current law to include hazardous material response as an official duty of the State Fire Marshal. This bill requires the State Fire Marshal to develop and implement a statewide system of hazardous material assessment and response. Also, the bill states that the agency may provide a toll-free telephone number where the agency can be contracted to respond to a hazardous materials incident. The State Fire Marshal estimated that \$24,995 would be needed for one month's operation for the new program in FY 1999. The cost to fund the program for a full year of operation in FY 2000 is estimated at \$456,113 and 3.0 FTE positions. Funding of \$24,995 in FY 1999 and \$456,113 in FY 2000 is already included in the agency's approved budget in S.B. 325. However, the Legislature did not provide specific funding for a toll-free telephone number for reporting of a hazardous materials incident. The agency estimates costs at \$5,000 (10 cents per minute with a monthly access charge of \$20) to provide a toll-free telephone number (a similar line in the State Library costs approximately the same). Therefore, an additional \$417 would be required in FY 1999 for one month's operation and \$5,000 for FY 2000.

The Committee supported funding in the amount of \$1,000.

Highway Patrol

A. Vehicle Program (House Budget Committee). The House Budget Committee recommended the agency make a presentation regarding the development of procedures to alleviate the possibility of misconduct from occurring in the sale of vehicles to individuals both inside and outside the agency. As of April 21, 1999, the Legislative Research Department has not received this information.

No action was required on this item.

B. Thunder Road Program (Senate Subcommittee). The Senate Subcommittee requested that the agency present information on the concept of a test program of interdiction along U.S. Highway 56 and 54 due to the heavy transportation of illegal drugs and weapons along those routes. According to the Patrol, including support and equipment, costs associated with the initiation of this program would be \$251,080 from the State General Fund and 4.0 FTE troopers (\$62,770 per trooper including salaries and wages, vehicle, and other equipment).

No action was taken on this item.

C. Per Diem Program (Senate Subcommittee). The Senate Subcommittee noted the Highway Patrol's idea of a Per Diem Program. A trooper would be given a stipend (\$10.75 per day plus fringe benefits) to allow them to eat out instead of at home. Officers would opt into the program by signing a contract (for three months) for the agency to fund their meals. This would allow officers to receive a stipend for their meals and at the same time broaden the patrol area they currently serve. The Subcommittee asked the agency to present additional information during Omnibus. As of April 21, 1999, the Legislative Research Department has not received any additional information.

No action was taken on this item.

D. Weigh In Motion Technology (Senate Subcommittee). The Senate Subcommittee recommended a presentation of "Weigh in Motion" technology during Omnibus. This technology allows semi tractors to be weighed as they are traveling on the road itself. The information would be automatically transferred to a computer at the upcoming weight station to be analyzed. Violating vehicles could then be stopped. The test station would be at Wabaunsee. The costs of the program are estimated to be \$160,000 from the State Highway Fund.

No action was taken on this item.

E. GBA No. 2, Item 45, pg. 20—Transfer Excess Funds to State General Fund.

The Committee concurred with this item.

Department of Corrections

A. Transitional Center/Work Release Program. (House Budget Committee Recommendation) The House Budget Committee recommended a review of the establishment of a transitional center/work release program at Topeka Correctional Facility. The Governor's recommendation was for 15.0 FTE and \$436,000 for the establishment of an 80-bed work release program on the grounds of the former Topeka State Hospital. The House Committee recommended a review of alternatives in advance of the Omnibus Session. Subsequently, the conference committee on Senate Bill 325 removed all funding for the transitional center/work release program.

No action was necessary on this item.

B. Substitute for H.B. 2469. Concerning drugs, methamphetamine, chemical control act, and crimes and penalties. (Conference Committee). The bill establishes the manufacture of methamphetamines as an aggravating factor permitting upward departure in sentencing; establishing certain reporting requirements for chemical distributors and retailers; creates a new crime related to ephedra as a dietary supplement or stimulant. The bill also establishes the Kansas Chemical Control Act; regarding the sale of forfeited property with profits going to the Chemical Control Fund; requires the Kansas Department of Health and Environment (KDHE) to adopt rules and regulations regarding the Kansas Chemical Control Act, to levy fines, and to contract for clean up of chemicals. The anticipated fiscal impact on KDHE for cleanup is \$1,273,583 (all funds) in FY 2000 for operating costs, including 3.0 FTE, and contracted cleanup costs. The creation of new drug grid crimes and doubling of some underlying sentences related to methamphetamine production will add between 2 and 20 new inmates per year. The Department of Corrections would be impacted by increased operating costs between \$2.6 and \$3.6 million per year. Additionally, prison capacity expansion costs are estimated at \$5.3 to \$18.1 million over the next several fiscal years.

No action was taken on this item.

C. GBA No. 2, Item 30, pg. 15—Federal Grant Awards.

The Committee concurred with this item.

D. GBA No. 2, Item 31, pg. 15—Off Budget Positions Omitted.

The Committee concurred with this item.

E. GBA No. 2, Item 32, pg. 16—Shrinkage Rate.

The Committee concurred with this item.

F. GBA No. 2, Item 33, pg. 16—Drug Testing Guidelines.

The Committee concurred with this item.

G. GBA No. 2, Item 34, pg. 16—Raze Building.

The Committee concurred with this item.

H. GBA No. 2, Item 35, pg. 16—Legal Assistant.

The Committee concurred with this item.

I. GBA No. 2, Item 36, pg. 17—Capacity Expansion Project.

The Committee concurred with this item.

J. GBA No. 2, Item 37, pg. 17—Consolidated Debt Service Reduction

The Committee concurred with this item.

Topeka Correctional Facility

A. GBA No. 2, Item 38, pg. 18—Transition Center.

The Committee concurred with this item.

B. GBA No. 2, Item 39, pg. 18—Additional Housing for Female Inmates.

The Committee concurred with this item.

Ombudsman of Corrections

A. Operating Expenditure Review. (Senate Subcommittee Recommendation) A recommendation due to information technology needs, the transition of new management for the agency, and unsuccessful efforts to fill the open associate ombudsman position. These items should be reviewed for possible omnibus adjustments. The agency intends to expend savings gained from the open position, approximately \$28,480 SGF, for information technology equipment. Included in the agency's enhanced request was \$16,600 for four microcomputers, \$1,000 for network connections, and \$11,100 for ongoing operating expenditures related to routers, modems, repair, and servicing. The agency also reports increased DISC T-1 circuit costs (of indeterminate amount) when the Attorney General's office leaves Jayhawk Tower.

No action was required on this item.

Department of Wildlife and Parks

A. GBA No. 2, Item 52, pg. 23—Partnership with Natural Resources Conservation Service.

The Committee concurred with this item.

B. GBA No. 2, Item 53, pg. 23—Lesser Prairie Chicken Habitat Study.

The Committee supported the funding of this item in the amount of \$125 thousand.

C. GBA No. 2, Item 54, pg. 24—Grant-in-Aid for Recreational Trails.

The Committee concurred with this item.

Emergency Medical Services Board

A. Funding for Operations in FY 1999 (House Budget Committee and Senate Subcommittee). Both the House Budget Committee and Senate Subcommittee requested a Governor's Budget Amendment for the agency's FY 1999 supplemental request of \$10,100 to provide funding for operations and travel, including \$3,300 for travel and mileage, \$2,000 for telephone costs, \$1,000 for central duplicating costs and \$1,200 for advertising costs incurred from hiring a new administrator, and \$2,600 for *Kansas Register* publication of regulations pertaining to 1998 S.B. 535, which updated EMS training practices to reflect changes in federal training criteria. Travel and mileage increases are due to increased investigations and the necessity of holding three public meetings pursuant to S.B. 535.

The Committee concurred with this item.

B. GBA No. 2, Item 53, pg. 22—Emergency Medical Services for Children.

The Committee concurred with this item.

Board of Healing Arts

A. H.B. 2215 (Governor). This bill, as amended by the Senate Committee on Public Health and Welfare, changes the credentialing status for respiratory therapists from registration to licensure. On and after March 1, 2000, the bill makes it unlawful for any persons who are not licensed to hold themselves out to the public as a licensed respiratory therapist, to use specified initials following a name, or to practice respiratory therapy as defined in the bill. Any violation of the prohibition is a class B misdemeanor. The bill expands the statutory listing of persons who are not to be considered as engaged in the unlawful practice of respiratory therapy. The bill also changes the name of the Respiratory Therapist Council to Respiratory Care Council and provides for the addition of two public members and increase its membership from 5 to 7. The role of the Council remains advisory under the provisions of H.B. 2215. This bill would have no fiscal impact in FY 2000, but would result in additional expenditures to the Healing Arts Fee Fund in FY 2001 amounting to \$3,760 for a temporary clerical position for two months to process

registration renewals and for costs associated with printing license certificates. The bill would also result in additional receipts of \$11,500 in FY 2001, when an anticipated 1,150 registered therapists would pay an initial registration fee of \$40 instead of the \$30 renewal fee.

The Committee concurred with this item.

B. S.B. 205 (Conference Committee). This bill, as amended by the House Judiciary Committee, allows the Board to grant a license, renewal, or reinstatement to any person convicted of a felony if the board determines by a two-thirds vote, based upon clear and convincing evidence, that such person will not pose a threat to the public and that the person has been sufficiently rehabilitated. The Board estimates that this bill as introduced would increase the number of administrative hearings as a result of license denial and cause ten additional hearings at a cost of \$20,000 for FY 2000. The amount would be needed to pay for court reporters, hearing officers, and 50 hours of staff time needed to hold the hearings. The Board notes that the cost is contingent on the number and the length of the hearings.

The Committee concurred with this item.

C. GBA No. 2, Item 1, pg. 3—Outside Counsel Expenses and New Disciplinary Counsel Position.

The Committee did not concur with this item.

State Library

A. Grants-in-Aid to Local Libraries (House Budget Committee and Senate Subcommittee). Both the House Budget Committee and Senate Subcommittee recommended reviewing at Omnibus the issue of funding for grants-in-aid to local libraries to identify appropriate funding needs, and both noted the agency's view that funding to local library units is inadequate. The Senate Subcommittee recommended phasing in over four years, instead of one, the agency's requested enhancement of \$1,779,720 (SGF), which includes \$1,434,257 (SGF) for state grants-in-aid (GIA) to local libraries and \$345,463 (SGF) for Interlibrary Loan Development grants (ILDLP). The agency states that adequate funding levels for state grant support to local public libraries should equal 10.0 percent of total annual public library and system local revenue, which was \$48,891,713 in FY 1997. Currently, as funded, the total amount for GIA and ILDP grants equals 6.3 percent. The national average of state aid to local libraries is 12.0 percent.

Of the total aid to local units the agency requested for FY 2000 of \$5,243,864 (which includes the above enhancement amount), \$3,875,788 is for GIA funding, \$959,372 is for ILDP grants, and \$375,168 is for contracts with the subregional libraries of the Kansas talking book services. The Legislature in 1999 S.B. 325 for FY 2000 appropriated \$3,410,608 for aid to local units, which includes \$2,421,531 for GIA funding, \$613,909 for ILDP grants, and \$375,168 for contracts with the subregional libraries of the Kansas talking book services. As a note, while total (all funds) aid to local units over a ten-year period, from FY 1991 to FY 2000, has increased by \$1,613,225, or 53.8 percent, State General Fund expenditures over the same period have increased by \$1,508,872, or 79.3 percent. Grants-in-aid total funding (which includes interlibrary loan development grants and federal funding) over the same period has increased by \$941,867, or 44.9 percent.

It was moved by Senator Salisbury and seconded by Senator Lawrence that the Committee support the funding of \$400 thousand (SGF) for this item. (22%). The motion carried by a voice vote.

Juvenile Justice Authority

The Conference Committee on S.B. 325 deleted all funding for the Juvenile Justice Authority, including the juvenile correctional facilities in FY 2000. The supplemental funding for FY 1999 was also deleted by the Conference Committee on S.B. 325. Funding for the Juvenile Justice Authority and institutions was deferred for further review during Omnibus.

Albert Murray, Commissioner of the Juvenile Justice Authority offered testimony. (Attach. 13).

A copy of the SGF profile was distributed. (Attachment 14).

Budget Director, Duane Goossen spoke in regard to the Budget for the Juvenile Justice Authority. Attachment 15).

Senator Lana Oleen and Representative Shari Weber offered additional information regarding JJA. (Attachments 16 and 17).

On Thursday, April 22, the Committee decided to take more time for study of these items. On Tuesday, April 27, additional information, requested by the Committee, was distributed by Legislative Research. (Attachments 30 and 31).

A. FY 1999 Operating Budget (Conference Committee). The Governor recommends \$43,090,534 for operating expenditures in FY 1999, which includes \$5,945,504 for state operations, and \$37,145,030 for aid to local units (same as the agency's request), and is a decrease of \$4,190,426 from the amount approved by the 1998 Legislature and an increase of \$748,313 above the agency request. The decrease is primarily due to a lower estimate for Title IV-E funding, which is a product of the Social Security Act and is for foster care placements for juveniles that meet certain welfare requirements. The \$748,313 is for an expenditure limitation increase for operating costs and 4.0 FTE positions to add 57 beds on an "as needed" basis at the Topeka Juvenile Correctional Facility. The Governor intends that the funding be used over FY 1999 and FY 2000. The Senate had concurred with the Governor's recommendation. The House had concurred with the Governor's recommendation, but also added \$5,973 for 1.0 FTE Architect I position to plan and design juvenile facilities.

The Committee concurred with this item.

B. FY 2000 Operating Budget (Conference Committee). The Governor recommends operating expenditures of \$45,207,316, an increase of \$2,116,782 or 4.9 percent from the Governor's FY 1999 recommendation. The Governor's recommendation includes \$4,584,305 for operations, and \$40,623,011 for aid to local units, which includes \$14,377,237 (SGF) for purchase of services, \$4,000,000 tobacco money for prevention programs to communities, \$5,500,000 for case management operations, \$5,000,000 for intake and assessment, \$5,047,000 for community corrections, and \$1,737,416 for new programs. In light of the agency's receipt and analysis of plans submitted by 29 community planning teams and presented to the Legislature after February 15, 1999, the agency requests additional funding totaling \$13,348,888 or 37.4 percent above the Governor's recommendation for aid to local units. The agency had originally requested \$34,431,811 for aid to local units. The agency's revised request for aid to local units is \$54,141,899.

The Senate in S.B. 325 had concurred with Governor's recommendation, with the following adjustments:

- Add \$1,361,980 (SGF) for purchase of service funding for out-of-home placement bed expansion and daily rate increases for juveniles in detention facilities, emergency shelters, and out-of-home placements. The JJA has reported that the most recent SRS audited rates for the detention and out-of-home placements services is on average 2.87 years old, and some of the rates are reported to be 10 years old. Under its current rate structure, the JJA is at a disadvantage to move juvenile offenders into other placements because their rates are lower than SRS foster care rates for similar placements. The contractual capacity expansion funding is intended to provide out-of-home placement beds for an estimated 72 more juveniles in FY 2000. Without the capacity expansion, these juveniles would wait in detention facilities an average of 15.2 days until out-of-home placement beds become available. The Senate recommends using inflationary rates to gauge the increase until more accurate data can be obtained from SRS, the JJA, and providers. The rate increases could then be re-examined during Omnibus. Using a standard 3.5 percent inflation rate over three years, the following table represents the new rate increases the Subcommittee recommends, which includes the addition of the 72 out-of-home placement beds:

Type of Service	SGF Current Rate per Day (Since 1996)	Rate Assuming 3.5% Inflation Over 3 Years	Amount of SGF Increase	Estimated Number of Juveniles FY 00	SGF Increase X No. of Juveniles	Total Annual SGF Cost
Detention	\$74.70	\$82.54	\$7.84	116	\$910	\$332,094
Emergency Shelter	\$72.32	\$79.91	\$7.59	62	\$471	\$171,843
Level 4	\$55.93	\$61.80	\$5.87	42	\$247	\$90,028
Level 5	\$36.16	\$39.96	\$3.80	375	\$1,424	\$519,687
Level 6	\$98.18	\$108.48	\$10.31	66	\$680	\$248,329
				661	\$3,731	\$1,361,980

- Add \$1,381,292 (SGF) for new intervention and graduated sanctions programs in communities beginning January 1, 2000. The funding is expected to be distributed to

each administrative county in grant amounts based on a juvenile offender funding formula.

- Add \$2,000,000 (SGF) for purchase of services funding for 336 more juveniles the JJA anticipates to serve in FY 2000. The JJA has observed since July 1, 1999, an average 1.15 percent increase per month in juvenile caseload numbers—from 2,432 juveniles in FY 1999 to an estimated 2,768 juveniles in FY 2000. This is an annualized increase of 13.80 percent. The funding is expected to cover extra caseload costs.

The House in S.B. 325 had concurred with Governor's recommendation, with the following adjustments:

- Add \$2,900,000 of tobacco money for grants of \$100,000 to each administrative district or county to establish and operate a juvenile corrections advisory board in each administrative district to implement the recommendations of each district's community planning team. The House notes that each administrative district that develops a budget for administration which is less than the grant amount may expend the remainder of grant amount for prevention program specified in such administrative district's community planning process.
- Add \$1,000,000 of tobacco money for Kansas Endowment for Youth Trust Fund grants to support current statewide initiatives and provide support for new creative and pilot innovative prevention programs. The Kansas Advisory Group—established by the Governor and directed by statute to advocate for, and promote the best interests of, juveniles in Kansas—would be expected to report the outcomes of the pilot programs to other communities.
- Delete \$1,000,000 from the Governor's recommendation of tobacco money for prevention programs grants to communities.
- Add \$2,262,584 of tobacco money for new intervention and graduated sanctions programs in the form of grants to communities, effective January 1, 2000, for a total of \$4,000,000 appropriated for new programs.
- Add \$35,833 (SGF) for the continuation of a 1.0 FTE Architect I position recommended in FY 1999 for full-time juvenile facility design and planning.
- Add \$170,000 of tobacco money for management information system projects in communities, to provide hardware and assistance to local community information system infrastructure, so that the correlation and sharing of information on juveniles can be made more effective between the agency and the community planning teams.

It was moved by Senator Salisbury and seconded by Senator Jordan to concur with the Governor's proposal with the exception that only \$3 million be from the tobacco money with \$1 million being from the State General Fund for prevention programs to communities. The motion carried on a voice vote.

This is the same as Item G.

C. Juvenile Correctional Facility Operating Budgets (Conference Committee). **The Governor recommends** facility operating expenditures totaling \$25,666,852 in FY 1999 and \$26,481,883 in FY 2000. Both **the House** and **the Senate** concurred with the Governor in S.B. 325, prior to the deletion of all funding for the Juvenile Justice Authority. Individual operating budgets for the four juvenile correctional facilities are outlined below.

1. **Atchison Juvenile Correctional Facility.** The Governor recommends \$5,778,071 for operating expenditures in FY 1999, which is \$15,750 more than the amount approved by the 1998 Legislature. The increase is due to higher medical and dental costs for juveniles, as well as a larger than expected (4 percent, instead of 2 percent) raise in contracted teacher salaries. **The Governor recommends** \$6,008,305 for operating expenditures in FY 2000, which is \$230,234 (4.0 percent) over the FY 1999 estimate and \$25,019 above the agency's request. Most of the increase is due to the Governor adding \$33,802 for a 1.0 percent base salary adjustment for employees.

2. **Beloit Juvenile Correctional Facility.** The Governor recommends \$4,932,098 for operating expenditures in FY 1999, which is \$19,335 more than the amount approved by the 1998 Legislature. Part of the increase is due to a transfer of \$10,000 from the JJA for staff training related to the management information system. **The Governor recommends \$5,029,231** for operating expenditures in FY 2000, which is \$97,133 (2.0 percent) over the FY 1999 estimate and \$24,003 above the agency's request, which is primarily due to the Governor adding \$26,896 for a 1.0 percent base salary adjustment for employees.

3. **Larned Juvenile Correctional Facility.** The Governor recommends \$4,142,198 for operating expenditures in FY 1999, which is \$68,765 more than the amount approved by the 1998 Legislature. The increase is mainly due to a transfer of \$56,988 from the JJA for staff training, 1.0 FTE, and equipment related to the management information system. **The Governor recommends \$4,257,757** for operating expenditures in FY 2000, which is \$115,559 (2.8 percent) over the FY 1999 estimate and \$11,678 below the agency's request, which decrease is due to the Governor adjusting the agency's shrinkage rate.

4. **Topeka Juvenile Correctional Facility.** The Governor recommends \$10,752,802 for operating expenditures in FY 1999, which is \$2,208 more than the amount approved by the 1998 Legislature. **The Governor recommends \$11,186,590** for operating expenditures in FY 2000, which is \$152,348 below the agency's request. The decrease is due to \$5,573 in salaries and wages to correct an agency error, \$85,775 for capital outlay to bring it in line with the agency's request, and \$51,000 in dietary expenditures.

The Committee concurred with the Governor on this item.

Information regarding Correctional Facility Planning and Construction was distributed to the Committee. (Attachment 32).

D. Capital Improvements (Conference Committee). All of the regular rehabilitation and repair requests for each of the four facilities are included in the JJA's capital improvement budget request for both FY 1999 and FY 2000.

1. **FY 1999.** The agency's current year estimate of \$1,147,075 for rehabilitation and repair projects reflects the approved budget. **The Governor concurs. The Senate** had concurred with the Governor in S.B. 325. **The House** also had concurred with the Governor's recommendation, but also added \$1,000,000 (SIBF) for preliminary facility and design of juvenile facilities.

2. **FY 2000.** The agency's request totals \$4,319,976 for rehabilitation and repair projects, and also includes a request of \$2,185,297 (comprised of \$218,530 SGF and \$1,966,767 of Federal Violent Offender Incarceration/Truth-in-Sentencing funds) for the architectural design funding of the proposed maximum security facility, and a request of \$1,544,625 (SGF) for the design of the proposed Larned replacement facility. **The Governor** recommends \$1,307,123 for rehabilitation and repair projects and \$2,185,297 (SIBF) for the architectural design funding of the proposed single maximum security facility. The Governor also recommends \$6.0 million SIBF transfer without an expenditure for future maximum security facility construction. **The Senate** had concurred with the Governor in S.B. 325. **The House** had concurred with the Governor's recommendation of \$1,307,123 for rehabilitation and repair projects, but deleted the \$6.0 million transfer only for building costs associated with the maximum facility, deleted the \$2,185,297 for architectural design of the proposed maximum facility, and added \$4,000,000 (SIBF) for preliminary design of age and gender specific maximum custody expansion at the existing juvenile facilities.

It was moved by Senator Feliciano and seconded by Senator Salisbury to agree with the Governor's position and the position of the original sub-committee in regard to facility construction and building costs. The motion carried by a show of hands.

E. Beloit Juvenile Correctional Facility's Grandview Cottage (House Budget Committee and Senate Subcommittee). Both the Senate and the House requested a Governor's Budget Amendment to reopen the Grandview Cottage at the Beloit Juvenile Correctional Facility and provide operational funding for more beds for female juvenile offenders. The JJA requests \$99,218 from the State General Fund in FY 1999 and \$450,002 in FY 2000 for 12.0 FTE, \$22,099 in one-time costs and operating expenditures for the 16-bed cottage. Capital improvement costs for rehabilitation and repair would total \$287,850, but will be financed from the agency's existing SIBF appropriation (repair and rehabilitation) for FY 1999.

The Committee concurred with this item. It is the same as Item I.

F. Purchase-of-Services Funding (House Budget Committee and Senate Subcommittee). The House and the Senate requested a Governor's Budget Amendment for purchase-of-services funding and recommended reviewing the agency's request for increased community purchase-of-services costs, rate increases, and the increase in the number of juveniles being served by purchase-of-services funding. For

FY 2000, the Governor recommended \$14,377,237 for purchase-of-services funding (the same level as FY 1999), which includes \$1,275,391 for daily costs incurred with in-home placement juveniles, \$1,203,094 for day reporting costs, \$3,240,161 for daily costs of juveniles in detention facilities, \$7,928,929 for daily costs of juveniles in out-of-home placements (emergency shelters and levels IV, V, and VI), \$525,000 for costs associated with transporting juveniles, and \$204,662 for other costs like commodities and miscellaneous goods and services for juveniles in custody.

The JJA issued a revised budget request, after receipt and review of community planning team requests for purchase-of-services funding totaling \$23,226,125, an increase of \$8,848,888 (61.6 percent) over its original request, which includes \$1,755,391 for daily costs incurred with in-home placement juveniles, \$1,243,094 for day reporting costs, \$6,240,161 for daily costs of juveniles in detention facilities, \$13,092,817 for daily costs of juveniles in out-of-home placements (emergency shelters and levels IV, V, and VI), \$610,000 for costs associated with transporting juveniles, and \$284,662 for other costs such as commodities and miscellaneous goods and services for juveniles in custody.

The JJA presented their revised funding proposal for purchase-of-services in three parts, rather than the six parts listed above. The JJA requested an increase of \$8,848,888, which included \$2,000,000 for caseload increases, \$2,300,000 for placement capacity expansion, and \$4,548,888 for rate increases. The House in S.B. 325 did not adjust the Governor's original recommendation of \$14,377,237 and the Senate added \$3,361,980 for caseload increases, placement capacity expansion, and rate increases.

The Committee concurred with this item. It is the same as Item H.

G. GBA No. 2, Item 40, pg. 18—Implementation of Community Plans.

(See Item B.)

H. GBA No. 2, Item 41, pg. 19—Funding for Purchase-of-Services.

(See Item C, Number 2.)

I. GBA No. 2, Item 42, pg. 19—Reopen Grandview Cottage at Beloit Juvenile Correctional Facility.

(See Item C, Number 2.)

On Tuesday, April 27, four bills were presented to the Committee for reconciliation of other bills that have been passed.

It was moved by Senator Petty and seconded by Senator Salisbury to introduce rs 1314, 1315, 1326 and 1332 to the Committee as a whole. The motion carried on a voice vote.

Senator Salisbury told the Committee that the State has been receiving \$12.5 million in federal

money for community service projects. In the past, Western Resources has provided a majority of the State's match for this because the Commission that is appointed by the Governor to appropriate these funds had asked this of them. This took care of most of the overhead. However, corporate changes in Western Resources have caused this funding to no longer be available. In order to continue to receive this money, the State needs to come up with \$88 thousand as a match for administration. The office will close by September of 1999 if these funds are not provided.

It was moved by Senator Salisbury and seconded by Senator Ranson to support funding of \$88 thousand for administrative plans. The motion carried on a voice vote.

A copy of the Revisor's reconciliation of technical bills was distributed. **(Attachment 35).**

Alan Conroy, Chief Fiscal Analyst, spoke to the Committee in regard to **SB 325**, the appropriation bill, and the requirement that the Appropriations Committee and the Ways and Means Committee, at Omnibus, would have a revue of all the tobacco money that was contained in **SB 325** and any additional spending. **(Attachment 36).**

It was moved by Senator Ranson and seconded by Senator Petty that **SB 235** be increased to allow for this additional spending. The motion carried on a voice vote.

Minutes for the meeting appear to end here.

April 21, 1999

No explanation why this was included as part of the minutes. Appears to be same document as Attachment #6 but does differ slightly.

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

and

The Honorable Phill Kline, Chairperson
House Committee on Appropriations
Room 514-S, Statehouse



Dear Senator Kerr:

I amend my budget to decrease State General Fund expenditures by \$1,876,763 for FY 1999 and by \$29,582,304 for FY 2000. These adjustments will result in an increase of \$31,459,067 in the balance of the State General Fund by the end of FY 2000. My amended budget would also change the number of positions in state government. For FY 1999, there will be a net increase of 2.0, a reduction of 1.0 FTE position but an increase of 3.0 unclassified temporary positions. For FY 2000, 106.8 FTE positions will be added and unclassified temporaries will increase by 11.0, for a net increase of 117.8.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (1,876,763)	\$ (29,582,304)
All Funds	\$ 21,463,123	\$ (166,914,156)
FTE Positions	(1.0)	106.8
Unclassified Temporary	<u>3.0</u>	<u>11.0</u>
Total Positions	2.0	117.8

With this memorandum, I submit the attached amendments to my budget recommendations.

Sincerely,

BILL GRAVES
Governor

Board of Healing Arts

1. Outside Counsel Expenses and New Disciplinary Counsel Position

I amend my budget in FY 1999 by \$158,000 to pay higher than anticipated contract counsel costs for disciplinary proceedings of the Healing Arts Board. I amend my budget in FY 2000 to include \$99,878 to finance an additional Disciplinary Counsel position and additional contract counsel costs. A total of \$49,878 is needed to finance the cost of the additional position and associated equipment while \$50,000 is needed for contract counsel costs. This will allow disciplinary proceedings to be completed in a more timely manner. Finally, in FY 2001 I amend my budget to include \$44,428 to continue the financing of the new Disciplinary Counsel position.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>158,000</u>	<u>99,878</u>
All Funds	\$ 158,000	\$ 99,878

The Committee did not concur on this item.

Board of Barbering

2. Operations

I amend my 1999 budget to finance \$4,940 in operating expenditures for the Board of Barbering from the Barber Fee Fund for FY 1999. This amount will compensate staff and board members for travel and subsistence expenses to attend two special meetings. One meeting was held to familiarize board and staff members with legislative and regulatory issues that affect the agency and the other was an official hearing to determine whether several individuals licensed as barbers in another country meet the requirements to be licensed in Kansas.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>4,940</u>	<u>--</u>
All Funds	\$ 4,940	\$ --

Board of Pharmacy

3. Executive Secretary Salary Increase

I amend my budget to include an 8.5 percent salary increase for the Executive Secretary of the Board of Pharmacy. After a reorganization of the Board's staff, the Executive Secretary has increased the scope of his responsibilities and taken on additional daily duties. In FY 2000, salary expenditures for the agency will increase by \$5,519 and in FY 2001 by \$3,363. All of the agency's expenditures are financed from the Board of Pharmacy Fee Fund.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>5,519</u>
All Funds	\$ --	\$ 5,519

Consumer Credit Commissioner

4. Increase Grant to HCCI

I amend my budget to increase the grant to Household and Credit Counseling, Inc. by \$12,500, for a total of \$25,000. The grant increase is funded from the agency's fee fund. Currently, the grant provides HCCI with reimbursement for its service to low income individuals but HCCI experiences a loss from providing the service. Increasing the grant would reduce the loss.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>12,500</u>
All Funds	\$ --	\$ 12,500

Securities Commissioner

5. Investor Education Program Expansion

I amend my budget to include 1.8 new FTE positions for the Securities Commissioner to expand the Investor Education Program. The Investor Education Program, which educates citizens on investment decision-making, will be expanded to include senior citizens. The positions include a Director of Investor Education and a part-time secretarial position. The Director will assume day-to-day control of investor education activities, which are currently divided among regular staff members. The cost of this proposal will be \$65,809 for FY 2000, all from the agency's fee fund.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>65,809</u>
All Funds	\$ --	\$ 65,809

Department of Administration

6. Architectural Services Operating Expenditures

I amend my budget to add expenditure authority of \$24,260 for FY 1999 and \$242,248 for FY 2000 from the Architectural Services Recovery Fund for three items. The recommendation includes \$89,248 to fill 2.0 regular FTE positions, an Architectural Project Designer and an Engineering Project Designer, that have been held vacant for some time because of the level of approved shrinkage. The work that would be done by in-house staff is currently being accomplished through outside consultant contracts in agency budgets at a higher cost. In addition, \$84,825 is recommended for an upgrade of the Division's computer-aided design software. The industry standard is developing toward AutoCAD, whereas Architectural Services is using the older Cadvance. Finally, the recommendation includes \$24,260 in FY 1999 and \$68,175 in FY 2000 to finance the salary and other operating expenditures of a project coordinator for the renovation of the Governor's residence. All of the expenditures from the recovery fund are non-reportable.

7. Transfer to Construction Defects Recovery Fund

I amend my budget to grant the Department of Administration authority to transfer up to \$200,000 from the Architectural Services Recovery Fund to the Construction Defects Recovery Fund for FY 1999 and FY 2000. Expenditures from the Construction Defects Recovery Fund support litigation to recover costs that the state has incurred because of defects in construction caused by contractors. The balance in the defects fund is down to \$17,160 and cannot support the recovery effort much longer.

The authority granted the Secretary of Administration would allow transfers to be made up to \$200,000 in both fiscal years based on actual legal expenses incurred. When some of the lawsuits are settled and the defects fund becomes stabilized, the Department expects to request a transfer from the Construction Defects Recovery Fund to reimburse the Architectural Services Recovery Fund. Suggested proviso language is presented below:

() Upon certification by the secretary of administration to the director of accounts and reports that the unencumbered balance in the construction defects recovery fund is insufficient to pay an amount that is necessary to finance expenses related to efforts by the state of Kansas to recover damages incidental to construction defects on capital projects involving state facilities, the director of accounts and reports shall transfer an amount equal to the insufficient amount from the architectural services recovery fund to the construction defects recovery fund, except that the total of all amounts transferred pursuant to this subsection during any fiscal year shall not exceed \$200,000.

8. Public School District Health Care Benefits Program

I amend my budget to add \$633,865 and 6.0 FTE positions from a new no-limit Public School District Benefits Fund for FY 2000 as the first-year administrative cost of establishing the Public School District Health Care Benefits Program. Participation by public school districts in the Kansas Health Care Benefits Program for state employees is authorized by KSA 75-6506. The program would require the public school districts' governing body to elect to participate in the state program with agreement to follow the program parameters established by the Health Care Commission. Employees of a school district would be allowed to elect participation in the program. The public school districts that choose to participate would finance the entire cost of the program and its administration through payments made to the Kansas State Health Care Commission. The composite rate for individual participation for the Public School District Benefits Fund will be established by the Health Care Commission as provided by KSA 75-6506 and will include program administrative costs, premiums, claims, and administrative service only fees.

The positions and related costs are necessary to manage the enrollment, premium collection, communication, and other administrative functions to integrate and manage the addition of the public school districts under the Kansas Health Care Benefits Program. The 6.0 positions include 1.0 Public Service Administrator, 3.0 Program Consultants, 1.0 Accountant, and 1.0 Office Specialist. The total includes funds for a recordkeeping and membership system; communication and travel expenses; professional consultant fees for actuarial studies, consultations, and bid reviews; and miscellaneous other operating costs.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>633,865</u>
All Funds	\$ --	\$ 633,865

Kansas Corporation Commission

9. Development of a National Pipeline Mapping System

I amend my budget to allow the Kansas Corporation Commission to expend an additional \$22,787 in FY 1999 and \$39,006 in FY 2000 from federal sources. The agency has been approved to receive a federal grant to participate in the development of a national pipeline state repository system. The grant is funded through the federal Office of Pipeline Safety. The monies will be expended through a new no limit fund entitled "National Pipeline Mapping System—Federal Fund.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>22,787</u>	<u>39,006</u>
All Funds	\$ 22,787	\$ 39,006

Department of Revenue

10. Legal Defense Costs

I amend my budget to include \$50,000 from the State General Fund in FY 2000 for costs associated with the defense of a lawsuit brought against the Secretary of Revenue and the Department of Revenue. The funding would provide outside legal services for this new lawsuit beyond the services already being provided by the Attorney General.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 50,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 50,000

State Treasurer

11. Local Ad Valorem Tax Reduction Fund

I amend my budget to decrease the State General Fund demand transfer to the Local Ad Valorem Tax Reduction Fund in FY 1999 by \$138,106 and to decrease the transfer in FY 2000 by \$127,000. The change for FY 1999 is the result of the difference between actual sales and use tax revenue for CY 1998 as compared to estimated revenue in *The FY 2000 Governor's Budget Report*. The change for FY 2000 reflects the reductions made in receipts for sales and use taxes by the Consensus Revenue Estimating Group at its meeting on April 2, 1999.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (138,106)	\$ (127,000)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (138,106)	\$ (127,000)

Judiciary

12. Magistrate Judge Positions

I amend my budget to delete \$208,228 and 4.0 FTE magistrate judge positions in FY 2000. The Judiciary has revised its original request for 9.0 FTE magistrate judges, which were included in my original recommendation, indicating that 4.0 of the recommended positions are no longer required. The other 5.0 positions remain a part of my recommendations.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ (208,228)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ (208,228)

Department on Aging

13. Funding Error

Use of an incorrect State General Fund matching rate for the Targeted Case Management Program recommendation resulted in a funding error in the budget of the Department on Aging in both FY 1999 and FY 2000. The shortage in funding from the State General Fund was corrected in the Division of the Budget's Corrections Memo (February 3, 1999). However, Medicaid funding should have also been decreased. This correction to *The FY 2000 Governor's Budget Report* will restore the correct funding mix to the agency's budget.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>(198,912)</u>	<u>(202,788)</u>
All Funds	\$ (198,912)	\$ (202,788)

14. KAMIS Funding

I amend my budget to increase expenditures for the Department on Aging's KAMIS Project from the State General Fund by \$392,000 and decrease expenditures from Medicaid Title XIX by the same amount in FY 2000. This switch in funding is necessary because the Health Care Financing Administration has tentatively rejected the agency's request for federal participation in the project. The Department on Aging is continuing its attempts to secure federal Medicaid participation. If it is successful, the following proviso is proposed so that any funds received would be used to reduce funding from the State General Fund.

() On or before July 15, 1999, and on the fifteenth day of each month thereafter during the fiscal year ending June 30, 2000, the secretary of aging shall certify to the director of the budget the total amount of moneys which was received by the above agency during the preceding month from the federal government and which was deposited in the state treasury to the credit of the medicaid fund—federal. During the fiscal year ending June 30, 2000, after receiving one or more certifications from the secretary of aging under this subsection, the director of the budget may certify an amount or amounts to the director of accounts and reports to be transferred from the medicaid fund—federal to the state general fund for the purpose of reimbursing the state general fund for the amount appropriated from the state general fund in the administration account. Upon receiving each such certification from the director of the budget, the director of accounts and reports shall transfer the amount or amounts certified from the medicaid fund—federal of the department on aging to the state general fund on the dates specified by the director of the budget.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 392,000
All Other Funds	<u>--</u>	<u>(392,000)</u>
All Funds	\$ --	\$ --

15. Nursing Homes

I amend my budget to reflect changes in caseload and the cost of aid and assistance in the Nursing Facilities Program administered by the Department on Aging. These caseload adjustments are the result of a consensus caseload estimating meeting that included the staff of the Department on Aging, Legislative Research, and the Division of the Budget. This amendment includes an increase of \$500,000 in FY 1999, of which \$200,000 is from the State General Fund. For FY 2000, I amend my budget to reflect an increase of \$2.1 million in expenditures from all funding sources. Of that amount, \$840,000 is from the State General Fund. These changes reflect a constant caseload, but increasing costs, in the Nursing Facilities Program.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ 200,000	\$ 840,000
All Other Funds	<u>300,000</u>	<u>1,260,000</u>
All Funds	\$ 500,000	\$ 2,100,000

Department of Health and Environment

16. Oz Entertainment Company Theme Park

I amend my budget to include \$250,000 from fee funds and 5.0 unclassified temporary positions for FY 2000 to clean up the site of the Sunflower Army Ammunition plant. The plant, which operated from 1942 until 1992 on 9,000 acres in Johnson County, is being transferred to the state and then leased or transferred to the Oz Entertainment Company for development as a theme park. The Department of Health and Environment indicates that the land requires significant environmental remediation. A total of 32 locations on the site has been identified that will require environmental clean-up. In addition, four of those locations as well as three creeks will require long-term monitoring to determine their levels of contamination. Therefore, I amend my budget to include 5.0 Environmental Geologists at a cost \$226,146 together with associated operating costs of \$23,854 to coordinate the site clean-up and the long-term monitoring. The recommendation would accelerate clean up of this site. The funding for this initiative will come from fees deposited in a special fund by the Oz Entertainment Company.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>250,000</u>
All Funds	\$ --	\$ 250,000

17. Increase Expenditure Limitation on Health Care Database Fee Fund

I amend my budget to increase the expenditure limitation established for the Health Care Database Fee Fund from \$3,000 to \$35,000 for FY 1999. This fee fund finances the operation of the Health Care Database Program under the jurisdiction of the Secretary of Health and Environment and the policy guidance of the Health Care Data Governing Board. The program collects data on the utilization and cost of health services. One of the tasks assigned the program is to collect the data and evaluate the effect of managed care on the health delivery system of Kansas. I amend my budget so that the agency can receive and expend additional private contributions in FY 1999.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>32,000</u>	<u>--</u>
All Funds	\$ 32,000	\$ --

18. Rural and Local Health

I amend my budget to increase the expenditure limitation established on the Office of Rural Health—Federal Fund by \$100,000 for FY 1999. This amount reflects the receipt of a federal Medicare Rural Hospital Flexibility Grant. The Office of Rural and Local Health operates a program that assists Kansas communities in the provision of public health, primary care, and preventive services. It also promotes the development of health care networks among communities, agencies, and health care providers. The grant will provide operating support for the Office and for the Kansas Hospital Association as they develop critical access hospitals and networks throughout the state.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>100,000</u>	<u>--</u>
All Funds	\$ 100,000	\$ --

19. Federal Cancer Registry

I amend my budget to increase the expenditure limitation on the federal fund that finances the Federal Cancer Registry by \$50,000 for FY 1999. This program is undertaken through a contract with the University of Kansas Medical Center. The Medical Center maintains a list on all cancer victims in the state and carries out research using the data gathered. Federal funds that were not obligated in past fiscal years have become available for use in the current year. The monies will be used to finance operations of the Kansas Cancer Registry Program.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>50,000</u>	<u>--</u>
All Funds	\$ 50,000	\$ --

Commission on Veterans' Affairs

20. Water System Upgrades

I amend my budget to lapse the funding for the water system upgrades at the Kansas Soldiers' Home. In my original budget, I recommended funding of \$200,000 in FY 2000 from the State Institutions Building Fund for upgrade of the current water system at the facility. The system was not meeting the Kansas Department of Health and Environment's standards for nitrate contaminants.

However, since my budget was issued, the Department of Health and Environment has indicated that the agency can meet current standards with its available water system resources.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>(200,000)</u>
All Funds	\$ --	\$ (200,000)

21. Replace Treatment Building Roof at the Kansas Veterans' Home

I amend my budget to include funding in FY 1999 for replacement of the roof on the Treatment Building at the Kansas Veterans' Home near Winfield. The project requires \$52,000 from the State Institutions Building Fund to replace the roof that received damage from the heavy rains during the past few months.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>52,000</u>	<u>--</u>
All Funds	\$ 52,000	\$ --

22. Energy Conservation Improvements Program at the Kansas Soldiers' Home

I amend my budget in FY 1999 to include \$915,250 from the State Institutions Building Fund to allow for air conditioning, heating, window lighting, and roof upgrades and repairs on five of the major buildings on the Kansas Soldiers' Home campus. In addition to the funding from the State Institutions Building Fund, the facility would participate in the Energy Conservation Improvements Program (FCIP) to access \$286,098 available funding for the projects. The FCIP funding would be repaid, plus 4.52 percent interest, over an eight-year period starting in FY 2001 through operating savings generated on the campus over that same period.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>915,250</u>	<u>--</u>
All Funds	\$ 915,250	\$ --

Department of Education

23. Enrollment Savings

I amend my budget to decrease funding for school finance by \$8,220,000 in FY 1999 and \$9,258,000 in FY 2000, all from the State General Fund. Current estimates for the amount of supplemental and general state aid to school districts in both FY 1999 and FY 2000 are based on the recently released final assessed valuation data and enrollment growth. My recommendation funds base budgets of \$3,720 in FY 1999 and \$3,755 in FY 2000. The savings in FY 1999 are carried forward to fund the FY 2000 budget.

	<u>FY 1999</u>	<u>FY 2000</u>
General State Aid	\$(8,045,000)	\$ (8,997,000)
Supplemental State Aid	(175,000)	(260,000)
Capital Improvement State Aid	<u>--</u>	<u>--</u>
Total	\$(8,220,000)	\$ (9,258,000)

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$(8,220,000)	\$ (9,258,000)
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$(8,220,000)	\$ (9,258,000)

Regents System

24. Traditional General Fees Fund Adjustments

I amend my budget to adjust the recommended level of expenditures from General Fees Funds for FY 1999 and FY 2000 at those Regents institutions which are budgeted through the traditional method. My original recommendations have been revised on the basis of the spring semester data on student credit hours and tuition receipts. The adjustments are detailed by year and by institution in the table below. Where there is a positive number, I amend my budget to replace the State General Fund appropriation with additional tuition dollars now estimated to be available. A negative number indicates a reduction in tuition dollars requiring an additional State General Fund appropriation. The revisions reflect a total increase from the General Fees Funds of \$21,959 in FY 1999 and \$39,165 in FY 2000.

	<u>Available Tuition</u> <u>FY 1999</u>	<u>Available Tuition</u> <u>FY 2000</u>
Univ. of Kansas Medical Center	\$ --	\$ 37,650
KSU—Veterinary Medical Center	34,394	14,637
Emporia State University	(80,726)	(85,301)
Pittsburg State University	--	3,407
Fort Hays State University	<u>68,291</u>	<u>68,772</u>
	\$ 21,959	\$ 39,165
State General Fund	\$ (\$21,959)	\$ (\$39,165)
All Other Funds	<u>21,959</u>	<u>39,165</u>
All Funds	\$ --	\$ --

Kansas State University

25. Authority to Issue Revenue Bonds for Ackert Hall Addition

Kansas State plans to add 62,000 gross square feet to Ackert Hall for additional space for the Biology and Biochemistry Departments and the Center for Basic Cancer Research. Funding for the project was intended to come from Crumbling Classroom bonds (\$7.58 million), private gifts (\$2.3 million) and a federal grant (\$1.52 million). Kansas State has not yet been successful in obtaining the federal monies for the project, but efforts are continuing. In December, the Board of Regents authorized the institution to seek authorization to issue up to \$2.0 million in revenue bonds should the federal funds not be available at the time the construction contracts are signed next fall. The bonds would be repaid with restricted fees. Should federal funds become available prior to signing the construction contract next fall, the University will adjust the bond sale accordingly. In order to make debt service payments on the \$2.0 million, I amend my budget to include \$232,019 from restricted fees for FY 2000.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u>232,019</u>
All Funds	\$ --	\$ 232,019

Kansas State University—ESARP

26. Federal Land Grant Funds

Kansas State University has received additional federal funds totaling \$23,207 for the current fiscal year. Agricultural Experiment Station funds are up by \$3,092 and Cooperative Extension System funds are up by \$20,115. I therefore amend my budget to reflect the latest amount of available federal funding for programs in this agency. These additional federal funds will offset State General Fund monies for no net change to the agency's budget.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (23,207)	\$ --
All Other Funds	<u>23,207</u>	<u>--</u>
All Funds	\$ --	\$ --

Emporia State University

27. Student Recreation Center

I amend my budget to allow the University to expend restricted use monies for architectural services for preliminary and final planning of a student recreation center. In March, Emporia State University students approved a referendum authorizing a student fee to construct a recreation center. Allowing the University to plan the facility in FY 2000 would schedule the facility for completion by October 2001. Suggested proviso language is included below.

() In addition to the other purposes for which expenditures may be made by the above agency from the restricted fees fund for the fiscal year ending June 30, 2000, as authorized by section 67(b) of 1999 senate bill 325, expenditures may be made by the above agency for fiscal year 2000 from the restricted fees fund for preliminary and final planning of a student recreation center: *Provided*, That expenditures for the restricted fees fund for fiscal year 2000 for preliminary and final planning of a student recreation center shall not exceed \$135,000.

Wichita State University

28. Transfer Authority

I recommend that the following authorization be provided to Wichita State University for both FY 1999 and FY 2000 in order to allow the institution to repay a portion of its debt service on energy conservation bonds on behalf of the student union.

() On the effective day of this act, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$99,962 from the restricted fees fund to the state general fund.

() On July 1, 1999, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$96,928 from the restricted fees fund to the state general fund.

Historical Society

29. Security and Fire Alarm System for the Center for Historical Research

I amend my budget to finance costs in FY 2000 to replace the fire alarm and security system at the Center for Historical Research. An analysis of this system performed in the fall of 1998 showed system deficiencies, including non-compliance with Y2K readiness. The State Fire Marshal has informed the Historical Society that it must have a working fire alarm system, or the Center for Historical Research could not remain open to the public. Replacement of this system went out for competitive bid. The Historical Society indicates that the bid submitted in the amount of \$148,006 would be accepted and the new system would be operational within 120 days.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 148,006
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 148,006

Department of Corrections

30. Federal Grant Awards

In December 1998, the Department of Corrections and the Hutchinson Correctional Facility were awarded federal grants in the amounts of \$6,000 and \$500,000, respectively. The funds will be spent over a four-year period. The awards will be used to purchase supplies and equipment for use by special enforcement officers assigned to the Department's Parole Services Program and to implement a drug interdiction program at the correctional facility. I issued an executive directive (No. 99-278) on January 7, 1999, authorizing expenditure of the grant funds and creating new funds titled the "Asset Forfeiture—Federal Fund" for the Department of Corrections and the "Drug Free Demonstration Project—Federal Fund" for the Hutchinson Correctional Facility. The portion of the grants anticipated to be spent in FY 1999 and FY 2000 were not included in *The FY 2000 Governor's Budget Report* because of printing deadlines.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
Asset Forfeiture Fund	6,000	--
Drug Free Demo Fund	<u>285,400</u>	<u>87,220</u>
All Funds	\$ 291,400	\$ 87,220

31. Off-Budget Positions Omitted

I amend my budget to include three off-budget positions, which were mistakenly not added to the Department of Corrections' total reported positions in FY 1999. My budget should be increased by 1.0 FTE position and 2.0 unclassified temporary positions.

32. Shrinkage Rate

In FY 2000, I amend my budget to include federal funds that the Department of Corrections has been awarded under the State Criminal Alien Assistance Program (SCAAP) in the amount of \$1,033,454. The purpose of SCAAP is to reimburse states and local governments for costs incurred as a result of the incarceration of undocumented aliens. I propose that half of the funds, \$516,727, be used to lower shrinkage rates systemwide and the other \$516,727 be used for salaries and wages to decrease State General Fund expenditures by the same amount.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ (516,727)
All Other Funds	<u>--</u>	<u>1,033,454</u>
All Funds	\$ --	\$ 516,727

33. Drug Testing Guidelines

I amend my FY 1999 budget recommendations to include federal funds totaling \$135,000 from the Violent Offender Incarceration and Truth-in-Sentencing Grant Program (VOI/TIS). The funds will be expended for contractual services to automate the Department's drug testing result data. The central automation of the database will improve the Department's efficiency in generating and distributing random test lists and reporting forms and in collecting and reporting the test result data. The state match requirement will be financed within existing appropriations. This is a one-time expenditure.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>135,000</u>	<u>--</u>
All Funds	\$ 135,000	\$ --

34. Razing of Building

I amend my budget to provide the authority for the Department of Corrections to raze the old barber shop building at the Lansing Correctional Facility. The building, which is no longer used by the facility, is in poor condition and is not appropriate for any other use.

35. Legal Assistant

I amend my FY 2000 budget to include \$31,500 for an additional FTE position. Effective January 19, 1999, the Legal Assistant responsible for processing extradition requisitions for Governor's warrants and requests for detainees from other states was transferred from the Governor's Office to the Department of Corrections, with the understanding that additional resources to finance the cost of the position would be provided for FY 2000.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 31,500
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 31,500

36. Capacity Expansion Project

I amend my budget to include \$498,000 for a 100-bed expansion project at Lansing Correctional Facility in FY 2000. The Department of Corrections is currently experiencing an overall increase in the inmate population, as well as an increase in the numbers of medium and maximum custody. Some \$86,606 will come from already budgeted rehabilitation and repair funds (Correctional Institutions Building Fund), while \$17,000 will be financed from LCF's operating budget and Inmate Benefit Fund. The balance, \$394,394, represents federal funds from the Violent Offender Incarceration and Truth-in-Sentencing Grant Program. The anticipated occupancy date is September 1, 1999. My amended budget would also increase State General Fund expenditures to include 6.0 new positions to staff the new housing unit at a cost of \$154,600 and \$143,300 for additional operating expenditures.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 297,900
All Other Funds	<u>--</u>	<u>394,394</u>
All Funds	\$ --	\$ 692,294

37. Consolidated Debt Service Reduction

I amend my budget to reduce \$41,147 from the FY 2000 Department of Corrections budget for State General Fund savings related to the refunding of revenue bonds that were issued to finance costs associated with construction of Ellsworth, El Dorado and Larned Correctional Facilities and the Labette Correctional Conservation Camp (LCCC). As a result, the recommended FY 2000 expenditures for debt service associated with the El Dorado and Larned facilities can be reduced by \$48,747, while the recommended expenditures for debt service associated with the LCCC have to be increased by \$7,600.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ (41,147)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ (41,147)

Topeka Correctional Facility

38. Transition Center

I amend my budget to reduce \$36,684 and 2.0 positions from the FY 1999 Topeka Correctional Facility (TCF) budget as well as \$399,965 and 15.0 positions from the FY 2000 budget for savings related to the conversion of TCF's West Unit to a transition center. The agency is withdrawing its request for the conversion. Opposition to the conversion has come from the 1999 Legislature and local Topeka and Shawnee County officials.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (36,684)	\$ (399,965)
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ (36,684)	\$ (399,965)

39. Additional Housing for Female Inmates

I amend my budget to include \$131,000 from the State General Fund and 4.0 FTE positions for TCF for FY 2000. The female inmate population has increased over the past several years and is now at capacity. Additional housing will be provided for female inmates by transferring them to the west unit of TCF on the grounds of the former Topeka State Hospital. The male inmates will be transferred to other facilities throughout the state.

With the relocation of male inmates, it will be necessary to utilize female inmates on all work details. This will likely mean that inmates with certain job skills are not available. Without skilled male inmates available, the facility will need 4.0 Facility Maintenance Supervisor positions. The positions will supervise and train inmates during the process of completing projects.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 131,000
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ --	\$ 131,000

Juvenile Justice Authority

40. Implementation of Community Plans

I amend my budget to provide \$5,310,143 for the implementation of community plans, which will address problems of juveniles in the community setting. The funding would include \$2.0 million for caseload increases, \$1,310,143 for rate increases for out-of-home placements for current and projected needs of juveniles in the agency's custody, and \$2.0 million for new community programs. Funding would come from the State General Fund, with the exception of \$2.0 million for new programs, which comes from the Children's Health Care Program Fund. New programs will reflect the needs of each community and may range from prevention and support programs to rehabilitation. The \$5,310,143 will be full-year funding and is in addition to the \$7.0 million in new funding that I have already included in the agency's budget for the implementation of community plans in FY 2000.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 3,310,143
All Other Funds	<u> --</u>	<u>2,000,000</u>
All Funds	\$ --	\$ 5,310,143

41. Funding for Purchase-of-Services

I amend my budget to provide supplemental financing of \$800,000 from the Juvenile Detention Facilities Fund for purchase-of-services in the community for juvenile offenders. Included are out-of-home placements and services received by juveniles under supervision at home, such as counseling, day reporting, substance abuse treatment, and GED preparation. This will allow the agency to maintain services through the remainder of the current fiscal year.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>800,000</u>	<u>--</u>
All Funds	\$ 800,000	\$ --

Beloit Juvenile Correctional Facility

42. Reopen Grandview Cottage

I amend my budget to finance the reopening and operation of Grandview Cottage at Beloit Juvenile Correctional Facility for girls. Funding of \$459,090 from the State General Fund will provide \$22,635 for one-time expenditures, \$287,340 for 12.0 FTE staff positions, and \$149,115 for ongoing expenditures, such as utilities, food, textbooks, and medication.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 459,090
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 459,090

Adjutant General

43. Emergency Funding

I amend my budget to remove \$7,635,497 from the Adjutant General's FY 1999 budget, including \$5,941,309 from federal funds and \$1,694,188 from the State General Fund. This decrease represents the amount by which total expenses were overestimated in connection with floods occurring in 1998. Based on information available in December 1998, I included a supplemental appropriation of \$2,313,326 from the State General Fund, which would have matched \$11,098,945 in federal funds. The reductions recommended in this budget amendment reflect the agency's most recent cost estimates to fulfill the emergency needs of Kansas citizens and local governments related to flood damage.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$(1,694,188)	\$ --
All Other Funds	<u>(5,941,309)</u>	<u>--</u>
All Funds	\$(7,635,497)	\$ --

44. Active Duty Reimbursement

I amend my budget to add \$280,066 to the Adjutant General's budget in FY 1999 to reimburse National Guard members for active duty performed during disasters that took place in Kansas in 1998. Members of the National Guard performed a variety of tasks during these disasters, including rescue, cleanup, and the provision of shelter for citizens. Of this amount, \$70,017 is from the State General Fund and \$210,049 is from federal sources.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ 70,017	\$ --
All Other Funds	<u>210,049</u>	<u>--</u>
All Funds	\$ 280,066	\$ --

Highway Patrol

45. Transfer Excess Funds to State General Fund

I amend my budget to authorize a revenue transfer of \$1.2 million from the Kansas Highway Patrol Motor Vehicle Fund to the State General Fund. This one-time transfer is the result of an accumulation of surplus funds in the KHP Motor Vehicle Fund because of a reduction in the backlog of selling retired patrol vehicles.

Kansas Bureau of Investigation

46. Private Detective Fee Fund

I amend my budget to allow the KBI to expend monies from the Private Detective Fee Fund for the purpose of regulating and licensing private detectives. Monies deposited in this fund are generated from fees charged for licensing private detectives. In addition, 1.0 unclassified temporary position is added to process licenses and renewals. The agency is authorized to expend \$29,839 in FY 1999 and \$42,912 in FY 2000 from the Private Detective Fee Fund to pay the salary of the unclassified temporary position and for other operating expenditures necessary to process the licensing and renewals for private investigators.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>29,839</u>	<u>42,912</u>
All Funds	\$ 29,839	\$ 42,912

47. Automated Fingerprint Identification System

I amend my budget to allow the Kansas Bureau of Investigation to move the final payment to Printrak for its automated fingerprint identification system from FY 2000 to FY 1999. Moving this payment will save \$19,632, which would have been paid under the Master Lease Program for interest. The agency budgeted \$455,902 for the payment in FY 2000, but the payment would be \$436,270 if made in FY 1999.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ 436,270	\$ (455,902)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 436,270	\$ (455,902)

Kansas Sentencing Commission

48. Criminal Justice Information System

I amend my budget to provide state matching funds in the amount of \$160,505 from the State General Fund to leverage \$481,515 in federal funds to continue the implementation of the Criminal Justice Information System (CJIS). The combined state and federal funds will finance the remaining expenses associated with the CJIS core infrastructure. The remaining expenses deal primarily with security firewalls, the backup site for the Automated Statewide Telecommunications and Records Assessment Network (ASTRA), and development of local software applications to accommodate photo-imaging capabilities. The source of the federal financing will be Edward G. Byrne Memorial Grants for criminal justice improvement.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 160,505
All Other Funds	<u>--</u>	<u>481,515</u>
All Funds	\$ --	\$ 642,020

Board of Emergency Medical Services

49. Emergency Medical Services for Children

I amend my FY 2000 budget to include additional expenditure authority of \$249,998 for the Emergency Medical Services for Children Program. The Board received these funds through a federal grant from the Bureau of Maternal and Child Health in the Department of Health and Human Services. They will be used to finance operations of the Emergency Medical Services for Children Program, which began in FY 1997. The purpose of the program is to assess and meet the specific needs of children during emergency medical care before they reach the hospital.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>249,998</u>
All Funds	\$ --	\$ 249,998

Department of Agriculture

50. Pesticide Use Survey

I amend my budget to finance a pesticide use survey in the amount of \$100,000 from the Fertilizer Fee Fund in the Department of Agriculture in FY 2000. This survey will collect information on agricultural urban and suburban pesticide use in Kansas to improve water quality. A need has developed for determining the types and amounts of pesticides used in Kansas, which is driven by the federal Food Quality and Protection Act.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>100,000</u>
All Funds	\$ --	\$ 100,000

Water Office

51. Increase Water Plan Funding for Three Programs

I amend my budget to include \$65,000 from the Water Plan Fund. These monies would provide \$40,000 for a coordinator for the water resource education programs administered at the local level and coordinated by the Water Office. They would also provide \$10,000 to operate a booth at the Kansas State Fair and \$15,000 to provide additional resources to evaluate the effect of water conservation, wellhead protection and non-point source pollution prevention on the quality and quantity of water in the High Plains aquifer. The Water Plan Fund monies to finance these requests became available because of unused funds in existing accounts of the Conservation Commission.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>65,000</u>
All Funds	\$ --	\$ 65,000

Department of Wildlife and Parks

52. Partnership with Natural Resource Conservation Service

I amend my FY 2000 budget to include additional expenditure authority from the Wildlife Fee Fund of \$65,000 to continue the partnership between the Department of Wildlife and Parks and the Natural Resource Conservation Service (NRCS). This additional expenditure authority will be used to finance one-half of the salaries for 6.0 biotechnician positions. The other half is financed by NRCS.

These positions, contracted through a private third party, provide technical assistance in field projects, including assessment of Walk-In Hunting Areas.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>65,000</u>
All Funds	\$ --	\$ 65,000

53. Lesser Prairie Chicken Habitat Study

I amend my FY 2000 budget to include additional expenditure authority from the Wildlife Fee Fund of \$150,000 to begin a partnership between the Department of Wildlife and Parks and Kansas State University, Department of Biology. This additional expenditure authority will be used to finance part of a study to determine land management strategies that address optimal solutions for improving the habitat of the lesser prairie chicken while maintaining agricultural production standards. In addition to the benefits to Kansas' agricultural producers, this study will assist the Department of Wildlife and Parks in substantiating its opposition to a federal petition to list the lesser prairie chicken as a threatened or endangered species. Of the total amount, \$20,000 will be used to finance part of an unclassified temporary position. The remaining \$130,000 will finance land management demonstrations and specialized research.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>150,000</u>
All Funds	\$ --	\$ 150,000

54. Grants-in-Aid for Recreational Trails

I amend my FY 2000 budget to include an additional \$800,000 in federal funds for use as grants for developing and maintaining recreational trails. This program will become a component of the Department of Wildlife and Parks' Grants-in-Aid. The recreational trails grant program will provide at least \$760,000 in grants to local governments to develop and maintain recreational trails. The grants will consist of 80.0 percent from the Department, while 20.0 percent in matching funds will be provided by the grant recipients. As specified by federal compliance guidelines, the remaining \$40,000 will finance overhead costs associated with administering the program. It is anticipated that federal funding for this program will continue through federal fiscal year 2003, and all federal funds will be deposited in a sub-account of the Department's existing Federal Grants Fund.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>800,000</u>
All Funds	\$ --	\$ 800,000

Department of Transportation

55. Comprehensive Transportation Plan

I amend my budget to finance additional expenditures in FY 2000 that will be necessary to implement a Comprehensive Transportation Program of the same scope that I initially recommended and which is currently being discussed by the Kansas Legislature. Under current scenarios, additional expenditures necessary to implement the program in FY 2000 would total \$191,303,686, all from highway funds. The recommended expenditures include \$119,598,000 for state highway construction projects, \$16,250,000 for design and construction inspection contracts, \$21,275,161 for local aid payments, \$25,087,000 for new debt service payments, and \$9,093,525 for increases in agency operations. My recommendation also includes 136.0 FTE positions and 1.0 unclassified temporary position.

This recommended increase will offset by \$408.0 million expected expenditures from bond revenues in FY 2000. As I stated in my original recommendations, I endorse the use of bond revenues to finance any proposed Transportation Plan and anticipate that any plan that is passed by the Kansas Legislature will include some bonding component. The recommended \$408.0 million in bond proceeds will fund a portion of the increased expenditures associated with a Transportation Plan and substantial maintenance and construction expenditures that I have already recommended. Because expenditures from bond proceeds are non-reportable, the adoption of the funding for my recommended Comprehensive Transportation Plan will reduce reportable expenditures from the State Highway Fund by \$216,696,314 in FY 2000. Reflected in the amount for agency operations is \$50,738 to fund my recommended 1.0 percent increase in classified salaries for the new FTE positions.

I further amend my budget to reduce the recommended State General Fund demand transfer by \$39,531,433. This reduction reflects growth of 1.7 percent over the FY 1999 demand transfer amount. This reduction in the demand transfer amount is offset by a corresponding increase in State Highway Fund expenditures to reflect only a change in the funding source and not total expenditures. This change is indicative of current legislative discussions of alternative transportation plans that rely less heavily on the State General Fund in the first two years.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ (39,531,433)
All Other Funds	--	<u>(177,164,881)</u>
All Funds	\$ --	\$(216,696,314)

56. Local Aid

In addition, I amend my budget to include two expenditure increases from the Special City and County Highway Fund. These increases of \$3,621,732 in FY 1999 and \$8,088,323 in FY 2000 reflect disbursements from the fund attributable to increases in the estimates for motor fuels taxes. The original consensus motor fuels estimates were not finalized in time to be included in my budget recommendations.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>3,621,732</u>	<u>8,088,323</u>
All Funds	\$ 3,621,732	\$ 8,088,323

Department of Social and Rehabilitation Services

57. Foster Care

There is a shortfall of \$33.4 million in foster care and adoption services that spans a two-year period. Several factors have contributed to rising contract costs, including higher than estimated case rates, a significant increase in the number of children in foster care in the system, and accumulated debts incurred by the contractors. To fund this shortfall over two years, I amend my budget to shift \$10,000,000 from savings in other SRS programs to this program and recommend an additional \$8,120,000 from the State General Fund, \$5,280,000 from other federal funds, and an additional \$10,000,000 in TANF dollars.

After internally shifting program savings to finance my amendment, the net amount of monies added to the foster care and adoption services budget would total \$16.9 million in FY 1999 and \$6.5 million in FY 2000. The agency will realize \$2.5 million in savings in the current year and \$1.3 million in FY 2000 from turnover in the Field Operations Program. In addition, the agency will find savings in its family preservation contracts totaling \$6,200,000 in the current year. The combined agency reductions include savings from the State General Fund of \$5.25 million in the current year and \$650,000 in FY 2000.

I also propose the use of an additional \$10,000,000 in TANF funds in FY 1999. In my original recommendation, I provided \$84.5 million in TANF funding over two years for foster care contracts. Unfortunately, the amount of TANF dollars cannot be increased anymore because of the income

eligibility requirements. To maximize the use of TANF funding, I recommend that \$10,000,000 be shifted to other eligible programs and services within the Department, freeing up State General Fund dollars to finance costs in the foster care and adoption contracts.

	<u>FY 1999</u>	<u>FY 2000</u>
Field Operations Shrinkage	\$ (2,500,000)	\$(1,300,000)
Family Services Savings	(6,200,000)	--
Shift SGF Savings to Foster Care	(10,000,000)	--
Shift TANF into Other Programs	10,000,000	--
Foster Care Contracts	15,600,000	5,200,000
Adoption Contracts	<u>10,000,000</u>	<u>2,600,000</u>
	\$ 16,900,000	\$ 6,500,000

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ 3,450,000	\$ 4,670,000
All Other Funds	<u>13,450,000</u>	<u>1,830,000</u>
All Funds	\$ 16,900,000	\$ 6,500,000

58. HCBS/DD Waiver Shortfall

I amend my budget to fund a \$6.0 million shortfall in the HCBS/DD waiver for FY 1999 by increasing expenditures from various fee funds in the state hospitals, which will free up State General Fund dollars for the waiver program. I recommend increasing the expenditure limitation of the Larned State Hospital Fee Fund by \$850,000, the Osawatomie State Hospital Fee Fund by \$1,100,000, and the Rainbow Mental Health Facility Fee Fund by \$200,000. I also increase the federal Title XIX expenditure limitation \$250,000. For each increase in expenditure limitation, a corresponding decrease in State General Fund expenditures will occur. The following tables illustrate these adjustments in funding source.

Larned State Hospital:

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (850,000)	\$ --
All Other Funds	<u>850,000</u>	<u>--</u>
All Funds	\$ --	\$ --

Osawatomie State Hospital:

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$(1,100,000)	\$ --
All Other Funds	<u>1,100,000</u>	<u>--</u>
All Funds	\$ --	\$ --

Rainbow Mental Health Facility:

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (200,000)	\$ --
All Other Funds	<u>200,000</u>	<u>--</u>
All Funds	\$ --	\$ --

SRS Mental Health and Developmental Disabilities Commission:

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ 2,150,000	\$ --
All Other Funds	<u>3,850,000</u>	<u>--</u>

All Funds	\$ 6,000,000	\$ --
	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>6,000,000</u>	<u>--</u>
All Funds	\$ 6,000,000	\$ --

59. Kansas Covering Kids Project

I amend my budget to provide expenditures of \$700,142 for the receipt of a grant from the Robert Wood Johnson Foundation. The \$350,071 grant will be matched with federal monies to provide outreach strategies to identify children eligible for the Children's Health Insurance program. The Kansas Covering Kids Project will feature face-to-face outreach in nontraditional settings conducted in by trained volunteers. In addition to the statewide initiative, three pilot community efforts will reach out to diverse populations. The Department will contract with the Kansas Children's Service League for the operation of the Kansas Covering Kids Project. The Department of Social and Rehabilitation Services will monitor the grant and will hire an unclassified temporary Grants Fiscal Officer at \$35,875 to be paid from grant funds.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>700,142</u>
All Funds	\$ --	\$ 700,142

60. HCBS/DD Waiver Waiting List

I amend my budget to add \$2.0 million in tobacco money to the HCBS/DD waiver for FY 2000. Using a 40.0 percent state match rate, the \$2.0 million in state funds will leverage \$3.0 million in federal Medicaid funding. This funding is recommended to provide services to more people through the HCBS/DD waiver.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>5,000,000</u>
All Funds	\$ --	\$ 5,000,000

61. Caseload Adjustments

I amend my budget to reflect changes in caseloads and the cost of aid and assistance programs. These caseload adjustments are the result of consensus caseload estimates that included the staff of the Department of Social and Rehabilitation Services, Legislative Research, and the Division of the Budget. The consensus estimates were limited to Medical Assistance, Temporary Assistance for Families, General Assistance, and Nursing Facilities for Mental Health. This amendment includes a net increase of \$8.0 million in FY 1999, of which \$4.4 million is from the State General Fund. These changes reflect a slight decrease in General Assistance and modest increases in Temporary Assistance for Families and Nursing Facilities for Mental Health. The largest portion of the increased cost is for Medical Assistance, which is estimated to be \$6.9 million higher than previous estimates.

For FY 2000, I amend my budget to reflect a net increase of \$26.3 million in expenditures from all funding sources. Of that amount, \$10.9 million is from the State General Fund. There are again modest increases for Temporary Assistance for Families and Nursing Facilities for Mental Health, a small decrease for General Assistance, and an increase of \$26.5 million for Medical Assistance. In my original budget recommendations, I had included the implementation of a two-tiered pharmacy program in an effort to control costs. This policy change will begin in FY 2000 and reduces the medical estimate by \$3.4 million, of which \$1.4 million is from the State General Fund. As a result, the net increase for Medical Assistance will total \$23.1 million in FY 2000. Contributing factors leading to increases in Medical Assistance are pharmaceutical costs and an increase in the

medically needy and disabled populations, which are the most expensive to serve. Additional population growth is anticipated with poverty level infants and children who were found to be qualified for medical cards after applying for benefits under the Children's Health Insurance Program.

	<u>FY 1999</u>	<u>FY 2000</u>
Temporary Assistance to Families	\$ 900,000	\$ 3,000,000
General Assistance	(190,000)	(190,000)
Medical Assistance	6,940,600	26,467,800
Two-Tiered Pharmacy Plan	--	(3,407,158)
Nursing Facilities for Mental Health	<u>300,000</u>	<u>400,000</u>
Total	\$ 7,950,600	\$ 26,270,642

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ 4,412,100	\$ 10,905,200
All Other Funds	<u>3,538,500</u>	<u>15,365,442</u>
All Funds	\$ 7,950,600	\$ 26,270,642

62. Physically Disabled Waiver

I amend my FY 2000 budget to include an additional \$2.5 million for the expansion of home and community based services in the physically disabled waiver program. My recommendation includes \$1.0 million in tobacco monies, which would be matched with \$1.5 million in Medicaid funds. The program provides community alternatives to nursing homes for individuals between the ages of 16 and 64.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>2,500,000</u>
All Funds	\$ --	\$ 2,500,000

University of Kansas Medical Center

63. Tele-Kidcare

In my original budget recommendations, I included \$255,541 from tobacco settlement monies for the University of Kansas Medical Center's new Tele-Kidcare Program. The Legislature removed funding for the program. Because of the positive consequence this initiative will have on children's health across the state, I now amend my budget to fund this program from the State General Fund, rather than from the Children's Health Care Programs Fund.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 255,541
All Other Funds	<u>--</u>	<u>(255,541)</u>
All Funds	\$ --	\$ --

Selected Agencies

64. Tobacco Settlement Funds

The most current information is that the tobacco settlement proceeds will not be available to the state at the time originally anticipated. The budget recommendations I presented at the beginning of this legislative session, after adjusting for what the federal government was expected to claim to recoup tobacco-related Medicaid costs, assumed that \$8.0 million would be received in FY 1999 and \$21.2 million in FY 2000. In accordance with 1998 SB 424, I recommended \$14.6 million from the Children's Health Care Program Fund, or half of the amount available, for initiatives in FY 2000 that I believe are vital to the health and education of our children. In addition, I recommend \$2.0 million for the HCBS waiver, \$1.0 million for the HCBS/DD waiver, and \$2.0 million for new community programs in JJA. I recommend subtracting \$255,541 for Tele-Kidcare and funding that program out of the State General Fund.

In order to keep my commitment to these programs, I amend my FY 2000 budget to transfer \$19,344,459 from the State General Fund to the Children's Health Care Program Fund until the tobacco settlement funds are forthcoming in FY 2001. When the tobacco funds are received, a reverse transfer will restore the "borrowed" funds to the State General Fund. In this way expenditures for the children's initiatives can move forward in the same manner as I originally proposed. At the same time, State General Fund receipts need to be reduced to reflect the fact that the \$19,344,459, representing the other half of the tobacco funds for government operations, will not be received in FY 2000. The following proviso language is suggested to implement this amendment.

() On July 1, 1999, or as soon thereafter as monies are available, the director of accounts and reports shall transfer \$19,344,459 from the state general fund to the children's health care program fund.

() On July 1, 2000, or as soon thereafter as monies are available, the director of accounts and reports shall transfer \$19,344,459 from the children's health care program fund to the state general fund.

65. Retirement Reductions

I amend my budget to reduce expenditures in various agencies in FY 1999 and FY 2000 to reflect savings resulting from retirement reductions. In FY 1999, savings from retirements in addition to the amounts included in my original budget recommendations total \$587,562, of which \$311,006 is from the State General Fund. Full-year salary savings in FY 2000 for positions that were eliminated through the retirement reduction process total \$1,363,425, including \$655,622 from the State General Fund. A total of 42.0 FTE positions will be reduced for FY 2000 that have occurred to date in FY 1999. The amounts by agency are contained in the attachment following this memorandum.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (311,006)	\$ (655,622)
All Other Funds	<u>(276,556)</u>	<u>(707,803)</u>
All Funds	\$ (587,562)	\$ (1,363,425)

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SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 4/22/99

NAME	REPRESENTING
DON MYER	KCUA
Whitney, Damon	KCES/WYCO
Jim Murphy	KDAS
Vicki Hesse	DOB
Les Baker	KHA
Kathleen Lonshek	Ks. Geographic Alliance
Jim Klenzinger	Independent Living
Carrie Thompson	Independent Living
Hester Linn	Link, Hays KS
Christine Hanziker	LINK, Hays KS
Roni Rost	KTEC
Kat Galley	McGill Coaches & Assoc
Tom Cocher	McGill, Coaches & Asso.
John Kieflaber	Ks. Health Care Assn.
Marc Hamann	Div. of the Budget
Tom Smith	ALLIANCE ASSOC.
Jerry Sauer	KWLS
Stan Clark	Legislature
Gally Kinney	Ks. Public Health Assn.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: Ap 22 1999

NAME	REPRESENTING
Doug Bowman	KS Interagency Coordinating
Nebea Rideaux	FHSU
Joe Rossillon	ESU
Pat Higgins	Dept of Admin.
Harland Riddle	Riddle & Associates
J. Jackson	Drug Free & Proud School Pkgt
Jack Cantrell	Drug Free & Proud School Project
ERIC SEXTON	WSU
Dennis Williams	KDOC
SCOTT SCHNEIDER	MGA
Albert Munan	JJA
Ken Hales	JJA
Scott Alisoglu	JJA
Dick Kuntz	JJA
JIM FRAZIER	JJA
Jim TRAST	TJCF/JJA
Lana Olor	KS Senate
DAVID ADKINS	HOUSE
Judy Mober	Ks. Assn of Counties

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 4/23/99

NAME	REPRESENTING
Tom Brown	Allen & Assoc.
Gina McDonald	KACIC
Joanne Donnell	TILRE
Paul Kunkubee	LINK
Julie Rogers	
Tyron Bush	Topeka Independent Living
Ron Seeber	Dept. of Admin.
JOE FRITTON	DEPT OF ADMIN / DFM
Bill Grant	" " / DFM
Dick Bauman	KDOT
Elaine Frisbie	Div. of the Budget
SCOTT SCHMIDT	MGA
Debra Frideaux	FHSU
Mary Carol Fomatto	PSU
Harlan E. Puddle	Puddle & Assoc.
Louis Chabwa	Budget

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 4/27/99

NAME	REPRESENTING
Mike Huttles	SRs
NICK TOMASIC	WY C.O. D-A
Ken Baker	Lumber
Marsha Linn	Sedgwick County
Judith ...	16. Area of Counties
Marsha Pappan	KBI
Larry Welch	KBI
Terry Knowles	KBI
Nava Town	Johnson County
Sten Clark	Legislature

COMPARISON OF APPROPRIATIONS RECOMMENDATIONS
Reflects Conference Committee Action on All Appropriations Bills
FY 1999

STATE GENERAL FUND

	Governor's Recommendation*	Conference Committee Recommendation	Change From Governor	Change From Original House Recommendation	Change From Original Senate Recommendation
Legislative & Elected Officials	\$123,444,536	\$123,592,536	\$148,000	(\$50,000)	\$0
Public Safety	101,788,564	101,040,251	(748,313)	(754,286)	(748,313)
Dept. of Administration/KPERS	47,032,392	47,032,392	0	0	0
KDHE/Aging	179,214,305	179,214,305	0	0	0
Regents	538,814,023	538,814,023	0	0	0
Revenue/Commerce	33,451,937	33,485,749	33,812	33,812	0
Judicial Agencies	87,891,091	87,841,091	(50,000)	0	0
Other Education Agencies	23,886,973	23,886,973	0	0	0
Department of Transportation	10,994,912	10,994,912	0	0	0
DOC & Correctional Institutions	187,410,444	187,373,760	(36,684)	0	0
Department of Education	2,191,809,875	2,191,809,875	0	(160)	0
Agriculture Agencies	32,755,069	32,755,069	0	0	0
SRS & State Hospitals	560,619,104	566,719,104	6,100,000	12,600,000	(300,000)
Fee Boards	0	0	0	0	0
Capital Improvements	104,196,893	104,816,743	619,850	894,910	0
Total SGF Expenditures	\$4,223,310,118	\$4,229,376,783	\$6,066,665	\$12,724,276	(\$1,048,313)

ALL FUNDS

	Governor's Recommendation*	Conference Committee Recommendation	Difference From Governor	Change From Original House Recommendation	Change From Original Senate Recommendation
Legislative & Elected Officials	\$216,517,643	\$216,715,643	\$198,000	\$0	\$0
Public Safety	173,488,526	172,740,213	(748,313)	(754,286)	(748,313)
Dept. of Administration/KPERS	335,499,895	335,424,895	(75,000)	0	(75,000)
KDHE/Aging	657,736,995	657,579,862	(157,133)	0	0
Regents	1,317,873,094	1,317,873,094	0	0	0
Revenue/Commerce	321,529,156	321,642,968	113,812	33,812	0
Judicial Agencies	94,224,958	94,224,958	0	0	0
Other Education Agencies	259,831,169	259,831,169	0	0	0
Department of Transportation	499,451,356	499,451,356	0	1,044,060	0
DOC & Correctional Institutions	201,489,040	201,452,356	(36,684)	0	0
Department of Education	2,462,670,527	2,462,670,527	0	(160)	0
Agriculture Agencies	144,916,646	144,916,646	0	0	0
SRS & State Hospitals	1,520,171,866	1,544,111,866	23,940,000	24,940,000	4,240,000
Fee Boards	13,368,242	13,526,242	158,000	0	0
Capital Improvements	602,576,263	602,503,787	(72,476)	(1,891,476)	50,000
Total Expenditures	\$8,821,345,376	\$8,844,665,582	\$23,320,206	\$23,371,950	\$3,466,687

FTE POSITIONS

	Governor's Recommendation*	Conference Committee Recommendation	Conference Change From Governor	Change From Original House Recommendation	Change From Original Senate Recommendation
Legislative & Elected Officials	535.8	535.8	0.0	0.0	0.0
Public Safety	1,874.8	1,870.8	(4.0)	(5.0)	(4.0)
Dept. of Administration/KPERS	1,199.4	1,199.4	0.0	0.0	0.0
KDHE/Aging	1,818.6	1,818.6	0.0	0.0	0.0
Regents	17,665.1	17,665.1	0.0	0.0	0.0
Revenue/Commerce	1,527.5	1,527.5	0.0	0.0	0.0
Judicial Agencies	1,956.0	1,956.0	0.0	0.0	0.0
Other Education Agencies	442.5	442.5	0.0	0.0	0.0
Department of Transportation	3,129.5	3,129.5	0.0	0.0	0.0
DOC & Correctional Institutions	3,030.5	3,028.5	(2.0)	0.0	0.0
Department of Education	208.5	208.5	0.0	0.0	0.0
Agriculture Agencies	1,191.5	1,191.5	0.0	0.0	0.0
SRS & State Hospitals	6,787.4	6,787.4	0.0	0.0	0.0
Fee Boards	217.1	217.1	0.0	0.0	0.0
Total FTE Positions	41,584.2	41,578.2	(6.0)	(5.0)	(4.0)

*Reflects Governor's Budget Amendments Submitted as of April 20, 1999

Senate Ways and Means Committee

Date 4/22/99

Attachment # 1-1

COMPARISON OF APPROPRIATIONS RECOMMENDATIONS
Reflects Conference Committee Action on All Appropriations Bills
FY 2000

STATE GENERAL FUND

	Governor's Recommendation*	Conference Committee Recommendation	Change From Governor	Change From Original House Recommendation	Change From Original Senate Recommendation
Legislative & Elected Officials	\$125,668,045	\$126,201,847	\$533,802	\$145,767	\$94,981,753
Public Safety	102,024,886	45,118,342	(56,906,544)	(60,592,240)	(61,800,384)
Dept. of Administration/KPERS	24,907,527	24,976,802	69,275	115,005	3,533
KDHE/Aging	180,365,083	183,425,821	3,060,738	(3,312,360)	1,655,000
Regents	558,360,772	559,733,288	1,372,516	2,932,539	264,516
Revenue/Commerce	36,939,386	35,831,275	(1,108,111)	5,102,429	(1,208,111)
Judicial Agencies	90,711,740	91,689,115	977,375	(55,528)	900,000
Other Education Agencies	24,168,128	24,477,641	309,513	193,169	102,809
Department of Transportation	11,182,000	11,181,826	(174)	(174)	11,181,826
DOC & Correctional Institutions	195,280,097	195,130,132	(149,965)	628,412	250,000
Department of Education	2,320,860,647	2,330,231,647	9,371,000	8,594,195	25,832,000
Agriculture Agencies	33,776,047	32,844,855	(931,192)	(293,524)	6,028,036
SRS & State Hospitals	574,817,016	583,509,441	8,692,425	(7,825,576)	2,657,425
Fee Boards	0	0	0	0	0
Capital Improvements	140,270,510	100,764,077	(39,506,433)	7,101,150	89,518,567
Total SGF Expenditures	\$4,419,331,884	\$4,345,116,109	(\$74,215,775)	(\$47,266,736)	\$170,366,970

ALL FUNDS

	Governor's Recommendation*	Conference Committee Recommendation	Change From Governor	Change From Original House Recommendation	Change From Original Senate Recommendation
Legislative & Elected Officials	\$217,640,755	\$218,208,660	\$567,905	\$116,467	\$27,703
Public Safety	164,062,261	92,798,017	(71,264,244)	(76,022,524)	(75,460,538)
Dept. of Administration/KPERS	326,209,027	326,358,745	149,718	(34,995)	3,533
KDHE/Aging	677,202,794	675,911,733	(1,291,061)	(5,542,408)	2,050,768
Regents	1,295,833,124	1,296,950,099	1,116,975	2,932,539	264,516
Revenue/Commerce	320,926,180	324,905,110	3,978,930	10,209,470	(965,111)
Judicial Agencies	96,094,969	97,172,344	1,077,375	44,472	900,000
Other Education Agencies	275,519,835	275,829,348	309,513	193,169	102,809
Department of Transportation	514,212,172	511,219,441	(2,992,731)	(2,992,731)	0
DOC & Correctional Institutions	208,454,397	208,304,432	(149,965)	628,412	250,000
Department of Education	2,593,968,710	2,597,989,710	4,021,000	460,195	(1,100,000)
Agriculture Agencies	147,879,405	148,299,413	420,008	1,041,476	37,536
SRS & State Hospitals	1,558,428,769	1,587,110,333	28,681,564	(18,392,725)	18,399,397
Fee Boards	13,753,394	13,803,394	50,000	(60,178)	0
Capital Improvements	618,307,154	578,399,978	(39,907,176)	(41,978,529)	(2,925,743)
Total Expenditures	\$9,028,492,946	\$8,953,260,757	(\$75,232,189)	(\$129,397,890)	(\$58,415,130)

FTE POSITIONS

	Governor's Recommendation*	Conference Committee Recommendation	Change From Governor	Change From Original House Recommendation	Change From Original Senate Recommendation
Legislative & Elected Officials	533.8	536.8	3.0	1.0	0.0
Public Safety	1,889.8	1,297.8	(592.0)	(593.0)	(598.0)
Dept. of Administration/KPERS	1,217.4	1,220.4	3.0	(1.0)	1.5
KDHE/Aging	1,927.6	1,930.6	3.0	2.0	0.0
Regents	15,700.4	15,706.5	6.1	0.0	7.1
Revenue/Commerce	1,525.5	1,525.5	0.0	0.0	0.0
Judicial Agencies	1,965.0	1,965.0	0.0	(30.0)	0.0
Other Education Agencies	441.5	441.5	0.0	0.0	0.0
Department of Transportation	3,118.5	3,118.5	0.0	0.0	0.0
DOC & Correctional Institutions	3,052.5	3,037.5	(15.0)	0.0	0.0
Department of Education	208.5	208.5	0.0	0.0	0.0
Agriculture Agencies	1,203.0	1,200.5	(2.5)	0.0	0.0
SRS & State Hospitals	6,772.4	6,772.4	0.0	0.0	0.0
Fee Boards	220.8	219.8	(1.0)	(1.0)	0.0
Total FTE Positions	39,776.7	39,181.3	(595.4)	(622.0)	(589.4)

*Reflects Governor's Budget Amendments Submitted as of April 20, 1999

State General Fund Profile
FY 1998 - FY 2004

Governor's Recommendation Except
 State Highway Fund Demand Transfer Capped FY 00 and FY 01 Then 7.628%
 Revised Consensus Revenue Estimates as of April 2, 1999
 No Tax Reductions
 Legislative Action on S.B. 325; Plus Senate Rec. on JJA
 All Demand Transfers as Expenditures
 Tobacco Settlement Starting in FY 2001 (Current Law 50%)

	Actual FY 1998	Increase	Revised FY 1999	Increase	Projected FY 2000	Increase	Projected FY 2001	Increase	Projected FY 2002	Increase	Projected FY 2003	Increase	Projected FY 2004	Increase
Beginning Balance(a)	\$528.6		\$756.7		\$581.6		\$386.7		\$335.8		\$345.2		\$359.7	
RECEIPTS:(b)		9.3%		0.7%		4.3%		4.0%		4.1%		4.3%		4.3%
Tobacco Settlement	4,027.2	343.4	4,055.5	28.3	4,229.8	174.3	4,398.1	168.3	4,579.4	181.3	4,776.3	196.9	4,981.6	205.3
Revenue Transfer for Children's Health Care Programs Fund	0.0	0.0	0.0	0.0	0.0	0.0	36.5	36.5	28.5	(8.0)	34.5	6.0	35.0	0.5
Other Revenue Adjustments	0.0	0.0	0.0	0.0	(9.5)	(9.5)	0.0	9.5	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Receipts	4,027.2	343.4	4,054.3	27.1	4,212.0	157.7	4,434.7	222.7	4,609.5	174.8	4,810.8	201.3	5,016.6	205.8
		9.3%		0.7%		3.9%		5.3%		3.9%		4.4%		4.3%
EXPENDITURES:														
Base General and Supplemental School Aid (c)	1,384.0	19.7	1,419.1	35.1	1,436.4	17.3	1,419.9	(16.5)	1,400.6	(19.3)	1,380.0	(20.6)	1,358.7	(21.3)
Additional Base Aid (\$15.00 in FY 2000)	0.0	0.0	0.0	0.0	9.0	9.0	9.0	0.0	9.0	0.0	9.1	0.1	9.1	0.0
Approved Property Tax Relief:		1.5%		2.5%		1.2%		-1.1%		-1.4%		-1.5%		-1.5%
Approved Mill Levy Reduction (35/20 mills; \$20,000 homestead)	108.7	108.7	266.1	157.4	321.3	55.2	331.6	10.3	342.2	10.6	353.1	10.9	364.3	11.2
Approved Motor Vehicle Property Tax Relief	46.3	24.7	75.5	29.2	103.8	28.3	125.9	22.1	131.8	5.9	137.1	5.3	142.6	5.5
Subtotal - Approved Property Tax Relief	155.0	133.4	341.6	186.6	425.1	83.5	457.5	32.4	474.0	16.5	490.2	16.2	506.9	16.7
Subtotal - Approved General and Supplemental School Aid (c)	1,539.0	153.1	1,760.7	221.7	1,870.5	109.8	1,886.4	15.9	1,883.6	(2.8)	1,879.3	(4.3)	1,874.7	(4.6)
		11.2%		14.4%		6.2%		0.9%		-0.1%		-0.2%		-0.2%
Demand Transfers: (e)	205.1	5.4	219.6	14.5	229.0	9.4	234.8	5.8	267.1	32.3	277.6	10.5	288.4	10.8
All Other Expenditures(d)	2,055.0	103.6	2,249.1	194.1	2,307.4	58.3	2,307.4	0.0	2,364.4	57.0	2,449.4	85.0	2,639.4	190.0
		5.3%		9.4%		2.6%		0.0%		2.5%		3.6%		7.8%
Available for Other Purposes(g)	0.0	0.0	0.0	0.0	0.0	0.0	57.0	57.0	85.0	28.0	190.0	105.0	200.0	10.0
TOTAL Expenditures	3,799.1	263.3	4,229.4	430.3	4,406.9	177.5	4,485.6	78.7	4,600.1	114.5	4,796.3	196.2	5,002.5	206.2
Percent Increase		7.4%		11.3%		4.2%		1.8%		2.6%		4.3%		4.3%
Ending Balance(f)	756.7		581.6		386.7		335.8		345.2	60.3	359.7	5.1	373.8	(0.4)
Percent of Expenditures	19.9%		13.8%		8.8%		7.5%		7.5%		7.5%		7.5%	
Receipts in Excess of Expenditures	228.1		(175.1)		(194.9)		(50.9)		9.4		14.5		14.1	

Senate Ways and Means Committee

Date 4/22/99
Attachment # 2-1

OTNOTES:

a) Includes released encumbrances in FY 1998 and FY 1999.

b) Receipts are actual for FY 1998. Receipts for FY 1999 and FY 2000 reflect the April 2, 1999 consensus revenue estimates, as adjusted by the Governor.

The adjustments include the tobacco settlement (starting in FY 2001) which reflects the full 50 percent transfer to the State General Fund (current law).

The Governor also makes several other minor adjustments in receipts (Project 2000 in the Department of Revenue, Lottery, oil and gas well plugging transfer in the KCC, Winfield Veteran's Home, and a transfer to the State Emergency Fund).

Senate adjustments include leaving the SGF transfer to the KCC in FY 99 and FY 00, plus \$0.7 from Lottery, \$14.1 million to the Higher Education Faculty Salary Parity Fund and \$1.2 million from the Kansas Highway Patrol. A revenue transfer of \$9.5 million to the Children's Health Care Programs Fund.

The projections for FYs 2001 - 2004 are not consensus estimates of receipts but are based on a growth rate of 4.0 percent in FY 2001; 4.1 percent in FY 2002; 4.3 percent in FY 2003; and 4.3 percent in FY 2004.

c) Base estimate of general and supplemental school aid payments in FY 1998 (actual), estimates for FY 1999 (revised), and FY 2001 - FY 2002 were made by the Department of Education, Division of the Budget, and the Legislative Research Department. For FY 2000 the recommendation reflects an increase in the base per pupil amount of \$50 from \$3,720 to \$3,770, an additional correlation weighting adjustment from 1,750 FTE students to 1,725 FTE students, and the reduction in the uniform property tax rate from 27 to 20 mills and a homestead exemption of \$20,000.

The FY 2000 - FY 2004 estimates assume a uniform school mill levy of 20 mills and a \$20,000 homestead

and a base aid per pupil amount of \$3,770. FY 2003 and FY 2004 are estimated by the Legislative Research Department.

An additional base increase in FY 2000 of \$15.00 in the base aid amount above the Governor, or a total of \$3,770.

d) FY 1998 actual all other expenditures. The FY 1999 and FY 2000 amounts are as approved by the Legislature in S.B. 325, plus the Senate recommendation for Juvenile Justice Authority which is \$4.7 million above the Governor's recommendation. For FY 2001 - FY 2003 all other expenditures generally reflect the prior year's all other expenditures, plus the prior year's amount that is available for other purposes.

e) Demand transfers for the School District Capital Improvement Fund, Water Plan Fund, State Fair and the Local Ad Valorem Tax Reduction Fund (FY 1999 - FY 2004) all reflect current law.

The County-City Revenue Sharing Fund and the City-County Highway Fund for FY 1999 reflect a cap of 2.4 percent; FY 2000 a cap of 1.75 percent; FY 2001 the amounts are frozen;

FY 2002 a cap of 0.6 percent; and for FY 2003 and FY 2004 a cap of 2.6 percent. For the State Highway Fund the FY 2000 and FY 2001 the amounts reflect a capped increase of 1.7 percent; the rate increases to 7.628 percent (current law) for FY 2002 - FY 2004.

f) Current law minimum ending balance requirement is 7.5 percent of expenditures.

g) Available for other purposes such as additional expenditures or tax reductions.

Kansas Legislative Research Department

April 21, 1999

File: AC04219S

STATE WATER PLAN FUND EXPENDITURES FY 1999

	GOV. REC. FY 1999	LEG. ADJ. FY 1999	LEG. APPR. FY 1999
Agency/Program			
State Conservation Commission			
Buffer Initiative	\$80,000	\$0	\$80,000
Conservation District Aid	1,023,250	0	1,023,250
Multipurpose Small Lakes	231,000	0	231,000
Nonpoint Source Pollution Asst.	3,001,461	0	3,001,461
Riparian and Wetland Program*	98,606	0	110,956
Water Resources Cost Share*	4,446,912	0	4,450,000
Water Rights Purchase	0	0	0
Watershed Dam Construction*	779,438	0	829,000
Total--State Conservation Commission	\$9,660,667	\$0	\$9,725,667
Kansas Water Office			
Basin Assessment	\$25,000	\$0	\$25,000
Cheney Agricultural Nonpoint Source	0	0	0
Feedlot Water Quality	70,000	0	70,000
GIS Data Access and Support Ctr.	139,000	0	139,000
GIS Manager, Data Base, and Support	316,026	0	316,026
Groundwater Condition Evaluation	25,000	0	25,000
Milford and Perry Storage Acquisition Costs	0	0	0
MOU Operation and Maintenance	446,091	0	446,091
Neosho Sub-basin Study	50,000	0	50,000
PMIB Loan	252,000	0	252,000
Public Information	40,000	0	40,000
Salt Water Intrusion Studies	25,000	0	25,000
State Water Plan Direction and Evaluation	0	0	0
Stream Gauging Program	364,000	0	364,000
Tech. Assist. to Water Users	440,000	0	440,000
Walnut Creek Study	40,000	0	40,000
Water Resource Education	70,000	0	70,000
Water Quality Initiative	0	0	0
Water Quality in Upper Arkansas River	75,000	0	75,000
Water Quality Planning Assist.	20,000	0	20,000
Weather Modification	390,000	0	390,000
Total--Kansas Water Office	\$2,787,117	\$0	\$2,787,117
Wildlife and Parks			
Stream Monitoring	\$50,000	\$0	\$50,000
River Recreation	0	0	0
Total--Wildlife and Parks	\$50,000	\$0	\$50,000
KSU--Western Kansas Irrigation Project	\$91,000	\$0	\$91,000
Department of Agriculture			
Floodplain Management	\$107,969	\$0	\$107,969
Interstate Water Issues	203,550	0	203,550
Subbasin Management Plan	660,899	0	660,899
Total--Department of Agriculture	\$972,418	\$0	\$972,418
Health and Environment			
Assessment of Sediment: Cheney and Perry	\$90,000	\$0	\$90,000
Contamination Remediation	1,420,128	0	1,420,128
Local Environmental Protection Program	1,900,000	0	1,900,000
Nonpoint Source Program	910,000	0	910,000
Total--Health and Environment	\$4,320,128	\$0	\$4,320,128
KCC--Well Plugging	\$400,000	\$0	\$400,000
		0	0
Total Water Plan Expenditures	\$18,281,330	\$0	\$18,346,330
State Water Plan Resource Est.			
	GOV. REC. FY 99	LEG. ADJ. FY 99	LEG. APPR. FY 99
Beginning Balance	\$923,324	\$0	\$923,324
Revenues			
State General Fund Transfer	\$6,000,000	\$0	\$6,000,000
Economic Development Fund Transfer	2,000,000	0	2,000,000
Municipal Water Fees	3,375,000	0	3,375,000
Industrial Water Fees	1,110,000	0	1,110,000
Stock Water Fees	300,000	0	300,000
Pesticide Registration Fees	778,600	0	778,600
Fertilizer Registration Fees	2,901,728	0	2,901,728
Fines	20,000	0	20,000
Sand Royalty Receipts	322,226	0	322,226
Returned Funds/Transfers In	2,091,277	0	2,091,277
Total Receipts	\$18,898,831	\$0	\$18,898,831
		0	0
Total Available	\$19,822,155	\$0	\$19,822,155
Less Expenditures	18,281,330	0	18,346,330
Ending Balance	\$1,540,825	\$0	\$1,475,825

*Items included in GBA No. 2, Item 51.

STATE WATER PLAN FUND EXPENDITURES FY 2000

Agency/Program	GOV. REC. FY 2000	LEG. ADJ. FY 2000	LEG. APPR. FY 2000
State Conservation Commission			
Buffer Initiative	\$80,000	\$0	\$80,000
Conservation District Aid	1,023,250	9,500	1,032,750
Multipurpose Small Lakes	231,000	0	231,000
Nonpoint Source Pollution Asst.	3,000,000	0	3,000,000
Riparian and Wetland Program	125,000	0	125,000
Water Resources Cost Share	4,450,000	0	4,450,000
Water Rights Purchase	0	0	0
Watershed Dam Construction	804,000	0	804,000
Total--State Conservation Commission	\$9,713,250	\$9,500	\$9,722,750
Kansas Water Office			
Basin Assessment	\$25,000	\$0	\$25,000
Cheney Agricultural Nonpoint Source	25,000	0	25,000
Feedlot Water Quality	0	0	0
GIS Data Access and Support Ctr.	145,000	0	145,000
GIS Manager, Data Base, and Support	267,800	0	267,800
Groundwater Condition Evaluation*	90,000	0	75,000
Millford and Perry Storage Acquisition Costs	0	0	0
MOU Operation and Maintenance	446,224	0	446,224
Neosho Sub-basin Study	0	0	0
PMIB Loan	267,394	0	267,394
Public Information*	40,000	0	30,000
Salt Water Intrusion Studies	0	0	0
State Water Plan Direction and Evaluation	0	0	0
Stream Gauging Program	400,000	0	400,000
Tech. Assist. to Water Users	440,000	0	440,000
Walnut Creek Study	0	0	0
Water Resource Education*	110,000	0	70,000
Water Quality Initiative	0	0	0
Water Quality in Upper Arkansas River	75,000	0	75,000
Water Quality Planning Assist.	0	0	0
Weather Modification	360,000	0	360,000
Total--Kansas Water Office	\$2,691,418	\$0	\$2,626,418
Wildlife and Parks			
Stream Monitoring	\$50,000	\$0	\$50,000
River Recreation	0	0	0
Total--Wildlife and Parks	\$50,000	\$0	\$50,000
KSU--Western Kansas Irrigation Project	\$0	\$0	\$0
Department of Agriculture			
Floodplain Management	\$110,619	\$0	\$110,619
Interstate Water Issues	193,157	0	193,157
Subbasin Management Plan	685,000	0	685,000
Total--Department of Agriculture	\$988,776	\$0	\$988,776
Health and Environment			
Assessment of Sediment: Cheney and Perry	\$125,000	\$0	\$125,000
Contamination Remediation	1,390,000	0	1,390,000
Local Environmental Protection Program	1,800,000	0	1,800,000
Nonpoint Source Program	925,000	0	925,000
Total--Health and Environment	\$4,240,000	\$0	\$4,240,000
KCC--Well Plugging	\$400,000	\$0	\$400,000
Total Water Plan Expenditures	\$18,083,444	\$9,500	\$18,027,944

State Water Plan Resource Est.	GOV. REC. FY 2000	CONF. ADJ. FY 2000	LEG. APPR. FY 2000
Beginning Balance	\$1,540,825	\$0	\$1,475,825
Revenues			
State General Fund Transfer	\$6,000,000	\$0	\$6,000,000
Economic Development Fund Transfer	2,000,000	0	2,000,000
Municipal Water Fees	3,390,000	0	3,390,000
Industrial Water Fees	1,115,000	0	1,115,000
Stock Water Fees	290,000	0	290,000
Pesticide Registration Fees	660,000	0	660,000
Fertilizer Registration Fees	2,750,000	0	2,750,000
Fines	20,000	0	20,000
Sand Royalty Receipts	320,726	0	320,726
Returned Funds/Transfers In	0	0	0
Total Receipts	\$16,545,726	\$0	\$16,545,726
Total Available	\$18,086,551	\$0	\$18,021,551
Less Expenditures	18,083,444	9,500	18,027,944
Ending Balance	\$3,107	(\$9,500)	(\$6,393)

*Items included in GBA No. 2, Item 51.

3-2

Economic Development Initiatives Fund

Agency/Program	GOV.REC. FY 1999	LEGISLATIVE ADJUSTMENTS FY 1999
Department of Commerce and Housing*		
Agency Operations	\$ 7,989,452	\$
Small Business Development Centers	525,000	
Certified Development Companies	475,000	
Kansas Industrial Training/Retraining	3,850,000	
Trade Show Promotion Grants	170,000	
Community Capacity Building Grants	250,000	
Economic Opportunity Initiative Fund	4,000,000	
Existing Industry Expansion	800,000	
Tourism Promotion Grants	452,100	
Mid-America World Trade Center	50,000	
Mainstreet Grant and Development Prog.	216,800	
Agriculture Product Development	540,000	
Training Equipment Grants	300,000	
Travel Information Center Repairs	85,000	
Motion Picture and Television Rebate	100,000	
Kansas Sports Hall of Fame	150,000	
Eisenhower Museum Grant	0	
Subtotal - KDCH	\$ 19,953,352	
Kansas Technology Enterprise Corporation *		
Agency Operations	\$ 1,785,760	
Centers of Excellence	3,502,896	
Research Matching Grants	1,260,000	
Business Innovative Research Grants	76,000	
State Small Business Innovation Research	440,000	
Special Projects	79,303	
Commercialization Grants	1,540,000	
Mid-America Manufact. Tech. Center	1,997,104	
EPSCoR	3,200,000	
Subtotal - KTEC	\$ 13,881,063	
Kansas, Inc. - Agency Operations	\$ 234,597	
Department of Education *		
At-Risk/Innovative Program Assist.	\$ 0	
Matching Grants - AVTS	200,000	
Postsecondary Aid - AVTS	6,690,223	
Capital Outlay Aid - AVTS	3,000,000	
Subtotal - Education	\$ 9,890,223	
Historical Society	\$ 200,000	
Department of Administration		
Public TV Microwave Connection	\$ 116,800	
State Water Plan Fund	\$ 2,000,000	
KSU -- Ag Extension		
Ogalala Aquifer Study	\$ 90,000	
Wildlife and Parks		
Local Government Outdoor Recreation	\$ 500,000	
State Fair		
Interstate Promotion	\$ 0	
TOTAL TRANSFERS AND EXPENDITURES	\$ 46,866,035	\$ 0

EDIF Resource Estimate

	GOV. REC. FY 1999	LEGISLATIVE ADJUSTMENTS FY 1999
Beginning Balance	\$ 5,575,000	\$ -
Released Encumbrances	0	918,020
Gaming Revenues	42,500,000	-
Other Income	500,000	410,315
Total Available	\$ 48,575,000	\$ 49,903,335
Less: Expenditures and Transfers	46,866,035	46,866,035
ENDING BALANCE	\$ 1,708,965	\$ 3,037,300

* - Does not include expenditures from prior year EDIF allocations.

Economic Development Initiatives Fund

Agency/Program	GOV.REC. FY 2000	LEGISLATIVE ADJUSTMENTS FY 2000
Department of Commerce and Housing*		
Agency Operations	\$ 7,048,104	\$ (41,889)
Small Business Development Centers	485,000	
Certified Development Companies	475,000	
Kansas Industrial Training/Retraining	3,600,000	
Trade Show Promotion Grants	150,000	
Community Capacity Building Grants	197,000	
Economic Opportunity Initiative Fund	5,000,000	
Existing Industry Expansion	800,000	
Tourism Promotion Grants	952,100	
Mid-America World Trade Center	0	41,889
Mainstreet Grant and Development Prog.	216,800	
Agriculture Product Development	540,000	
Training Equipment Grants	300,000	
Travel Information Center Repairs	15,000	
Motion Picture and Television Rebate	75,000	
Kansas Sports Hall of Fame	0	
Eisenhower Museum Grant	300,000	
Subtotal - KDCH	\$ 20,154,004	\$ 0
Kansas Technology Enterprise Corporation *		
Agency Operations	\$ 1,338,486	
Centers of Excellence	3,552,640	
Research Matching Grants	1,260,000	
Business Innovative Research Grants	76,000	
State Small Business Innovation Research	440,000	
Special Projects	79,303	
Commercialization Grants	1,690,000	
Mid-America Manuf. Tech. Center	1,797,338	
EPSCoR	3,200,000	
Subtotal - KTEC	\$ 13,433,767	\$
Kansas, Inc. - Agency Operations	\$ 169,563	
NATO Conference		10,000
Analysis of Kansas Laws		10,000
Subtotal - Kansas, Inc.	\$ 169,563	\$ 20,000
Department of Education *		
At-Risk/Innovative Program Assist.	\$ 0	
Matching Grants - AVTS	200,000	
Postsecondary Aid - AVTS	6,707,144	
Capital Outlay Aid - AVTS	2,000,000	
Subtotal - Education	\$ 8,907,144	\$
Historical Society	\$ 0	
Department of Administration		
Public TV Microwave Connection	\$ 0	
State Water Plan Fund	\$ 2,000,000	
KSU -- Ag Extension		
Ogalala Aquifer Study	\$ 0	
Wildlife and Parks		
Local Government Outdoor Recreation	\$ 0	500,000
River Access		
State Fair		
Interstate Promotion	\$ 0	35,000
TOTAL TRANSFERS AND EXPENDITURES	\$ 44,664,478	555,000
EDIF Resource Estimate	GOV. REC.	LEGISLATIVE
	FY 2000	ADJUSTMENTS
		FY 2000
Beginning Balance	\$ 1,708,965	\$ 1,328,335
Gaming Revenues	42,500,000	-
Other Income	500,000	-
Total Available	\$ 44,708,965	\$ 46,037,300
Less: Expenditures and Transfers	44,664,478	45,219,478
ENDING BALANCE	\$ 44,487	\$ 817,822

* - Does not include expenditures from prior year EDIF allocations.

H.A.

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April 21, 1999

ITEMS FOR OMNIBUS CONSIDERATION

Department of Social and Rehabilitation Services

A. Caseload Estimates. Staff of the Kansas Legislative Research Department, the Division of the Budget, the Kansas Department on Aging (KDOA) and the Department of Social and Rehabilitation Services (SRS) met on April 15 to develop consensus caseload estimates on agency programs for FY 1999 and FY 2000. Consensus was reached on expenditure estimates for Temporary Assistance for Families, General Assistance, regular medical assistance, and adult care facilities (including nursing facilities, nursing facilities for mental health). At the request of the Division of the Budget, the Home and Community Based Services (HCBS) programs, and intermediate care facilities for the mentally retarded, and child welfare services (including foster care contracts, adoption contracts, and adoption support) were removed from the caseload estimating process. In total, estimated State General Fund expenditures are increased by \$4.6 million in FY 1999 and \$12.1 million in FY 2000. State General Fund expenditures for programs operated by SRS were increased by \$4.2 million in FY 1999 and \$11.3 million in FY 2000. The following tables summarize the November 1998 and April 1999 caseload estimates and the resulting differences:

		November Estimate		April Estimate		Difference	
		FY 1999		FY 2000			
Cash Assistance							
Temporary Assistance for Families	All Funds	\$ 45,000,000	\$ 45,900,000	\$ 45,000,000	\$ 44,000,000	\$ 900,000	\$ 3,000,000
	SGF	35,336,000	35,336,000	35,336,000	35,336,000	0	0
General Assistance	All Funds	\$ 4,455,000	\$ 4,265,000	\$ 4,455,000	\$ 4,265,000	\$ (190,000)	\$ (190,000)
	SGF	4,455,000	4,265,000	4,455,000	4,265,000	(190,000)	(190,000)
Medical Assistance							
	All Funds	\$ 535,759,000	\$ 542,700,000	\$ 535,759,000	\$ 566,700,000	\$ 6,941,000	\$ 23,060,642
	SGF	204,513,900	208,900,000	211,292,800	222,500,000	4,386,100	11,207,200
Adult Care Homes							
Nursing Facilities (KDOA)	All Funds	\$ 250,000,000	\$ 250,500,000	\$ 262,500,000	\$ 264,600,000	\$ 500,000	\$ 2,100,000
	SGF	100,000,000	100,200,000	105,000,000	105,840,000	200,000	840,000
Nursing Facilities - Mental Health	All Funds	\$ 12,000,000	\$ 12,300,000	\$ 12,600,000	\$ 13,000,000	\$ 300,000	\$ 400,000
	SGF	8,637,000	8,853,000	9,068,900	9,356,000	216,000	287,100
Subtotal - Adult Care Facilities		All Funds	\$ 262,000,000	\$ 262,800,000	\$ 277,600,000	\$ 800,000	\$ 2,500,000
		SGF	\$ 108,637,000	\$ 109,053,000	\$ 115,196,000	\$ 416,000	\$ 1,127,100

Senate Ways and Means Committee

Date 4/22/99

Attachment # 5-1

B. Omnibus Review Items.

1. Child Support Enforcement—Kansas Enhanced Statewide Support Enforcement Project (KESSEP) and the Centralized Payment Center Project (House Budget Committee and Senate Subcommittee). The House Budget Committee on Social Services and the Senate Subcommittee reviewing the SRS budget requested an update on the status of the KESSEP and centralized payment center mandated by the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The KESSEP system is now scheduled to cost a total of \$45.9 million all funds including \$13.3 million from state funds and was scheduled to be completed in September 1999. The centralized payment center is a joint effort with Office of Judicial Administration (OJA) and is scheduled for completion by October 1999. The Committees wished to know if these estimates of completion and costs are accurate. The agency indicates the above information is still accurate.

2. Home and Community Based Services for the Physically Disabled (House Budget Committee). The House Budget Committee on Social Services reviewing the Adult and Medical Services Commission budget for FY 2000 recommended that the agency prepare a plan to address how services will be provided, without a waiting list, within the Governor's Budget Recommendation for the program. If the funding is insufficient, the agency is to inform the Governor and the Committee. The Committee is to review at Omnibus the new information. The agency's current estimate of the FY 2000 shortfall is \$6,849,948 all funds including \$2,739,979 from the State General Fund.

3. Follow Up Study of Individuals Who Have Left the Welfare Roles (Senate Subcommittee). The Senate Subcommittee reviewing the Income Maintenance and Employment Preparation Services budget for FY 2000 appointed two members to draft a scope statement for a proposed study to determine why individuals who have left the welfare roles are no longer using Food Stamps. The Committee is to consider funding the study and determining the expectations of the study during review at Omnibus.

4. Foster Care Contracts, Adoption Contract, and Adoption Support (Conference Committee). The Conference Committee in reviewing the SRS budget deferred the additional funding requested by the agency for foster care contracts (\$5.2 million), adoption contract (\$2.6 million), and adoption support (\$2.3 million) to totally fund the above services for FY 2000. The current approved amount in FY 2000 is \$140.0 million all funds (\$44.0 million SGF). The current approved amount in FY 1999 is \$110.4 million all funds (\$28.0 million SGF).

Funding Approved by the Legislature

	FY 1999		FY 2000	
	State		State	
	General Fund	All Funds	General Fund	All Funds
Foster Care Contracts	\$ 23,474,408	\$ 100,503,946	\$ 8,246,786	\$ 81,603,946
Adoption Contract	12,454,411	26,394,141	10,731,723	14,769,807
Adoption Support	8,024,136	13,057,080	8,993,162	14,026,106
	<u>\$ 43,952,955</u>	<u>\$ 139,955,167</u>	<u>\$ 27,971,671</u>	<u>\$ 110,399,859</u>

5. **Mental Health Programs—Family Centered System of Care for Severely Emotional Distributed Children (House Budget Committee and Senate Subcommittee).** The House Budget Committee on Social Services and the Senate Subcommittee reviewing the mental health services budget for FY 2000 received a request from the Association of Community Mental Health Centers of Kansas for funding of \$5,000,000 State General Fund to provide a statewide program of early intervention and prevention services for children who are at risk of developing severe emotional disturbances (SED) and their families. The program would be based on a federal pilot project located in Sedgwick County and 13 counties in southeast Kansas. The Legislature has funded the request with \$5,000,000 of tobacco funds in S.B. 325.

6. **Mental Health Programs—Case Management Services to Homeless persons with a Mental Ill (House Budget Committee).** The House Budget Committee on Social Services reviewing the mental health services budget for FY 2000 received a request for \$1,440,000 from all funding sources including \$1,000,000 from the State General Fund to provide a statewide program of case management services to homeless persons with a mental illness. Currently a pilot project in Sedgwick and Shawnee Counties provides assertive outreach, where case managers search the streets and locations where homeless individuals stay. The Legislature in S.B. 325 has funded the request with \$750,000 State General Fund and a local match requirement of \$250,000 which will provide federal funds of \$440,000 according to SRS.

7. **Developmental Disabilities—Home and Community Based Services for Mental Retardation (HCBS/MR) FY 1999 and FY 2000 (House Budget Committee and Senate Subcommittee).** The House Budget Committee on Social Services and the Senate Subcommittee reviewing the developmental disabilities budget requested that the HCBS/MR waiver program be reviewed again during the Omnibus Session. The Conference Committee added \$650,000 State General Fund and recommended the agency reallocate \$1,750,000 of state funds from within the existing agency budget to the waiver program. The above action would fund the FY 1999 shortfall of \$2,400,000 from state funds and \$5,990,000 all funds. The waiting list was not addressed.

The committees reviewing the HCBS/MR budget for FY 2000 were informed that a shortfall of \$10,371,564 from all funding sources, including \$4,097,425 from the State General Fund existed for the waiver program. In addition, an estimated 392 individuals are or would be placed on a waiting list during the year. The waiting list would require an additional \$6,294,724 from all funding sources, including \$2,871,350 from the State General Fund. The Conference

Committee funded the shortfall of \$10.4 million (\$4.1 million State General Fund). The waiting list was not addressed by the Conference Committee recommendations.

8. Mental Health and Developmental Disabilities—Inflationary Increases for Workers (House Budget Committee). The House Budget Committee on Social Services reviewing the mental health and developmental disabilities budgets requested that inflationary increases for community based services be reviewed during the Omnibus Session. The Committee heard testimony that the community based services had not received inflationary increases at the same pace as the salary base increases received by state employees. The Conference Committee in S.B. 325 reviewed both the mental health and developmental disabilities budgets with regard to inflationary increases and added \$5,000,000 from all funding sources, including \$1,000,000 from the State General Fund and \$1,000,000 from tobacco funds for rate reimbursement increases for the developmental disabilities providers in FY 2000.

C. S.B. 126 (Law) creates a Quality Enhancement Wage Pass-Through Program for nursing facilities that receive reimbursement through the Medicaid Program for treatment of the elderly, developmentally disabled, and mentally ill. The bill would allow facilities that choose to participate in the program to receive a payment option that would provide reimbursement to the facilities up to \$4 per resident day. The reimbursement would be designed to increase either salaries or benefits for the employees of the facilities who provide direct care or support services to the residents of the facilities. In addition, the bill would provide that the pass-through funds be used for the payment of salaries and benefits for nurse aides, medication aides, restorative-rehabilitation aides, licensed mental health technicians, hydration and nutrition aides, plant operating and maintenance personnel and non supervisory activity staff. The monies could be used to hire additional direct care or support staff or to increase salaries and benefits for existing staff. The bill would not allow pass-through monies to be used to increase management compensation or facility profits. The Department on Aging and SRS will administer the new law. SRS estimates the maximum additional cost would be \$1.7 million (\$1.0 million State General Fund) for the nursing facilities for developmentally disabled and mentally ill, and \$41,122 (\$34,131 State General Fund) for administration. The law specifies that the program is subject to line item appropriation prior to enactment.

D. Technical Adjustment. A posting error in S.B. 325 resulted in the Youth Aid and Assistance Account being underfunded by \$8,178,207. The technical adjustment is needed to properly reflect the Governor's and the Legislature's intent.

E. GBA No. 2, Item 57, pg. 25—Foster Care.

F. GBA No. 2, Item 58, pg. 26—HCBS/DD Waiver Shortfall FY 1999.

G. GBA No. 2, Item 59, pg. 27—Kansas Covering Kids Project.

H. GBA No. 2, Item 60, pg. 28—HCBS/DD Waiver Waiting List FY 2000.

I. GBA No. 2, Item 61, pg. 28—Caseload Adjustments.

J. GBA No. 2, Item 62, pg. 29—Physically Disabled Waiver.

Department on Aging

A. Caseload Estimates. See Caseload Estimates under Department of Social and Rehabilitation Services.

B. Omnibus Review Items

1. Home and Community Based Services for the Frail Elderly Waiver Program (HCBS/FE) (House Budget Committee). The House Budget Committee on Social Services reviewing the Aging budget for FY 1999 and FY 2000 requested the agency to prepare a plan for the HCBS/FE waiver that will address how services will be provided, without a waiting list, within the Governor's budget recommendation for the program. The agency had requested \$38,940,000 all funds, including \$15,692,820 from the State General Fund for the program in FY 2000. The Governor recommended \$35.0 million including \$14,060,900 from the State General Fund. If the funding is insufficient, the agency is requested to inform the Governor and the Committee. In addition, during the Omnibus Session, after resolution of the HCBS waiver issues, the Committee also wished to review the funding for the Income Eligible and Senior Care Act programs. The Senate Subcommittee also wished to review the Income Eligible Program during the Omnibus Session. The Conference Committee added \$2,250,000 all funds, including \$900,000 from the State General Fund for the HCBS/FE waiver program in FY 2000. A proviso was also added to the FY 1999 and FY 2000 appropriation for Long Term Care directing the agency to apply immediately for authorization of a waiting list for the program from the federal government. Also, the Conference Committee added \$500,000 from the State General Fund for the Income Eligible and Senior Care Act programs with the understanding that the Area Agencies on Aging may determine how to spend the additional funding, either on the Senior Care Act or Income Eligible programs.

2. Senior Companion Program (Senate Committee). The Senate Committee recommends that the Committee revisit the issue of the Senior Companion Program during the Omnibus Session to locate within the agency funding of approximately \$160,000 from the State General Fund to provide the match for the programs in Hays and Wichita. The agency maintains the funding issues have been resolved.

C. S.B. 126 (Law) creates a Quality Enhancement Wage Pass-Through Program for nursing facilities that receive reimbursement through the Medicaid Program for treatment of the elderly, developmentally disabled, and mentally ill. The bill would allow facilities that choose to participate in the program to receive a payment option that would provide reimbursement to the facilities up to \$4 per resident day. The reimbursement would be designed to increase either salaries or benefits for the employees of the facilities who provide direct care or support services to the residents of the facilities. In addition, the bill would provide that the pass-through funds be used for the payment of salaries and benefits for nurse aides, medication aides, restorative-rehabilitation aides, licensed mental health technicians, hydration and nutrition aides, plant operating and maintenance personnel and nonsupervisory activity staff. The moneys could be used to hire additional direct care or support staff or to increase salaries and benefits for existing staff. The bill would not allow pass-through monies to be used to increase management compensation or facility profits. The Department on Aging and the Department of Social and Rehabilitation Services will administer the new law. The Department on Aging estimates the additional nursing home reimbursements for elderly residents could be \$17.2 million (\$6.9 million State General Fund) and \$250,000 (\$125,000 SGF) for administration in

FY 2000. The law specifies that the program is subject to line item appropriation prior to enactment.

D. GBA No. 2, Item 13, pg. 8—Funding Error.

E. GBA No. 2, Item 14, pg. 8—KAMIS Funding.

F. GBA No. 2, Item 15, pg. 9—Nursing Homes.

Kansas Department of Transportation

A. New Transportation Plan (H.B. 2071—Conference Committee). This bill would enact a comprehensive transportation program beginning in FY 2000. Both the House and Senate passed different versions of the bill. Two conference committee reports have been prepared with alternative House and Senate recommendations. The overall size of the four alternative programs differs as a result of different revenue streams and financing methods.

Each version of the bills and the conference committee recommendations would have a fiscal impact that is in addition to the Governor's recommendations in the FY 2000 Budget Report. The proposed legislation would have both programmatic and administrative impacts, including requested increases in both the approved limitation on agency operations expenditures and FTE limitation on staff positions as authorized in 1999 S.B. 325. The fiscal impact for agency operations would be an estimated increase of \$9,093,525 in the FY 2000 expenditure limitation. An increase of 136.0 FTE positions also is indicated. (Details are described in the section on budget impact.) Total FY 2000 KDOT expenditures would increase an estimated \$171 million to \$190 million, depending upon whether the House or Senate versions of H.B. 2071 were adopted.

Budget Impact

The KDOT FY 2000 approved budget in S.B. 325 would need modifications if a version of H.B. 2071 passes this session. Several new funds should be appropriated and one old fund deleted since its use would be discontinued. If any adjustments are adopted by the Legislature in regards to agency spending and staffing requested by KDOT, then approved limitations for agency operations and FTE positions would need to be modified accordingly. The budget summary is presented below as requested by KDOT for the House and Senate versions of the bill that passed each chamber. Most of KDOT expenditures are facilitated by no limit accounts and funds which would not require modification if S.B. 325 should pass. The revised expenditure estimates are present in the following table for FY 2000.

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	House Passed	Senate Passed
Agency Operations:		
Salaries and Wages	\$ 5,151,465	\$ 5,151,465
Contractual Services	1,086,545	1,086,545
Commodities	322,833	322,833
Capital Outlay	2,532,682	2,532,682
Subtotal—Agency Operations (Limited Account)	\$ 9,093,525	\$ 9,093,525
Construction Contracts:		
Design Contracts	\$ 15,250,000	\$ 15,250,000
Construction Inspection Contracts	1,000,000	1,000,000
Subtotal—Contracts	\$ 16,250,000	\$ 16,250,000
Local State Aid:		
Public Transit	\$ 9,000,000	\$ 4,000,000
Aviation Grants	3,000,000	3,000,000
KLINK Payments	1,120,000	1,120,000
Special City/County Highway Fund Payments	10,155,161	10,155,161
Rail Service Loans	3,000,000	3,000,000
Subtotal—State Aid	\$ 26,275,161	21,275,161
Construction:		
State Projects	\$ 119,598,000	\$ 119,598,000
Debt Service:		
Principal and Interest	\$ 0	\$ 23,750,000
Total Expenditures	\$ 171,216,686	\$ 189,966,686
Positions:		
FTE Positions (Position Limitation)	136.0	136.0
Unclassified Temporary	1.0	1.0
Total Positions	137.0	137.0

According to this information, S.B. 325 would need to be modified by increasing the limited agency operations account by \$9,093,525, increasing the FTE limitation by 136.0, and increasing the limited KLINK account by \$1,120,000. The Secretary of Transportation points out that the payment for city connecting links (KLINK) could be made "no limit" instead of adjusting the expenditure limitation. In addition, the Secretary requests a "no limit" appropriation for the **Kansas Transportation Revolving Fund** (new) and for the **Coordinated Public Transportation Assistance Fund** (new).

The annualized cost in FY 2001 for the new staff positions is calculated at \$7,783,025, almost \$2.7 million more than the first year cost that reflects staggered hirings. The one-time capital outlay expenditures decrease from over \$2.5 million in FY 2000 to \$1,000 in FY 2001 after equipping the new employees is completed. Other categories of agency operations expenditures increase slightly in FY 2001 for contractual services and commodities. Staff has additional details in supplements, along with program level information about expenditures and staff levels requested by KDOT.

Programmatic Elements and Fiscal Impact

Additional background information about the different versions of the bill and conference committee reports is presented below. Certain elements are found in all versions and the changes in versions are noted where appropriate. Provisions are noted that authorize levels of spending or transferring funds. New fund names are identified.

A. The bill would authorize state highway system program components:

1. Substantial maintenance (no spending level in bills);
2. Major modifications and priority bridges (no spending level in bills);
3. System enhancements projects (\$1.1 billion spending in the Senate bill); and
4. A highway demonstration project to evaluate pavement guarantees by the contractor (no spending level in bills).

B. The bill would provide enhanced assistance to local units of government through:

1. A formula adjustment in the Special City and County Highway Fund to provide an average increase of \$14.0 million annually in state aid;
2. An increase in city connecting links (KLINK) maintenance state aid from \$2,000 to \$3,000 per lane mile;
3. Assistance for railroad crossings not on the state highway system (no spending level in bill); and
4. A program of credit enhancements for local units through the new **Kansas Transportation Revolving Fund** (no spending level in bills, but authority is included to capitalize initially with transfers from the State Highway Fund, proceeds of bonds sales, or other amounts appropriated).

C. The bill would authorize new modal elements in the plan:

1. A new loan program for railroads is established. The bill provides for transfer of \$3.0 million from the State Highway Fund to the Rail Service Improvement Fund on July 1, 1999, and on each July 1 thereafter through 2006. Currently, the only money available to this fund is federal financing from grants.
2. Funding for general aviation airports is authorized. On July 1, 1999, and on each July 1 thereafter, the bill authorizes transfers of \$3.0 million each year from the State Highway Fund to the Public Use General Aviation Airport Development Fund. Currently, there is no money in this fund. A program already is established by statute.

3. An enhanced public transit program is established and financed. The current transportation program for the elderly and disabled is expanded to include the general public. Funding is increased from \$1.0 million of state assistance to \$5.0 million (Senate) or \$10.0 million (House). Another average of \$5.0 million is available from the federal government on an annual basis. On July 1, 1999, and on each July 1 thereafter, the bill authorizes transfers) each year either of \$5.0 million (Senate) or \$10.0 million (House) from the State Highway Fund to the new **Coordinated Public Transportation Assistance Fund**. The old fund (the Elderly and Disable Coordinated Public Transportation Assistance Fund) appropriated in 1999 S.B. 325 as approved by the Legislature is abolished by H.B. 2071 and would need to be deleted if a transportation plan is enacted.

D. Other parts of the bill that have fiscal impact:

1. During the program period from July 1, 1999, to either June 30, 2007 (House) or June 30, 2009 (Senate), the Secretary of Transportation is directed to spend a total of at least \$3.0 million in each county for highway, bridge, and substantial maintenance projects. The 1989-97 Comprehensive Highway Program guaranteed spending at least \$2.5 million per county.
2. The Secretary of Transportation would be authorized under several of the plans proposed by the Senate and one by the House to issue new bonds backed by the State Highway Fund's revenues. The bonds would be required to mature in not more than 20 years (Senate) or 15 years (House). Bond money spending has a fiscal impact on the budget by reducing reportable expenditures proportionate to the amount of bond money spent each year.

For example, the first year of the Governor's proposal introduced in January of 1999 would have reduced FY 2000 KDOT reportable expenditures in the *Governor's Budget Report* by \$216,696,314. The Governor's first proposal would have spent \$191,303,686 in FY 2000 in addition to the total included in the *Governor's Budget Report*. However, under the Governor's plan, \$408,000,000 of bond money would have been spent in FY 2000. The difference between the bond money to be spent and the total new expenditures is \$216,696,314, or the amount of reduction in the reportable expenditures for FY 2000 under the Governor's plan.

3. The demand transfers from the SGF to the SHF would be changed by several versions of the bills. Under one of the Senate plans, SGF transfers would be allowed to increase by 1.7 percent in FY 2000 and FY 2001. Beginning in FY 2002, the current statutory sales tax transfer rate of 7.628 percent would be increased to 9.51 percent. That percentage would then be increased to 11 percent in FY 2003; increased to 11.25 percent in FY 2004; increased to 12.25 percent in FY 2005; increased to 13.25 percent in FY 2006; and increased to 13.75 percent in FY 2007 and thereafter. The Senate position of capping demand transfers (both the sales tax and motor carrier property tax) at 1.7 percent in FY 2000 and FY 2001 was included in 1999 S.B. 325 as approved by the Legislature.

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B. Revenue and State Aid Adjustments. Both House and Senate committees asked for review during omnibus of the motor fuels tax collections and revenue estimate adjustments in FY 1999 and FY 2000. Both committees suggested a Governor's Budget Amendment would be reviewed if submitted. Approved KDOT expenditures in FY 1999 and FY 2000 include estimates for state aid to cities and counties based on motor fuels tax receipts. The money is distributed through the Special City and County Highway Fund. Both House and Senate committees suggested consideration during the Omnibus period of revised estimates for receipts and any adjustments resulting from revisions to the approved state aid estimates in FY 1999 and FY 2000. The current FY 1999 estimated aid is \$138,139,268, and the estimated aid in FY 2000 is \$137,769,516.

C. GBA No. 2, Item 55, pg 24—Comprehensive Transportation Plan.

D. GBA No. 2, Item 56, pg. 25—Local Aid.

Kansas Lottery

A. Reduction in Reportable Expenditures. Neither House nor Senate committees considered this item contained in Governor's Budget Amendment (GBA) No. 1-2. Earlier in the 1999 session, GBA 1-2 proposed a correction in FY 1999 and FY 2000 that reduces the Lottery Operating Fund expenditures both fiscal years by \$80,000. GBA 1-2 suggests that the expenditures are non-expense items, and therefore should not be counted as regular expenditures. These two non-expense items were included as reportable expenditures in the *Governor's Budget Report* and the correction would decrease total expenditures of the Lottery in FY 1999 and FY 2000 by \$80,000 each fiscal year. (**Staff Note:** The Budget Division analyst indicates that the agency operations expenditure limitation in FY 2000 reflects this correction and that the \$80,000 amount in FY 1999 and FY 2000 only need to be reconciled in the fiscal tracking of approved expenditures. No adjustments are needed in approved expenditure limitations.)

B. Technical Correction. In S.B. 325, an incorrect reference involving lottery transfers was attributed to June 15, 1999 instead of June 15, 2000. The context of the reference is correct since fiscal year 2000 is cited repeatedly and the correct date could be construed since June 15, 2000 is used correctly in the proviso several other times. However, a correction should be added in the Omnibus bill to fix the problem in section 45(e).

Kansas Public Employees Retirement System (KPERs)

A. Manager Fees Adjustment. The House and Senate Committees asked that KPERs manager fees be reviewed during Omnibus. Based on investment earnings to date, the estimated investment related expenses will total \$22,968,648 in FY 1999. The current approved expenditure limitation is \$24,084,723. An adjustment in the estimate represents a reduction of \$1,116,075 in FY 1999. (**Staff Note:** The Legislature may wish to make this adjustment in its tracking of approved expenditures, but do not adjust the actual expenditure limitation in order to leave the agency with flexibility if costs increase. Should the limitation be lowered, and if additional expenses above the new limit were to occur, KPERs would have to seek State Finance Council action if the Legislature were not in session.)

The revised estimate for investment related expenditures in FY 2000 is \$24,455,059, or a decrease in the amount approved in S.B. 325. The FY 2000 approved expenditure limitation is \$24,803,544 and a reduction of \$348,485 is suggested by the revised estimate.

B. Reappropriation for Technology Project. The Chairperson of the Joint Committee on Information Technology recommends omnibus review of the KPERS \$3.0 million Technology Project. The Joint Committee has scheduled a meeting on Monday, April 26, 1999, in order to receive the quarterly report from KPERS. In that quarterly report, and in correspondence to both the Chairperson of the Appropriations Committee and of the Ways and Means Committee, the KPERS Executive Secretary indicates that of \$2.4 million appropriated in FY 1999 (less \$150,000 lapsed by the Legislature), \$298,255 has been spent and another \$100,000 is estimated to be spent this fiscal year. The lapse of \$150,000 in FY 1999 was approved in S.B. 325 earlier this session. It is estimated that \$1,851,745 will be carried over to FY 2000 due to delays in the project schedule. The KPERS Executive Director indicates that purchases for certain equipment and services previously planned for FY 1999 will be ordered in the first quarter of FY 2000. The current approved expenditure limitation in FY 2000 is \$600,000 for the second year of the Technology Project. The agency requests a revised expenditure limitation of \$2,451,745 in FY 2000.

State Department of Education

A. Revisions to School Finance and KPERS-School (Deferred to Omnibus). Staff from the Legislative Research Department, the State Department of Education, and the Division of the Budget met April 15 to review school finance estimates for FY 1999 and FY 2000. Staff from the Legislative Research Department, the State Department of Education, and KPERS also met on April 15 to review the KPERS-School estimate. Revisions were made to the following aid programs:

General and Supplemental General State Aid. An increase of approximately \$4.0 million in local resources and lower enrollments than originally estimated result in additional savings in FY 1999 of \$8,045,000 in general state aid and \$175,000 in supplemental general state, for total savings of \$8,220,000. The revised estimates for FY 2000 result in savings of \$888,000 in general state aid and \$146,000 in supplemental general state, for total FY 2000 savings of \$1,034,000. Savings for the two years combined are \$9,254,000. **The savings are based on appropriations contained in S.B. 325, which fund a Base State Aid Per Pupil (BSAPP) increase of \$50 and take into account changes to the school finance law in S.B. 171, as passed by the Senate. The House-passed version of S.B. 171 would require an additional \$10,132,000 over the Senate version for general and supplemental general state aid to fund a \$67 increase in BSAPP. The House version of S.B. 171 also contains appropriations for general state aid of \$1.839 billion in FY 2001 and \$1.857 billion in FY 2002. These amounts would fund BSAPP increases of \$50 each year.**

The table below shows revised school finance estimates. (Number are in thousands.)

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	Previous Est. FY 1999	Revised Est. FY 1999	Savings FY 1999	Approp. For FY 2000 in S.B. 325	Revised Est. FY 2000 (Senate Version S.B. 171)	Savings FY 2000	Two-Year Savings
General State Aid	\$ 1,695,451	\$ 1,687,406	\$ 8,045	\$ 1,793,589	\$ 1,792,701	\$ 888	\$ 8,933
Supp. Gen. State Aid	65,275	65,100	175	76,890	76,744	146	321
TOTAL	\$ 1,760,726	\$ 1,752,506	\$ 8,220	\$ 1,870,479	\$ 1,869,445	\$ 1,034	\$ 9,254*

* The savings shown for FY 1999 are in addition to savings previously identified that total \$23,776,288 (net) for general and supplemental general state aid combined.

KPERS-School. For FY 1999, the appropriation for KPERS-School of \$84,561,389 is believed to be about \$500,000 too high. For FY 2000, the revised estimate, based on an increase of \$50 in BSAPP, is \$92,690,290, or \$259,565 less than the amount currently appropriated. The net savings over the two-year period are \$240,435. (Any further adjustment the Legislature were to make to BSAPP would have an effect on KPERS-School.)

B. Special Education (Deferred to Omnibus). The Conference Committee on S.B. 325 concurred with the position of the Governor and the Senate on special education, but agreed to revisit the issue in the Omnibus Bill. The current amount of money appropriated for FY 2000 is \$231,069,438, an increase of \$12.2 million over FY 1999. The appropriation would fund an estimated 85 percent of special education excess costs, compared to 86.4 percent in the current year. The House position prior to the Conference Committee agreement was to add \$3,835,746 (for a total of \$234,905,184), which would have kept the percentage at 86.4 in FY 2000. (Each percentage increase is about \$2.7 million.) Between FY 1995 and FY 1998, the percentage of excess cost funded was in the range of 84 percent to 80 percent. In the mid-1980s and in the late-1980s, the percentage was 90 percent or greater.

C. Kansas Historical Society's Kansas History Proposal (Consider in Omnibus Bill). Both subcommittees that considered the State Department's budget flagged for Omnibus consideration a proposal by the Kansas Historical Society to develop teaching materials specifically targeted toward teaching Kansas history. The proposal is prompted by the fact that social studies will be included in the statewide student assessments beginning in school year 2000-01 and questions about Kansas history most likely will be included. (State law since 1988 requires that a course in Kansas history and government be required for high school graduation.) According to the Historical Society, a survey of teachers indicates that teachers have difficulty finding materials to use to teach Kansas history.

The Society proposes a three-year project that would cost a total of \$1,435,000. Materials that would be prepared include thematic teacher packets for grades 7 through 12 (\$300,000); student workbooks and teachers' guides (\$75,000); resource guides for teachers in grades 7 through 12 (\$100,000); access to digitized society collections on the Internet (\$95,000); a Kansas history textbook (\$150,000); twenty traveling resource trunks (\$80,000); an encyclopedia of Kansas history aimed at grades 7 through 12 on CD-ROM (\$250,000); three elementary school-level videos on Kansas history (\$250,000); and teacher instruction for teaching Kansas history (\$135,000). First-year cost for the proposal would be \$185,000 in 2000. The three-year cost breakdown is shown below:

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Expenditure	FY 2000	FY 2001	FY 2002
Thematic Teacher Packets	\$ 75,000	\$ 75,000	\$ 150,000
Student Workbooks	0	37,500	37,500
Resource Guides	50,000	50,000	0
Internet Access to Society Collections	30,000	25,000	40,000
Kansas History Textbook	0	75,000	75,000
Traveling Resource Trunks	20,000	20,000	40,000
Encyclopedia CD-ROM	0	0	250,000
Elementary School Videos	0	125,000	125,000
Teacher Training	10,000	25,000	100,000
TOTAL	\$ 185,000	\$ 432,500	\$ 817,500

D. State Technology Infrastructure (Consider in Omnibus Bill). The Senate Subcommittee that considered the State Department's budget invited the State Board to submit a specific proposal concerning the development of a state technology infrastructure for consideration in the Omnibus Bill. The Subcommittee was informed that the State Department has appointed an advisory committee comprised of representatives of the State Department, the Division of Information Services and Communications (DISC), and school districts to develop a framework or backbone that could be used to connect all school districts within the next 18 months and begin the research and development of a more advanced system to be recommended by the year 2002.

The plan developed by the School Information Technology Infrastructure Task Force would provide Internet and data services to 332 schools districts and interlocals and video services to 110 school districts and interlocals at a cost of \$10.1 million the first year and \$8.1 million annually thereafter. For an additional first-year cost of \$1.7 million and an annual cost of \$0.8 million thereafter, a research and development component could be added that would result in recommendations by the 2001-02 school year to provide a full range of services to all districts. That research would be conducted by 25 schools, agencies, and higher education institutions that would be responsible for developing ways to deliver a variety of instructional services at the school and classroom level.

E. H.C.R. 5010 (Adopted by Both Houses). H.C.R. 5010 concerns blind pupils and requests that the State Board of Education conduct a statewide study to assess the literacy skills and reading speed levels of blind pupils on a grade level basis. The purpose of the study is to document deficits or declining literacy trends of blind students so that corrective action can be taken. The resolution urges the State Board to evaluate the data from the study and issue a plan with specific dated milestones to correct any deficits in literacy or reading speed levels identified among blind students compared to their grade level sighted peers. The report from the State Board is due by January 31, 2000. According to the State Department, to do the study would cost \$41,000 in FY 2000. The State Department also believes the study could be funded from federal funds allocated for administration under the Individuals with Disabilities Education Act (IDEA).

F. S.B. 171 (Conference). S.B. 171 would amend the school finance act, add two new facilities that would qualify for funding for services provided by school districts to pupils in

juvenile detention facilities or the Flint Hills Job Corps Center, and require the State Board of Education to conduct a study of school district organization. The impact of S.B. 171 on school finance in general has been discussed in item A. above. Other fiscal consequences of the bill are described below:

1. Juvenile Detention Facilities Grants (House and Senate Version). School districts are reimbursed for the actual cost of services provided persons who are confined in juvenile detention facilities or who reside at the Flint Hills Job Corps Center or at two times the base state aid per pupil amount, whichever is the lesser. They may use the highest pupil count taken on the 20th day of September, November, or April. Under current law, the estimated number of students who would be served is 485 students in FY 1999 and 505 students in FY 2000. The appropriation for juvenile detention facilities grants is \$3,071,667 in both FY 1999 and FY 2000. S.B. 171 would add two new facilities to the grant program at a total cost of \$263,000 in FY 1999 and \$708,458 in FY 2000. (The new facilities are the Sappa Valley Youth Ranch of Oberlin and Parkview Passages Residential Treatment Center of Topeka.) The total number of students who would be added is estimated to be 84 in FY 1999 and 108 in FY 2000. **These estimates are based on a \$50 increase in BSAPP. To fund existing services in FY 2000 if BSAPP were increased by \$50 would require an additional \$241,032, even if the new facilities were not added.**

2. School District Organization Study (House Version). S.B. 171 would direct the State Board of Education to make a comprehensive study of how school districts are organized in order to determine if they could be better operated under a different configuration. In the study, the State Board is directed to take into account current and projected school district enrollments, traveling distance to schools, the condition of school facilities, and other matters relevant to the study. The State Board would be required to make a report to the House and Senate Committees on Education by January 15, 2001, containing the study's findings and recommendations for implementing a comprehensive plan for optimal school configuration. According to the State Department, undertaking the study would require the services of a consultant. The State Department has contacted the firm of Augenblick and Myers and been told that the firm could do the study for between \$250,000 and \$275,000. Dr. Augenblick and Mr. Myers propose that the study include:

- a. An examination of current and historical revenue and expenditure patterns;
- b. an examination of the school finance formula and any weights that provide more support to districts based on their size, location, or geographic characteristics;
- c. a review of previous studies of school district size and organization;
- d. discussions at periodic intervals with statewide leaders;
- e. visits to selected school districts;

- f. several meetings with whatever advisory committee would be overseeing the project;
- g. a review of data about pupils being transported and the cost of transportation;
- h. a review of information about school facilities, including the number, location, and condition of buildings;
- i. the development of options to reconfigure school districts, if reconfiguration appears to be appropriate; and
- j. the preparation of a report summarizing findings and recommendations.

Dr. Augenblick and Mr. Myers envision a team of several people would be involved in the study, including both staff of their firm and outsiders with particular expertise in needed areas. They estimate that 10 or 11 trips would have to be made to Kansas in connection with the study.

G. S.B. 345 (Conference). S.B. 345 concerns postsecondary education structure and funding and would affect the State Board of Education and the State Board of Regents. The effects of the bill on the Board of Regents are discussed elsewhere in this memorandum. With regard to the State Board of Education, the bill would transfer the supervision of community colleges, area vocational schools, and technical colleges from the State Board of Education to the State Board of Regents on July 1, 1999. Also transferred on that date would be the State Board of Education's duties to administer adult basic education and adult supplementary education programs and to regulate proprietary schools.

State aid programs that would be transferred from the State Board of Education to the State Board of Regents total \$92,915,380 from the State General Fund and the Economic Development Initiatives Fund. Also transferred would be the various federal funds associated with the transferred institutions and functions. In addition, 8.0 FTE employees and a total of \$526,730 in operating expenditures in the FY 2000 budget that are associated with community colleges, area vocational schools, technical colleges, adult basic and supplementary education, and proprietary schools would be transferred. The money consists of \$214,363 from the State General Fund, \$220,061 in federal funds, and \$92,306 in fee funds. All of these funds already are contained in the State Department's FY 2000 appropriation. Therefore, they do not represent an additional fiscal impact but instead are funds that would be deleted from the State Department's budget and added to the budget of the State Board of Regents if S.B. 345 passes. The funding changes proposed for community colleges—the elimination of credit hour, out-district, and general state aid; the phase-out of county out-district tuition; and the implementation of performance funding—would not begin until FY 2001 or later.

H. Parent Education Proviso (Technical). The current local match for state aid for the parent education program is 75 percent, but the Governor recommended that it be lowered to 50 percent. The Conference Committee on S.B. 325 agreed to raise the match back to 75 percent, but the staff failed to make the change. To accurately reflect the Legislature's intent, the proviso should be fixed in the Omnibus Bill. The proviso also should be added to the \$777,833 for the parent education program that is funded from the Children's Health Care Programs Fund (tobacco money).

I. GBA No. 2, Item 23, pg. 12—Enrollment Savings.

State Board of Indigents' Defense Services

A. Death Penalty Defense Unit Caseload (Review During Omnibus Session). The Senate Subcommittee that reviewed the budget of the State Board of Indigents' Defense Services called attention to the fact that the Board's death penalty defense unit had 16 active capital cases, with the possibility of two more being added. The Subcommittee was informed that the Board did not have enough money left to handle any additional cases and agreed to review the status of the death penalty defense unit at the end of the Session. According to the Executive Director of the Board, no additional cases have been received and the Board is requesting no additional funding for FY 1999.

B. In Indigents' Defense Services Fund (Technical). The Conference Committee on S.B. 325 agreed to add \$150,000 for parity salary increases for the Board's unclassified attorneys and to pay \$100,000 of the increase from the Indigents' Defense Services Fund. That fund has a proviso allowing the Board to make expenditures from the Fund for assigned counsel and other professional services related to contract cases. Although the proviso does not expressly prohibit expenditures from the Fund for other purposes, it probably would be a good idea to make it clear that the Legislature intends for money from the Fund to be used for salaries and wages of attorneys who are officers or employees of the Board.

C. H.B. 2440 (Conference). H.B. 2440 would expand the definition of "aggravating circumstances" to be considered in determining whether to impose a Hard 40 sentence. It also contains provisions of S.B. 131, which would make revisions in the Kansas sentencing guidelines law that include increasing the length of sentences for certain crimes and for severity level III crimes on the nondrug sentencing grid. The Board of Indigents' Defense Services pays assigned counsel a rate that takes into account the severity of the offense and the difficulty of the case. According to the Board, the higher severity level of crimes that would be imposed by H.B. 2440 would increase the net cost of assigned counsel by an estimated \$118,800.

D. Sub. for H.B. 2469 (Conference). H.B. 2469 concerns drugs and would enact the Kansas Chemical Control Act. The impact of the bill on the Board primarily would be due to the creation of new crimes and the enhancement of penalties for certain convictions. The Department of Corrections estimates that the creation of several new offenses and increased penalties for existing offenses would result in between 111 and 426 new offenders. Using these figures, the Board estimates that its additional cost to defend these offenders in FY 2000 would be between \$88,356 and \$339,096. This estimate is based on an average cost of \$796 per case to defend Drug Level I felonies and makes the assumption that all of the offenders would be indigents, an assumption that the Board of Indigents' Defense Services says is not unreasonable.

E. Increase in the Per-Page Cost of Transcripts. Court Reporters recently requested, and the Kansas Supreme Court approved, an increase in the cost-per-page of transcripts from \$1.00 to \$1.75. Kansas statutes require that an indigent defendant be supplied with a transcript of the trial record in the event that the case is appealed, which means that the Board pays for the transcript. Based on the number of pages transcribed in FY 1998 (188,143), the Board estimates it will need an additional \$141,107 in FY 2000 to pay the higher charge.

State Board of Tax Appeals

A. Impact of the Small Claims Division (Review During Omnibus Session). Both subcommittees that reviewed the budget of the State Board of Tax Appeals noted that operations of the Small Claims Division, which became operational in January, 1999, should be reviewed in the Omnibus Bill in the event that more funding is needed for FY 1999. According to the Chairman of the Board, the number of appeals to the Division has lagged behind earlier estimates. The main reason is that some appeals to the Small Claims Division go to local hearing officer panels first, resulting in a longer time for these appeals to reach the Division.

According to the Chairman of the Board, the lag in receiving appeals means that the Board most likely will have enough funding to operate in FY 1999. However, the number of appeals that could be received in FY 2000 and the difficulty in estimating workload and expenditures for a new program could mean that the Board will ask the 2000 Legislature for a supplemental appropriation.

Attorney General

A. S.B. 161 (Law). S.B. 161 requires the Attorney General to appoint a Statewide Drug Abuse Resistance Education (DARE) coordinator. The bill also authorizes the Attorney General to provide support staff to the coordinator. The primary duty of the DARE coordinator is to train police officers and parents around the state to work with youth to make them aware of the consequences of using drugs or engaging in acts of violence. The DARE coordinator also coordinates the DARE program in Kansas and coordinates with the national DARE organization.

Currently, there is a statewide coordinator and one secretarial position housed at the Topeka Police Department. The positions are paid for in part by a federal Byrne grant that will expire at the end of the current fiscal year. Additional costs for salaries and other operating expenditures have been absorbed by the Topeka Police Department. The Attorney General estimates that for FY 2000 it would cost \$165,351 to support the DARE coordinator's activities. The amount consists of \$83,101 for the salaries and fringe benefits of 2.0 FTE positions (the coordinator and a secretary); \$62,300 for contractual services such as the unit's share of postage, office rent, travel, and officer training contractual costs (such as rent of facilities and equipment to conduct the training sessions); \$7,200 for training supplies and materials; and \$12,750 for one-time costs for office furniture, computers, and other office equipment for the new positions. The officer's department and parents being trained pay their own expenses.

Judicial Branch

A. H.B. 2222 (Law). H.B. 2222 allows a landlord to file an action for possession of premises (eviction) and then, in a separate action, pursue a claim for rent. Under prior law, any rent which was due at the time of filing had to be included in the action for possession or the claim for rent had to be waived.

Judicial Branch statistics on "Limited Actions-Real Property" filings (the category that includes the type of action that would be affected by H.B. 2222) indicate that in FY 1998 there were 11,739 such filings in the district courts. Of these, 11,233 (96 percent) were in the four

urban counties of Johnson (2,121 filings), Sedgwick (3,715 filings), Shawnee (1,040 filings), and Wyandotte (4,357 filings). According to the Judicial Branch, the consequence of H.B. 2222 is that the number of filings could double. Assuming that it takes a trial court clerk one hour to process a filing, it would take an additional 5.5 FTE trial court clerks to handle the increased workload in the four urban counties, at a total cost of \$122,936 from the State General Fund in FY 2000 for salaries and fringe benefits (or \$22,352 per 1.0 FTE position). There also would be a benefit to the State General Fund as the result of increased filing fees, which are estimated to be \$136,843 in FY 2000.

B. GBA No. 2, Item 12, pg. 7—Magistrate Judge Positions.

Department of Revenue

**FISCAL IMPACT OF BILLS WHICH HAVE BECOME LAW
OR ARE PENDING BEFORE THE GOVERNOR**

Bill No.	FY 1999 SGF	FY 1999 All Funds	FY 2000 SGF	FY 2000 All Funds	FTE
S.B. 47	\$ 0	\$ 0	\$ 7,650	\$ 7,650	0.0
S.B. 51	0	64,771	0	0	0.0
H.B. 2001	2,960	2,960	0	0	0.0
H.B. 2035	0	0	0	55,428	0.0
H.B. 2142	0	0	0	136,314	2.0
H.B. 2565	0	0	8,320	8,320	0.0
TOTAL	\$ 2,960	\$ 67,731	\$ 15,970	\$ 207,712	2.0

A. S.B. 47 (Law) S.B. 47 increases the Department of Revenue's flexibility in taxpayer account administration and expands the Secretary of Revenue's authority to abate tax liability. The agency reports that \$7,650 from the State General Fund is required in FY 2000 for the computer programming required to implement the change.

B. H.B. 2001 (Law) H.B. 2001 expands the local sales tax authority for several cities and counties. The agency reports that \$2,960 from the State General Fund in FY 1999 for computer programming costs to implement the changes and mailing notices to retailers.

C. H.B. 2035 (Law) H.B. 2035 amends numerous statutes related to persons with disabilities and accessible parking. The bill expands the eligibility for handicapped parking placards or plate holders, changes the types of information required to be submitted for an application for a handicapped parking permit, imposes limits on the length of time a person can use an individual handicapped parking zone, limits the length of time the state will honor another state's handicapped placard and changes the standard for handicapped parking signs. The agency reports that \$55,428 from the Division of Vehicles Operating Fund will be required in FY 2000 for the necessary changes to the Vehicle Information Processing System (VIPS).

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D. H.B. 2565 (Law) H.B. 2565 authorizes the Board of Regents of Washburn University to impose a countywide sales tax of up to 0.65 percent in Shawnee County. The Department of Revenue estimates that \$8,320 from the State General Fund in FY 2000 will be required to modify the sales tax computer system and to mail notices to retailers.

E. S.B. 51 (Governor) S.B. 51 amends numerous motor vehicle statutes relating to distinctive license plates and restrictions on drivers licenses. New distinctive plates are authorized for the Children's Trust Fund and eligibility for distinctive plates is expanded to vehicles under 20,000 pounds and persons who lease instead of owning vehicles. New restrictions are imposed on persons who wish to obtain a drivers license. The agency reports that the bill requires \$64,771 from the Division of Vehicles Operating Fund in FY 1999 to implement, including \$8,896 for computer programing changes, \$5,875 for license plate production costs and \$50,000 to revise and ship drivers license related forms to state law enforcement officials.

F. H.B. 2142 (Governor) H.B. 2142 increases the service fee collected by county treasurers on registration related transactions, continues the allocation of \$1.00 of the \$7.00 dollar title fee to the VIPS/CAMA Technology Hardware Fund, continues the allocation of \$2.50 of the \$7.00 dollar title fee to the Kansas Highway Patrol Motor Vehicle Fund, extends the time allowed for filing notices of a security interest by lien holders on motor vehicles, and authorizes filing an affidavit with the agency when a certificate of title has been assigned by the owner to another person. The agency reports that \$136,314 from the Division of Vehicles Operating Fund and 2.0 FTE positions will be required in FY 2000 to implement the provisions of the bill. This amount includes \$74,880 for computer program modifications to the Vehicle Information Processing System (VIPS) and other agency computer systems, \$51,782 for 2.0 FTE Office Assistant III positions to process title transfer affidavits, \$9,100 for one time operating expenses for the new positions and \$552 for annual operations costs for the new positions.

G. Bills In Conference. Several bills impacting the operations of the Department of Revenue are currently pending in conference committee. These include S.B. 4 (DUI penalties and restrictions), S.B. 45 (income tax credit for adoption expenses), S.B. 59 (sales tax exemption for church contractors), S.B. 124 (adult care home property tax exemption), S.B. 226 (increased revenue from property taxes) and H.B. 2166 (projects of statewide as well as local importance). The fiscal notes associated with the various provisions currently included these bills range from no impact to in excess of \$1.0 million for implementation. Other Department of Revenue issues which may be considered by conference committees could significantly increase these fiscal notes, the largest of which is the food sales tax phased exemption which is estimated by the agency to cost \$8.2 million to implement. The final administrative impact of the bills will be dependent on what provisions are adopted by the conference committee and enacted into law.

H. Technical Adjustment. S.B. 325 does not reflect the approved expenditure limitation on the Salaries and Wages Account of the Division of Vehicles Operating Fund. The correct amount should be \$17,144,750 instead of the \$18,955,496 included in the bill.

I. GBA No. 2, Item 10, pg. 7—Legal Defense Costs.

Department of Administration

A. S.B. 3 (conference). The House version of S.B. 3 includes a section originally in H.B. 2005 which requires that all new mandates for health insurance coverage for specific health services, for specific diseases, or for providers of specific health services applicable only to the State Health Care Benefits Program for state employees for a period of at least one year before they would be required to be implemented by other insurers. The bill also requires the agency to collect and report data on the fiscal impact and utilization costs of the mandates and to recommend if the mandated coverage should continue and be extended to all other insurance carriers in the state.

The agency reports that this provision would cost an additional \$80,184 from the Cafeteria Benefits Fund and 1.0 FTE to implement in FY 2000. The estimate includes \$50,184 for salaries and operating costs of Benefits Analyst position and \$30,000 for actuarial studies. Expenditures from the Cafeteria Benefits Fund are a portion of the agency's nonreportable budget.

B. Technical adjustment. The amount of State General Fund financing included in S.B. 325 for the agency in FY 2000 is overstated by \$690.

C. GBA No. 2, Item 6, pg. 5—Architectural Services Operating Expenditures.

D. GBA No. 2, Item 7, pg. 5—Transfer to Construction Defects Recovery Fund.

E. GBA No. 2, Item 8, pg. 5—Public School District Health Care Benefits Program.

State Treasurer

A. Local Ad Valorem Tax Reduction Fund Revision (also GBA No. 2, Item 11, pg. 7). Based on the April Consensus Revenue Estimates and January, 1999, expenditures, the demand transfers for the Ad Valorem Tax Reduction Fund are reduced from the approved budget by \$138,106 to \$55,121,894 in FY 1999 and by \$127,000 to \$57,879,000 in FY 2000.

Regents Systemwide

A. General Fees Fund (Tuition) Revised Estimates—Non-Tuition Accountability Institutions (also GBA No. 2, Item 24, pg. 12). Based on Spring 1999 enrollments, the institutions not participating in tuition accountability have submitted revised estimates of tuition revenues for both FY 1999 and FY 2000. The Consensus Tuition Estimating Committee (comprised of staff of the Board of Regents Office, Division of the Budget, and the Legislative Research Department) has concurred with the institutions' revised estimates.

For FY 1999, based on Spring enrollments, a net increase in available tuition revenue totaling \$21,959 is projected. Based on these revisions, under traditional budgeting methods, State General Fund dollars of \$21,959 would be lapsed to maintain institutional operating budgets at the approved levels. The table below shows the net increase or decrease in available tuition revenue at each institution based on the revised estimates.

For FY 2000, based on Spring enrollments, a net increase in available tuition revenue totaling \$39,165 is projected. Based on these revisions, under traditional budgeting methods, State General Fund dollars of \$39,165 would be lapsed to maintain institutional operating budgets at the approved levels. The table below shows the net increase or decrease in available tuition revenue at each institution based on the revised estimates.

FY 1999 Revised Tuition Estimates

	<u>Amount Approved</u>	<u>Revised Estimate</u>	<u>Difference</u>
KU Medical Center	\$ 9,870,320	\$ 9,870,320	\$ 0
KSU Veterinary Medical Center	5,280,738	5,315,132	34,394
Emporia State University	8,089,533	8,008,807	(80,726)
Fort Hays State University	7,895,347	7,963,638	68,291
Pittsburg State University	10,494,316	10,494,316	0
TOTAL	<u>\$ 41,630,254</u>	<u>\$ 41,652,213</u>	<u>\$ 21,959</u>

FY 2000 Revised Tuition Estimates

	<u>Amount Approved</u>	<u>Revised Estimate</u>	<u>Difference</u>
KU Medical Center	\$ 10,057,878	\$ 10,095,528	\$ 37,650
KSU Veterinary Medical Center	5,017,298	5,031,935	14,637
Emporia State University	8,274,558	8,189,257	(85,301)
Fort Hays State University	7,823,325	7,892,097	68,772
Pittsburg State University	10,481,538	10,484,945	3,407
TOTAL	<u>\$ 41,569,296</u>	<u>\$ 41,779,063</u>	<u>\$ 39,165</u>

Board of Regents

A. S.B. 345 (Conference). S.B. 345 concerns postsecondary education structure and funding and would affect the State Board of Education and the State Board of Regents. The effects of the bill on the State Board of Education are discussed elsewhere in this memorandum. With regard to the Board of Regents, the bill would transfer the supervision of community colleges, area vocational schools, and technical colleges from the State Board of Education to the State Board of Regents on July 1, 1999. Also transferred on that date would be the State Board of Education's duties to administer adult basic education and adult supplementary education programs and to regulate proprietary schools.

State aid programs that would be transferred from the State Board of Education to the State Board of Regents total \$92,915,380 from the State General Fund and the Economic Development Initiatives Fund. Also transferred would be the various federal funds associated with the transferred institutions and functions. In addition, 8.0 FTE employees and a total of

\$526,730 in operating expenditures in the FY 2000 budget that are associated with community colleges, area vocational schools, technical colleges, adult basic and supplementary education, and proprietary schools would be transferred. The money consists of \$214,363 from the State General Fund, \$220,061 in federal funds, and \$92,306 in fee funds. All of these funds already are contained in the State Department's FY 2000 appropriation. Therefore, they do not represent an additional fiscal impact but instead are funds that would be deleted from the State Department's budget and added to the budget of the State Board of Regents if S.B. 345 passes. The funding changes proposed for community colleges—the elimination of credit hour, out-district, and general state aid; the phase-out of county out-district tuition; and the implementation of performance funding—would not begin until FY 2001 or later.

The Board of Regents report that a transition team has been appointed which will determine the additional staffing and funding necessary to implement the provisions of S.B. 345 which are new duties beyond those currently performed by the State Board of Education.

Emporia State University

- A. GBA No. 2, Item 27, pg. 14—Student Recreation Center.**

University of Kansas Medical Center

- A. GBA No. 2, Item 63, pg. 29—Tele-Kidcare.**

University of Kansas

- A. Technical Adjustment.** Proviso language included on a special revenue fund in the capital improvements section of S.B. 325 contains an incorrect fund name. A technical adjustment is necessary to accurately reflect the name of the fund.

Kansas State University

- A. GBA No. 2, Item 25, pg. 13—Authority to Issue Revenue Bonds for Ackert Hall Addition.**

Kansas State University Extension Systems and Agriculture Research Programs

- A. GBA No. 2, Item 26, pg. 14—Federal Land Grant Funds.**

Wichita State University

- A. GBA No. 2, Item 28, pg. 14—Transfer Authority.**

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Department of Agriculture

A. S.B. 65 (Governor and GBA No. 2, Item 50, pg. 22). S.B. 65 lowers the maximum fertilizer inspection fee from \$1.70 per ton to \$1.67. This would decrease fertilizer fee revenue by \$56,000. The bill also authorizes the expenditure of \$100,000 from the Fertilizer Fee Fund for the purpose of conducting a pesticide use survey. The survey would determine the types and amounts of pesticides used in the state for agricultural and non-agricultural purposes. For FY 2000, the Legislature approved an additional \$100,000 from the Fertilizer Fee Fund for the survey in S.B. 325. S.B. 65 was also amended by the House to allow the State of Kansas to enter into an interstate dairy compact with other states for the purpose of marketing milk. Prior to entering into a compact, an economic impact study is to be conducted. The study is to determine the impact on producers, processors, and consumers. According to the agency, the study would have no fiscal impact in FY 2000.

State Fair Board

A. Renovation of the Domestic Arts Building (Senate Subcommittee). The Senate Subcommittee requested to review the revised costs of renovating the Domestic Arts Building. For FY 2000 the State Fair Board had originally requested \$846,400 from the State General Fund for both interior and exterior renovation. This request was based upon a 1982 construction estimate adjusted for seventeen years of inflation. This request was not recommended by the Governor. During the 1998 legislative interim, the Joint Committee on Building Construction reviewed the Fair Board's five year capital improvement plan. The Joint Committee requested the agency to provide a new estimate. In early March the State Fair presented its new estimate to the Joint Building Committee. The agency requests \$1,199,436 from the State General Fund. This is an increase of \$353,036 (41.7 percent) from the original request. The primary reasons for the increased cost is because of code compliance items.

Water Office

A. GBA No. 2, Item 51, pg. 23—Increase Water Plan Funding for three programs.

Wheat Commission

A. Increase the authorized amount that can be spent by the Commission without approval of the State Finance Council (Technical Correction). For FY 2000 the Legislature approved (in S.B. 325) operating expenditures of \$3,894,731 for the agency. This includes an additional \$700,000 from the Wheat Fee Fund that the Governor did not recommend. This additional amount of money is to be used to develop a new market plan that is to increase the market share of Kansas wheat. In order for the Wheat Commission to be able to spend the additional \$700,000, it must first present a new market plan to the State Finance Council. Section 85 of S.B. 325, as currently written, allows the agency to spend \$13,268 less than what the Legislature intended the agency to spend (\$3,194,731) before being required to seek approval of the State Finance Council.

B. Authorize \$0 limitation for the Wheat Research Reserve Fund (Technical Correction). This fund was created during the 1998 Legislative Session (see *1998 Session Laws*, Chapter

123 Sec. 9) to be used solely to replace funding shortfalls in the Kansas Wheat Commission Fee Fund for wheat research and market development. Such expenditures are to be made in accordance with appropriations acts and as approved by the Kansas Wheat Commission. It was discovered after S.B. 325 passed that it did not set any limitation on the fund for FY 2000. The Governor has not recommended any expenditure from this fund, and the Legislature has not approved any expenditures from it.

Developmental Disabilities Institutions—Systemwide

A. Mental Retardation Trainee Pay Range Upgrade (Senate Subcommittee). The Senate Subcommittee recommended the addition of \$29,766 (\$13,395 SGF) to upgrade the salaries of Mental Retardation Trainees from salary grade 10 to salary grade 13. The Subcommittee recognized the recruitment and retention difficulties experienced by KNI. The agency believes that one causal factor in this situation is the starting salary range for direct care staff. A Mental Retardation Trainee position is currently at salary grade 10 with a starting salary of \$6.90 per hour.

A question was raised during the Committee hearing on this budget concerning the Department of Social and Rehabilitation Services' authority to increase pay grades without the approval of the Department of Administration. Kansas Administrative Regulations 1-5-4 and 1-5-7 state that any assignment of pay grade and changes of pay grade must be approved by the Director of Personnel Services.

The full Senate Committee recommended deferring this item for further consideration during Omnibus.

B. Teacher Salary Increase. The Governor's recommendation and Legislative approved budget for FY 2000 for the school contract at Parsons State Hospital and Training Center did not include funding for teacher salary increases. The approved budget for Kansas Neurological Institute included funding for a 7.0 percent salary increase. The following table illustrates the amounts from the State General Fund that would be needed to fund salary increases of various percentages.

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Parsons State Hospital and Training Center

Percentage Increase	Parsons State Hospital and Training Center
0.5	\$ 2,408
1.0	4,816
1.5	7,224
2.0	9,632
2.5	12,039
3.0	14,447
3.5	16,855
4.0	19,263
4.5	21,671
5.0	24,079
5.5	26,486
6.0	28,894
6.5	31,302
7.0	33,710

C. Categorical Aid. In FY 1999, the budgeted school contract for each of the institutions include categorical aid based on a rate of \$19,554 for Kansas Neurological Institute and \$20,300 for Parsons State Hospital and Training Center. The current FY 1999 categorical aid rate per eligible teaching unit is estimated to be \$20,000. If this rate is maintained, the school contracts at the institutions would need adjustments. The table below identifies the State General Fund adjustments required.

Hospital	SGF Amount
Kansas Neurological Institute	\$ (6,105)
Parsons State Hospital and Training Center	2,512

In FY 2000, the categorical aid rate was budgeted at \$19,750 for both KNI and Parsons. The current FY 2000 categorical aid rate is estimated to be \$20,480. The reductions in State General Fund required to adjust for the rate difference are outlined in the table below.

Hospital	SGF Amount
Kansas Neurological Institute	\$ (8,030)
Parsons State Hospital and Training Center	(6,112)

Mental Health Hospitals—Systemwide

A. Mental Health Aide Pay Range Upgrade (Senate Subcommittee). The Senate Subcommittee recommended the addition of \$236,650 (\$106,452 SGF) in FY 2000 to upgrade the salaries of Mental Health Aides from salary grade 12 to salary grade 16. The Subcommittee recognized the continued problem experienced by the institutions in the area of recruitment and retention of mental health aides. Facilities in urban areas have difficulties attracting individuals in entry-level positions while facilities in rural areas have similar problems with professional positions. Facilities have also been losing staff to other state agencies with higher starting wages. For instance, approximately 40 employees of Larned State Hospital have left for employment with the Department of Corrections or the Juvenile Justice Authority. The Subcommittee noted the relatively high estimated shrinkage rates at the three institutions for FY 1999: 9.2 percent at Larned State Hospital, 7.1 percent at Osawatomie State Hospital, and 6.3 percent at Rainbow Mental Health Facility. The Subcommittee believed that a pay grade increase would help attract quality employees, stabilize the workforce, and provide greater continuity in patient care.

A question was raised during the Committee hearing on this budget concerning the Department of Social and Rehabilitation Services' authority to increase pay grades without the approval of the Department of Administration. Kansas Administrative Regulations 1-5-4 and 1-5-7 state that any assignment of pay grade and changes of pay grade must be approved by the Director of Personnel Services.

The full Senate Committee recommended deferring this item for further consideration during Omnibus.

B. Teacher Salary Increase. The Governor's recommendation and the Legislative approved budget for FY 2000 for school contracts did not include funding for teacher salary increases. The following table illustrates the amounts from the State General Fund that would be needed to fund salary increases of various percentages.

Percentage Increase	Larned State Hospital	Rainbow Mental Health Facility	Total
0.5	\$ 8,060	\$ 4,271	\$ 12,331
1.0	16,120	8,542	24,662
1.5	24,180	12,813	36,993
2.0	32,240	17,083	49,323
2.5	40,300	21,354	61,654
3.0	48,359	25,625	73,984
3.5	56,419	29,896	86,315
4.0	64,479	34,167	98,646
4.5	72,539	38,438	110,977
5.0	80,599	42,708	123,307
5.5	88,659	46,979	135,638
6.0	96,719	51,250	147,969
6.5	104,779	55,521	160,300
7.0	112,839	59,792	172,631

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C. Categorical Aid. In FY 1999, the budgeted school contract for each of the institutions include categorical aid based on a rate of \$19,750 for Larned State Hospital and \$19,360 for Rainbow Mental Health Facility. The current FY 1999 categorical aid rate per eligible teaching unit is estimated to be \$20,000. If this rate is maintained, the school contracts at the institutions would be over funded. The table below identifies the State General Fund reductions required to adjust for the rate difference.

Hospital	SGF Amount
Larned State Hospital	\$ (3,585)
Rainbow Mental Health Facility	(13,760)

In FY 2000, the categorical aid rate was budgeted at \$19,750 for Larned State Hospital and \$19,360 for Rainbow Mental Health Facility. The current FY 2000 categorical aid rate is estimated to be \$20,480. The reductions in State General Fund required to adjust for the rate difference are outlined in the table below.

Hospital	SGF Amount
Larned State Hospital	\$ (10,468)
Rainbow Mental Health Facility	(24,080)

D. GBA No. 2, Item 58, pg. 26—HCBS/DD Waiver Shortfall.

Board of Hearing Aid Examiners

A. Enhancement Funding (Senate Subcommittee). The Senate Subcommittee recommended review of the Board's requested enhancement package upon passage of H.B. 2214 (law). The bill increases the statutory fee maximums charged by the Board. The table below illustrates the change in each fee.

Board of Hearing Aid Examiners Fee Structure

Fee	Previous	Adopted Maximum	Proposed Fees
License Application	\$ 50	\$ 150	\$ 75
Temporary License	25	150	75
Temporary License - Renewal	100	150	135
Certificate of Registration or Endorsement	50	150	75
Certificate of Registration or Endorsement - Renewal	50	150	75
Certificate of Registration or Endorsement - Late Renewal	100	200	150
Certificate of Registration or Endorsement - Extended Late Renewal	200	300	250
Examination—Written	-	50	25
Examination—Practicals	-	35	15
State License Verification	-	25	10
Replacement License	-	25	10
Change of Sponsor	-	25	25
Check Returned for Insufficient Funds	-	35	15

The fiscal note from the Division of the Budget estimates an increase in revenues in FY 2000 of approximately \$10,865 (based upon the statutory maximums). This increase would be distributed among the State General Fund (approximately \$2,173) and the Board of Hearing Aid Examiners Fee Fund (approximately \$8,692).

License renewals occur June 30 of each year. The agency would not be able to enact regulations regarding the new fees for the upcoming renewal cycle. As a result, the increased revenue would not be realized until the end of FY 2000. The agency estimates receipts available for FY 2001 to total \$8,700 of which \$1,740 would be transferred to the State General Fund.

The Board's requested enhancement package of \$2,525 for FY 2000 includes \$2,113 to fund five additional hours per week for the part-time secretary and \$412 to fund Board member per diem and travel expenses for one additional Board meeting during the year.

The enhancement request of \$4,957 for FY 2001 includes \$2,113 to continue the five additional hours per week for the part-time secretary, \$400 to fund Board member per diem and travel expenses for one additional Board meeting, and \$2,184 for office rental and equipment usage fees.

Secretary of State

A. S.B. 130 (Law). The bill enacts the Revised Kansas Trademark Act and repeals the previous Kansas Trademark Act. The bill adds definitions and requirements for registration, halves the duration of regular registrations, and permits the Secretary of State to adopt a classification system for trademarks. The bill also sets forth remedies to prevent the dilution or weakening of famous trademarks as well as remedies for cases involving infringement.

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The fiscal impact of this bill centers around the costs incurred by the Secretary of State in computer programming. The agency estimates costs ranging from \$4,000 if the programming is done in-house to a maximum of \$15,000 if the programming is contracted out. The agency is unsure whether funding for these expenditures would come from the State General Fund or the agency's fee funds.

Board of Barbering

A. GBA No. 2, Item 2, pg. 3—Operations.

Legislature

A. S.B. 135 (Law). Health Care Reform Legislative Oversight Committee. S.B. 135 creates the Health Care Reform Joint Legislative Oversight Committee. The Committee is charged with the oversight of changes in state laws and regulations that might be necessary due to federal legislation and to the fullest extent possible, implementation of health care reform that is specific to Kansas needs. The Committee will be composed of 12 members, six members from the House of Representatives and six from the Senate. Meetings of the Committee will be held on call of the chairperson, as authorized by the Legislative Coordinating Council. Authorization for the Committee would expire or sunset on June 30, 2001. S.B. 135 replaces similar legislation which expired on December 31, 1998. The exact fiscal note would depend on who was appointed to the Committee and the number of meetings held during FY 2000. However, based on actual expenditures for the Committee in 1998 the estimated fiscal note for legislator compensation, subsistence, mileage and clerical assistance would be \$27,643 (State General Fund) in FY 2000.

B. H.B. 2227 (Law). SRS Transition Oversight Committee. H.B. 2227 relates to certain local boards and the Social and Rehabilitation Services (SRS) Transition Oversight Committee. The authorizing language in H.B. 2227 continues the 12-member committee for two additional years or until July 1, 2001. The duties and responsibilities of the Oversight Committee are expanded to include monitoring and reviewing federal social welfare reform laws and the operation of the home and community based services programs. Expenditures, including legislator compensation, subsistence, mileage and clerical assistance for FY 2000 are estimated to total \$37,582 (State General Fund). However, the exact fiscal note would depend on who was appointed to the Committee and the number of meetings held during FY 2000.

C. H.B. 2092 (Conference Committee). Concerning Crimes and Punishments, and Juvenile Offenders. H.B. 2092 allows the Secretary of Corrections to make direct placements of certain inmates to a correctional conservation camp. The bill also amends the juvenile justice code to address dual adjudication of juvenile offenders and Child in Need of Care Code status. Finally, the bill also extends the existence of the Joint Committee on Corrections and Juvenile Justice by four years. The current Committee would sunset in December, 1999 but H.B. 2092 would extend the Committee until December, 2003. The duties and responsibilities of the 14 member committee (seven from the Senate and seven from the House of Representatives) remain unchanged. Expenditures, including legislator compensation, subsistence, mileage and clerical assistance for FY 2000 are estimated to total \$33,603 (State General Fund). However, the exact fiscal note would depend on who was appointed to the Committee and the number of meetings held during FY 2000.

D. H.B. 2065 (Conference Committee). Membership of the Joint Committee on State Building Construction; Joint Committee on Information Technology; and Joint Committee on State-Tribal Relations. H.B. 2065, as amended, would expand the membership of the Joint Committee on State Building Construction and the Joint Committee on Information Technology from six members to ten members. Each Joint Committee would consist of five members from the Senate and five members from the House of Representatives. The bill also would reconstitute the Joint Committee on Gaming Compacts as the Joint Committee on State-Tribal Relations. The Committee would be composed of 12 members, five from each house of the Legislature and the Governor and Attorney General, or their designees, who would serve as nonvoting members. The current Joint Committee on Gaming Compacts consists of six legislators. In addition to the responsibilities of the Joint Committee on Gaming Compacts, the new Committee would be authorized to meet, discuss, and hold hearings on issues concerning state-tribal relations. The Joint Committee on State-Tribal Relations may meet at any time and any place within the state on the call of the Chairperson of the Joint Committee. Expenditures, including legislator compensation, subsistence, mileage and clerical assistance for FY 2000 are estimated to total \$64,181 (State General Fund). However, the exact fiscal note would depend on who was appointed to the joint committees and the number of meetings held during FY 2000.

E. S.B. 352 (House General Orders). FY 2000 State Employee Pay Plan Language. S.B. 352 would amend current law to specify the biweekly pay rate for legislators, legislative leadership, and statewide elected officials effective June 13, 1999 (the first day of the first payroll period chargeable to FY 2000), be increased in effect 3.5 percent. The statewide elected officials include the Governor, Lieutenant Governor, Attorney General, Secretary of State, State Treasurer, and the Commissioner of Insurance.

The Governor for FY 2000 recommended and the Legislature approved financing in S.B. 325 for a 3.5 percent salary increase. If S.B. 352 does not become law, the Legislature could add one-year authorizing language for the pay increases in the 1999 Omnibus bill. However, if the Legislature would not add the one-year authorizing language for FY 2000 the budget of the Legislature could be reduced by \$56,887 (State General Fund).

Again assuming that S.B. 352 is not enacted, and if the Legislature still intends to implement the Governor's pay plan proposal of a 3.5 percent merit pool for state unclassified employees and the 1.0 percent base salary adjustment for classified employees, additional authorizing language would need to be added to the Omnibus bill. The entire funding (\$32.4 million from the State General Fund and \$60.0 million from all funds) for the FY 2000 state employee pay adjustments, including longevity bonus payments and classified step movement was contained in S.B. 325.

Revisor of Statutes

A. Staff Turnover, Salaries and Workloads and Retirement Benefits (House Appropriations). The House Appropriations Committee requested a review by the House Education and Legislative Budget Committee regarding the competitiveness of professional staff salaries, the amount of professional staff turnover, and staff workloads within the Office of Revisor of Statutes. The Appropriations Committee also requested that the Budget Committee review the possibility of shifting the Revisor of Statutes staff from membership in the regular Kansas Public Employees Retirement System (KPERs) to the 8.0 percent deferred compensation plan that

currently exists for legislative leadership staff and certain executive branch unclassified executives and staff. The Appropriations Committee requested that the Budget Committee report back their findings to the Appropriations Committee during Omnibus review.

Legislative Division of Post Audit

A. Staff Turnover, Salaries and Workloads and Retirement Benefits (House Appropriations). The House Appropriations Committee requested a review by the House Education and Legislative Budget Committee regarding the competitiveness of professional staff salaries, the amount of professional staff turnover, and staff workloads within the Legislative Division of Post Audit. The Appropriations Committee also requested that the Budget Committee review the possibility of shifting the staff of the Legislative Division of Post Audit from membership in the regular Kansas Public Employees Retirement System (KPERS) to the 8.0 percent deferred compensation plan that currently exists for legislative leadership staff and certain executive branch unclassified executives and staff. The Appropriations Committee requested that the Budget Committee report back their findings to the Appropriations Committee during Omnibus review.

Legislative Research Department

A. Staff Turnover, Salaries and Workloads and Retirement Benefits (House Appropriations). The House Appropriations Committee requested a review by the House Education and Legislative Budget Committee regarding the competitiveness of professional staff salaries, the amount of professional staff turnover, and staff workloads within the Legislative Research Department. The Appropriations Committee also requested that the Budget Committee review the possibility of shifting the staff of the Legislative Research Department from membership in the regular Kansas Public Employees Retirement System (KPERS) to the 8.0 percent deferred compensation plan that currently exists for legislative leadership staff and certain executive branch unclassified executives and staff. The Appropriations Committee requested that the Budget Committee report back their findings to the Appropriations Committee during Omnibus review.

Selected Agencies

A. GBA No. 2, Item 64, pg. 30—Tobacco Settlement Funds.

B. GBA No. 2, Item 65, pg. 30—Retirement Reductions.

Kansas Commission on Veterans Affairs

A. Water Treatment Facility at the Kansas Soldiers' Home (House Budget Committee and GBA No. 2, Item 20, pg. 11—Water System Upgrades). The House Budget Committee recommended review of the funding for a water treatment facility at the Kansas Soldiers' Home at Fort Dodge. The Governor included \$200,000 for a water system upgrade. The Commission requested a total of \$270,000 to construct a water treatment facility. S.B. 325 includes \$10,000 from the State Institutions Building Fund for a water system upgrade study.

B. Wichita Annex to the Kansas Veterans Home (House Committee). The House Committee recommended review of funding for the Wichita Annex to the Kansas Veterans Home (KVH) at Winfield. The Commission requested \$202,234 from the State Institutions Building Fund in FY 1999 for capital improvements for the proposed 60-bed nursing facility annex at the Wichita Veterans Administration Hospital. In FY 2000, the Commission requested:

- \$2,182,278 (of which \$928,934 or 42.6 percent is from the State General Fund)
- 41.0 FTE positions (\$1.2 million for salaries and wages)
- Includes \$153,000 (KVH Fee Fund) to lease the facility from the VA and \$88,950 (SGF) for a nonrecurring maintenance fund; these two payments (totaling \$241,950) will be placed into trust funds to be expended by the VA in Kansas in support of Kansas veterans programs
- This level of funding will allow the facility to operate at 80 percent capacity in FY 2000

The Governor did not recommend funding for the Wichita annex and no funding was included in S.B. 325.

C. S.B. 19 (Law). S.B. 19 authorizes the Kansas Commission on Veterans Affairs to establish and maintain a state system of veterans cemeteries. The Veterans Administration (VA) provides grants to cover 100 percent of construction costs for the state veterans cemeteries. The state is responsible for all operating expenditures. S.B. 19 limits the Commission to no more than three additional grant applications, for a total of four state veterans cemeteries statewide. The Kansas Soldiers' Home at Fort Dodge has been approved for a cemetery construction grant. The Commission intends to develop state veterans cemeteries at sites on Fort Riley, at the Kansas Veterans Home in Winfield and in the northwest quadrant of the state. The Commission's current estimates are for planning costs of \$25,000 from the State General Fund in FY 1999 which will be reimbursed by the VA after construction has begun. For FY 2000, the Commission estimates total expenditures of \$140,057 as follows:

	SGF	Fee Fund	Total
Reimbursable Planning Costs	\$ 75,000	\$ 0	\$ 75,000
Salaries and Wages	45,599	16,458	62,057
Other Operating Expenditures	3,000	0	3,000
TOTAL	\$ 123,599	\$ 16,458	\$ 140,057

The Commission estimates 2.0 FTE will be needed in FY 2000. This includes one program manager located in the central office in Topeka and one office assistant located in Fort Dodge.

D. GBA No. 2, Item 21, pg. 11—Replace Treatment Building Roof at the Kansas Veterans' Home.

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E. GBA No. 2, Item 22, pg. 11—Energy Conservation Improvements Program at the Kansas Soldiers' Home.

Department of Commerce and Housing

A. Kansas Economic Opportunity Initiatives Fund (House Budget Committee). The House Budget Committee recommended a reduction of \$750,000 from the Kansas Economic Opportunity Initiative Fund (KEOIF) and recommended further review of that reduction during Omnibus. In S.B. 325, FY 2000 funding for KEOIF was ultimately restored to the \$5.0 million recommended by the Governor.

B. Tourism Promotion Grants and H.B. 2016 (House Budget Committee). The House Budget Committee noted that the Governor recommended FY 2000 funding of \$952,100 for tourism promotion grants, an increase of \$500,000 over FY 1999. H.B. 2016 would provide up to \$2.0 million for tourism grants if passed. The Budget Committee recommended reviewing this issue for possible redirection of the increased funding for tourism promotion grants in FY 2000 if H.B. 2016 passed. Currently, H.B. 2016 has passed the House and is assigned to the Senate Committee on Ways and Means.

Kansas Department of Health and Environment

A. AIDS Medication Shortfall (Senate Subcommittee and House Budget Committee). Both the Senate Subcommittee and the House Budget Committee recommended reviewing the supplemental appropriation of \$250,000 (SGF) for a possible AIDS medication shortfall in the AIDS Drug Assistance Program (ADAP) in FY 1999. The Department informed the Committees that it might not need the supplemental appropriation included in the Governor's recommendation. Because state funding for the program in any two years can establish a mandatory maintenance of effort in subsequent years, efforts would be made to avoid using the state funds. The 1998 Legislature approved \$235,000 (SGF) for a shortfall in 1998.

At this point, the new federal fiscal year for the ADAP funds has begun and the Department reports that it was able to stay within the federal money for the program and the \$250,000 (SGF) included in S.B. 325 is not needed.

B. Local Environmental Protection Program (Senate Subcommittee). The Senate Subcommittee recommended reviewing FY 2000 funding for the Local Environmental Protection Program (LEPP) from the State Water Plan Fund. The program is currently funded at \$1.8 million, the Governor's recommendation. This is a decrease of \$200,000 from prior fiscal years. The recommendation of the Water Authority was to fund the program at \$1.9 million in FY 2000. The Governor's recommendations for expenditures from the State Water Plan Fund in FY 2000 did not leave sufficient balances to fund the program at previous levels. The Subcommittee recommended this be reviewed to determine if the program should receive a higher priority in expenditures from the State Water Plan Fund. The LEPP 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.

C. Infant Toddler Program (House Budget Committee). The House Budget Committee recommended that funding for the Infant Toddler program be reviewed to determine if additional

funding from sources such as Temporary Assistance for Needy Families would be available in FY 2000. Subsequently, the House recommended adding \$1.25 million (including \$1,220,417 SGF and \$29,583 from the Children's Health Care Programs Fund—tobacco settlement proceeds) to the program. S.B. 325 funds the Infant Toddler program at \$5,217,000, an increase of \$750,000 (including \$500,000 SGF and \$250,000 from the Children's Health Care Programs Fund) over the Governor's recommendation in FY 2000.

D. Gifts, Grants and Donations Fund (House Budget Committee). The House Budget Committee recommended review of the receipts and expenditures of the Gifts, Grants and Donations Fund to determine if the expenditure limitation on the fund should be removed for FY 2000. In FY 1999, the fund had a carryforward balance of \$1,901,245. According to the state accounting system, the fund has had receipts of \$329,126 and expenditures of \$709,514 to date in FY 1999. S.B. 325 increases the FY 1999 expenditure limitation from \$1,248,055 to \$1,532,168 and limits FY 2000 expenditures to \$606,643. At the time this memorandum was prepared the Department was unable to provide further information on expenditures from the fund.

E. Criminal Background Checks System (House Budget Committee). The House Budget Committee requested additional information regarding the system used by the Department to provide criminal background checks for health care providers. The Budget Committee specifically requested information regarding the Department's interaction with the Kansas Bureau of Investigation and the delay in notifying employers of prohibited employees. At the time this memorandum was prepared, the Department was unable to provide further information on criminal background checks.

F. H.B. 2362 (Law). H.B. 2362 enacts the Newborn Infant Hearing Screening Act. The Act requires that every child born in the state of Kansas be given a hearing screening within five to eight days. The screening is to detect significant hearing loss. The tests are to be conducted in a manner prescribed by the Secretary of Health and Environment, who is required to adopt rules and regulations as necessary to carry out the provisions of the Act. The screening would only take place with parental consent and all information acquired under this Act is confidential. H.B. 2362 also repeals the current Newborn Hearing Risk Screening Program. The fiscal note for H.B. 2362 indicates the Newborn Infant Hearing Screening Act would cost an additional \$150,000 from the State General Fund in FY 2000 over the amounts currently spent for the Newborn Hearing Risk Screening Program. The funds would be needed for a full-time audiologist, contractual services for quality control of the screenings at the local level, and automation costs for the Department.

G. H.B. 2074 (Law). H.B. 2074 requires that individuals who test positive for HIV be reported by name to the Secretary of Health and Environment. Previous state policy had been that only documented cases of AIDS be reported in such a fashion. Further, H.B. 2074 requires the Secretary to monitor cases of persons who have HIV infection and maintain all records as confidential. H.B. 2074 also requires the Secretary to establish confidential testing sites for HIV infection so that an anonymous test site is available within 100 miles of any resident of the state. The fiscal note for H.B. 2074 indicates a cost of \$42,900 from the State General Fund and 1.0 FTE in FY 2000 to conduct the HIV monitoring required by the bill. This is to fund one medical investigator position at \$34,000 (salaries and wages) and other operating expenditures of \$8,900.

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H. S.B. 296 (Law). S.B. 296 creates the Hazardous Waste Management Fund, where moneys collected for the purpose of regulating hazardous waste will be credited. Money in the Fund will be expended for the following purposes:

- technical review of applications for permits issued under the hazardous waste statutes, including permit modification and permit renewals for hazardous waste facilities;
- evaluation of options available for minimizing the generation of hazardous wastes;
- completion of background investigations of applicants for hazardous waste facilities;
- assurance that a permittee under the hazardous waste statutes fulfills all permit conditions during the effective period of the permit; and
- payment of the administrative, technical, and legal costs incurred by the Secretary of the Kansas Department of Health and Environment (KDHE) in administering the hazardous waste laws, including the cost of any additional employees or increased operating cost of KDHE.

The Department of Health and Environment indicates that S.B. 296 would shift \$418,000 in receipts from the State General Fund to the new Hazardous Waste Management Fund in FY 2000. The transfer of moneys from the Perpetual Care Trust Fund would result in a one-time receipt of \$300,000 to the Hazardous Waste Management Fund in FY 2000. The Department proposes to use these moneys to reduce State General Fund expenditures by \$300,000 in FY 2000.

I. S.B. 107 (Law). S.B. 107 deletes the sunset provision in an existing law that mandates a child health assessment prior to first entrance to a Kansas school and creates the Residential Childhood Lead Poisoning Prevention Act. Provisions of the Residential Childhood Lead Poisoning Prevention Act which allow the Secretary of Health and Environment to establish licensing and certification fees will result in additional state revenues to be deposited, along with federal grants, in the newly created Lead Based Paint Hazard Fee Fund. Activities associated with establishing educational programs, inspections of sites, laboratory testing, and remediation programs would require state expenditures. The Department of Health and Environment estimates total expenditures of \$108,000 in FY 2000. The moneys would finance a 0.5 FTE office specialist position (\$12,750), contractual services (\$87,200) and capital outlay (\$8,050). The contractual services costs would include \$60,000 for the services of 1.5 FTE environmental scientists. The Department estimates that fees collected would be sufficient to finance the total cost of the program.

J. Sub. for S.B. 106 (Governor). Sub. for S.B. 106 establishes the Advisory Committee on Trauma within the Department of Health and Environment and directs the Secretary of Health and Environment to develop a statewide trauma system plan and a statewide trauma registry. Sub. for S.B. 106 would create a Trauma Fund within the Department of Health and Environment. Sub. for S.B. 106 also increases the amount assessed for docket fees for moving violations by district and municipal courts by \$1. The Trauma Fund is to be credited with the increased amount in the case of municipal courts and with 2.34 percent of the total docket fees

collected by district courts. The Judicial Branch estimates receipts to the fund of approximately \$402,691 in FY 2000. The Department of Health and Environment estimates that the administration of the statewide trauma system plan and the statewide trauma registry will require 2.0 additional FTE, one administrator and one clerical staff. Total expenditures are estimated at \$320,000, \$84,000 for salaries and wages and \$236,000 for other operating expenditures to develop the trauma registry. The estimated revenue to the Trauma Fund is sufficient to cover all estimated expenditures in FY 2000.

K. Substitute for H.B. 2469 (Conference). H.B. 2469 establishes the Kansas Chemical Control Act, the purpose of which is to prevent illegal diversion of precursor chemicals for methamphetamine production. The bill would also authorize the Secretary of Health and Environment to contract for investigation and clean up of chemicals at illegal drug manufacturing sites and to issue and collect fines for violations of the Act. The Department estimates the bill would require 3.0 additional FTE, 1.0 Environmental Scientist II, 1.0 Environmental Geologist II and 1.0 Attorney II. Funding for the FTE and other operating expenditures are estimated at \$187,583. Estimated costs for site cleanup are \$1,086,000. The total FY 2000 fiscal impact on the Department of Health and Environment should the bill become law would be \$1,273,583. While the bill provides for joint and several liability for the clean up costs, the fiscal note from the Division of the Budget assumes that no such recovery would be made and all funding would come from the State General Fund. The bill also creates new sentences for crimes related to methamphetamine production which impact the Department of Corrections between \$7.9 million to \$21.7 million in increased operating and capacity expansion costs during the coming fiscal years.

L. H.B. 2166 (Conference and GBA No. 2, Item 16, pg. 9—Oz Entertainment Company Theme Park). H.B. 2166 would allow for the development of the proposed Oz Theme Park and Resort on the Sunflower Ammunition Site in Johnson County. If H.B. 2166 is passed, a fiscal impact would be realized to the Department of Health and Environment as the agency responsible for monitoring the environmental remediation which would have to be undertaken by the developers. The Department estimates that 5.0 unclassified temporary Environmental Geologist positions will be needed for the monitoring. The developers of the Oz Theme Park and Resort will reimburse the Department for the costs of at least two of the positions and the costs of the other three positions will be reimbursed by either the developers or the United States Army. A new fund would need to be created to receive the reimbursements. The Department estimates expenditures \$261,410 for the 5.0 unclassified temporary positions to be located at the site. Passage of H.B. 2166 would also impact the Department of Revenue.

M. GBA No. 2, Item 17, pg. 10—Increase Expenditure Limitation on Health Care Database Fee Fund.

N. GBA No. 2, Item 18, pg. 10—Rural and Local Health.

O. GBA No. 2, Item 19, pg. 10—Federal Cancer Registry.

Office of the State Bank Commissioner

A. Status Report on Substitute for S.B. 271—Abolishment of the Office of Consumer Credit Commissioner (House Budget Committee and Senate Subcommittee). Both the House Budget Committee and the Senate Subcommittee expressed a desire to review the status of

S.B. 271, which, as introduced, would have abolished the Office of the Consumer Credit Commissioner and created within the Office of the State Bank Commissioner a new position of Deputy Commissioner of Consumer and Mortgage Lending. Substitute for S.B. 271 passed the Senate, but in the House the bill's provisions were deleted and replaced with the provisions of H.B. 2022, relating to campaign finance.

Consumer Credit Commissioner

A. Status Report on S.B. 271—Abolishment of the Office of Consumer Credit Commissioner (House Budget Committee and Senate Subcommittee). Both the House Budget Committee and the Senate Subcommittee expressed a desire to review the status of S.B. 271, which, as introduced, would have abolished the Office of the Consumer Credit Commissioner and created within the Office of the State Bank Commissioner a new position of Deputy Commissioner of Consumer and Mortgage Lending. Substitute for S.B. 271 passed the Senate, but in the House the bill's provisions were deleted and replaced with the provisions of H.B. 2022, relating to campaign finance.

B. GBA No. 2, Item 4, pg. 4—Increase Grant to HCCI.

Real Estate Commission

A. Status Report on S.B. 115—Real Estate Commission Fees (Senate Subcommittee). The Senate Subcommittee recommended that the status of S.B. 115, which would permit the Commission to increase its fees, be reviewed at Omnibus. A fee increase would be one option to address a potential cash flow shortage in FY 2001. S.B. 115 has passed the Senate but remains in the House Committee on Federal and State Affairs. According to the agency, the cash position has eased somewhat and there should be no cash flow problem through the end of FY 2000.

Insurance Department

A. H.B. 2517—Selected Employees Salary Caps (Senate Subcommittee). The Senate Subcommittee noted that legislation had been introduced in the House to remove or modify the salary cap contained in K.S.A. 40-110 which limits the salary of any employee within the Insurance Department to the Commissioner's salary (currently, \$68,860), with the exception of two actuaries. The Subcommittee requested that the agency report back to the full committee at Omnibus. The House Budget Committee recommended a proviso to lift the salary cap, but the Appropriations Committee did not recommend that proviso. The bill, H.B. 2517, remains in the House Committee on Insurance.

Securities Commissioner

A. GBA No. 2, Item 5, pg. 4—Investor Education Program Expansion.

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Kansas Corporation Commission

A. GBA No. 2, Item 9, pg. 6—Development of a National Pipeline Mapping System.

Department of Human Resources

A. Worker's Compensation Fee Fund Balance (Senate Subcommittee). The Senate Subcommittee requested updated information on the status of the Worker's Compensation Fee Fund during Omnibus. The Worker's Compensation Fee Fund currently has an unappropriated balance of \$2.4 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 Senate Subcommittee proposed no reduction to the balance at the time of the report in recognition of the fiscal impact responding to the Post Audit recommendations will have on the agency. 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 is as follows: \$513,000 for the computer upgrade portion of the changes; and approximately \$465,680 for 10.0 new FTE positions (1 Assistant Attorney General, 2 Safety and Health Inspector IIs, 1 Industrial Hygienist, 4 Office Assistant IIIs, 1 Program Consultant I, 1 Research Analyst III) to create the database and analyze the data. The computer upgrade will be paid for out of KSIP moneys. The agency currently has approximately \$500,000 in the KSIP account. The agency has stated it will make up the difference for the computer upgrade from program funds. The new FTE positions will be paid for out of the Worker's Compensation Fee fund monies. This would leave a balance of approximately \$1.2 million in excess of the amount the agency has indicated as the necessary ending balance.

Kansas Commission on Human Rights

S.B. 22 (Law). S.B. 22 will add an additional provision to the Kansas Act Against Discrimination (KAAD) (K.S.A. 44-1002 and 44-1009). The bill will add genetic screening or testing to the list of unlawful employment practices. Genetic screening and testing is defined as a laboratory test of a person's genes or chromosomes for abnormalities, defects, or deficiencies, including carrier status, that are linked to physical or mental disorders or impairments, or that indicate a susceptibility to illness, disease, or other disorders, whether physical or mental.

According to the Kansas Human Rights Commission, S.B. 22 will result in expenditures of \$750 from the State General Fund to update printed documents on discriminatory practices which are distributed to the public and to provide training in the area of genetic testing for staff. The Commission indicates that this will be a one-time cost and will be absorbed by the agency.

Behavioral Sciences Regulatory Board

A. Review budget pending fee board consolidation legislation. (House Budget Committee). The House Budget Committee suggested review of the Behavioral Sciences

Regulatory Board (BSRB) budget if legislation consolidating the health care regulatory boards, S.B. 109 and H.B. 2389, passed. Both bills are still in first committee.

B. Proviso omitted from the Conference Committee list. The House Budget Committee added a proviso in FY 2000 and 2001 restricting the BSRB from expending funds for disciplinary action against a former or current SRS "state supervisor." The proviso would read as follows:

"Notwithstanding the provisions of any other statute, subsections (a)(2)(C) and (a)(8) of K.A.R. 102-2-7 or any other rules and regulations to the contrary, on and after the effective date of this act, no expenditures shall be made from the behavioral sciences regulatory board fee fund for fiscal year ending June 30, 2000 and 2001, for any operating expenditures or other expenses for any disciplinary action or other disciplinary activity by the behavioral sciences regulatory board or by an officer or employee of the behavioral sciences regulatory board against any person, who is hereinafter referred to in this subsection as a state supervisor, who is licensed by the behavioral sciences regulatory board as a licensed social worker and who is or was employed by the department of social and rehabilitation services in a position with supervisory responsibility over another person who is licensed by the behavioral sciences regulatory board as a licensed social worker, for any failure by such state supervisor to make any report to the behavioral sciences regulatory board regarding the impaired condition of such licensed social worker, who is or was employed by the department of social and rehabilitation services in a position requiring he employee to be a licensed social worker and who was dismissed, demoted or suspended as a direct result of the impaired condition of such licensed social worker in accordance with K.S.A. 75-2949 through 75-2949f, and amendments thereto, under the Kansas civil service act while under the supervisory responsibility of such state supervisor."

The proviso was not recommended by the Senate. The item should have been included on the list of items for the Conference Committee to resolve in S.B. 325 but was inadvertently omitted.

H.B. 2033 (Law). H.B. 2033 standardizes the terminology used in the statutes that govern the licensing and practice of professional counselors, marriage and family therapists, and masters level psychologists to describe the type of license that may be issued to an applicant who has fulfilled all the requirements for licensure except passage of the required examination or the completion of required post-graduate training as a temporary license. Currently, the statutes governing persons licensed by the Behavioral Sciences Regulatory Board refer to both temporary licenses and temporary permits.

The fiscal note on H.B. 2033 indicates an expenditure of between \$2,800 to \$3,300 in FY 2000 to amend the rules and regulations affected by the bill. Expenditures will be from the Behavioral Sciences Regulatory Board Fee Fund.

H.B. 2213 (Law). H.B. 2213 amends a number of statutes that concern professional counselors, social workers, marriage and family therapists, licensed psychologists, and licensed masters level psychologists, all of who are licensed and regulated by the Behavioral Sciences Regulatory Board.

The fiscal note on H.B. 2213 reports H.B. 2213 will generate more revenue and require more expenditures from the Behavioral Sciences Regulatory Board fee fund. It is estimated \$126,180 will be generated in additional revenue from the new clinical level licenses for the fee

fund and \$31,545 for the State General Fund. The Behavioral Sciences Regulatory Board estimates expenditures of \$27,808 from the fee fund.

Kansas State Historical Society

A. Security/Fire System Replacement (Senate Subcommittee and House Budget Committee, also GBA No. 2, Item 29, pg. 15). Both the Senate Subcommittee and the House Budget Committee recommended reviewing the security/fire system replacement issue at omnibus, pending more accurate information on the cost of replacement. The agency was informed in December, 1998 that the current security/fire system was not Year 2000 compliant. The current system is leased from ADT. The cost of replacing the CentraScan Fire and Security system and switching from the autoterms (a device that transmits the alarm) that ADT no longer produces to new Micro five controllers is estimated at \$148,006. The agency has contacted two other vendors, both of whom can provide 1990's technology with no Y2K concerns and which will allow the guard to pinpoint the exact room of the alarm. The current system only indicates the vicinity of the alarm and the guards must search out the specific alarm that has been tripped. Since the autoterms are made and used only by ADT, they must be replaced or bypassed by the other vendors, increasing the cost of replacing the system. Competitive bidding of the system replacement may reduce the cost estimates listed below. Both vendors have stated that upon award of the bid they can have the new system in place in 120 days.

Vendor 1 - \$170,140

Vendor 2 - \$158,200

The agency has requested a Governor's Budget Amendment of \$148,006 from the State General Fund for replacement of the system. The agency believes it can absorb any additional cost for the replacement of the system.

B. Technical Adjustment. The EDIF visitor donation match fund was started in FY 1999, matching each dollar donated by a visitor to any of the historic sites with a dollar from the Economic Development Initiatives Fund up to \$100,000. The Governor and the Legislature approved the continuation of this program in FY 2000 utilizing the remainder of the FY 1999 appropriation, totaling \$80,000. However, the following language is necessary for the transfer of funds to occur:

"On September 15, 1999, December 15, 1999, March 15, 2000, and June 15, 2000, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer amounts specified by the executive director of the state historical society from the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing to the economic development initiatives fund of the state historical society."

Board of Pharmacy

A. GBA No. 2, Item 3, pg. 3—Executive Secretary Salary Increase

Adjutant General

A. STARBASE (House Budget Committee). The House Budget Committee recommended funding of \$75,000 from the State General Fund (subject to local matching funds) be considered

if nonstate funding for a STARBASE site in Kansas City, Kansas. STARBASE is a math and science program taught by military personnel to 4th through 6th grade students at selected locations in Kansas.

B. Emergency Supplemental Funding (Senate Subcommittee). The Senate Subcommittee noted the revised estimates received from the agency concerning the amount of funding needed to finance state matching costs associated with the weather related disasters in Northeast, and South central Kansas, and the DeBruce Grain Elevator explosion. The Subcommittee recommended that consideration be given to using any excess moneys in the emergency supplemental bill S.B. 39 (\$2,151,901 as of March 12) to finance armory roofing projects. S.B. 39 is currently in Conference Committee.

C. Educational Assistance (Senate Committee). The Senate Committee noted its concerns as to the administration of the Educational Assistance program for Kansas National Guard members. The program provides state payment of tuition and fees for eligible members of the Kansas Army and Air National Guard at Kansas educational institutions. For Kansas National Guard members to be eligible for the program the member must be: a Kansas resident who is newly-enlisted or is re-enlisting; has been a member of the Kansas National Guard for not more than 15 years; has had no prior military service; has completed basic training; and is enrolled at a Kansas educational institution. The agency's goal is to pay 100 percent tuition for those who qualify. However, the agency has only been able to pay approximately 49 percent of the fall semesters fees due to processing time between the receipt of all applications and final review. The Senate Committee requested the agency present an update of the program during Omnibus. As of April 21, 1999, the Legislative Research Department has not received the requested information.

D. GBA No. 2, Item 43, pg. 20—Emergency Funding.

E. GBA No. 2, Item 44, pg. 20—Active Duty Reimbursement.

Kansas Bureau of Investigation

A. Technical Correction. A posting error in S.B. 325 resulted in the wrong FTE limitation being placed with the bill for FY 2000. The recommended FTE position limitation is 198.0, the amount posted was high by 0.5 FTE positions.

B. Capital Improvement at Great Bend (House Committee). The House Committee recommended pursuit of federal crime prevention funds (\$253,590) to finance the renovation of the second floor of the Great Bend laboratory for the purpose of additional space for office, storage, and laboratory use. The Committee asked the agency to return during Omnibus with any updated information on the availability of federal funding. However, the latest information from the agency indicates that there are no available federal funds to finance the renovation of the Great Bend laboratory.

C. Assessment of Space Needs (Senate Committee). The Senate Subcommittee recommended the agency conduct an assessment of its space needs and present that information during Omnibus. However, the assessment is not complete, since the agency is still in the process of developing an assessment of their space needs.

D. Technical Adjustment. A posting error in S.B. 325 resulted in the wrong adjustment for the Kansas Bureau of Investigation operating expenditures for FY 2000. Capital improvement expenditures of \$185,000 were included within that figure. Therefore, the operating expenditures amount needs to be decreased by \$185,000.

E. GBA No. 2, Item 46, pg. 21—Private Detective Fee Fund.

F. GBA No. 2, Item 47, pg. 21—Automated Fingerprint Identification System.

Sentencing Commission

A. GBA No. 2, Item 48, pg. 21—Criminal Justice Information System.

State Fire Marshal

A. Fee Fund (Senate Subcommittee). The Senate Committee recommended an evaluation of the Fire Marshal Fee Fund during Omnibus to consider the transfer of a portion of the FY 2000 ending balance (\$653,785) of the Fire Marshal Fee Fund to the State General Fund. In recent years, the Fire Marshal Fee Fund has had a large ending balance. As a percentage of expenditures, FY 1996 ending balance was \$1,291,908 or 67.0 percent of expenditures and \$1,511,354 or 42.0 percent in FY 1997. Further in 1998, \$716,852 was transferred out of the Fire Marshal Fee Fund into the State General Fund, which reduced the ending balance to 37.0 percent of reported expenditures.

B. Technical Adjustment. A posting error in S.B. 325 resulted in the wrong adjustment for the recommended Fire Marshal Fee Fund expenditure limitation. The amount should have totaled \$2,611,094. An increase of \$12,161 is necessary to correctly reflect the Legislature's approved level of funding.

C. H.B. 2012 (Law) H.B. 2012 amends current law to include hazardous material response as an official duty of the State Fire Marshal. This bill requires the State Fire Marshal to develop and implement a statewide system of hazardous material assessment and response. Also, the bill states that the agency may provide a toll-free telephone number where the agency can be contracted to respond to a hazardous materials incident. The State Fire Marshal estimated that \$24,995 would be needed for one month's operation for the new program in FY 1999. The cost to fund the program for a full year of operation in FY 2000 is estimated at \$456,113 and 3.0 FTE positions. Funding of \$24,995 in FY 1999 and \$456,113 in FY 2000 is already included in the agency's approved budget in S.B. 325. However, the Legislature did not provide specific funding for a toll-free telephone number for reporting of a hazardous materials incident. The agency estimates costs at \$5,000 (10 cents per minute with a monthly access charge of \$20) to provide a toll-free telephone number (a similar line in the State Library costs approximately the same). Therefore, an additional \$417 would be required in FY 1999 for one month's operation and \$5,000 for FY 2000.

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Highway Patrol

A. Vehicle Program (House Budget Committee). The House Budget Committee recommended the agency make a presentation regarding the development of procedures to alleviate the possibility of misconduct from occurring in the sale of vehicles to individuals both inside and outside the agency. As of April 21, 1999, the Legislative Research Department has not received this information.

B. Thunder Road Program (Senate Subcommittee). The Senate Subcommittee requested that the agency present information on the concept of a test program of interdiction along U.S. Highway 56 and 54 due to the heavy transportation of illegal drugs and weapons along those routes. According to the Patrol, including support and equipment, costs associated with the initiation of this program would be \$251,080 from the State General Fund and 4.0 FTE troopers (\$62,770 per trooper including salaries and wages, vehicle, and other equipment).

C. Per Diem Program (Senate Subcommittee). The Senate Subcommittee noted the Highway Patrol's idea of a Per Diem Program. A trooper would be given a stipend (\$10.75 per day plus fringe benefits) to allow them to eat out instead of at home. Officers would opt into the program by signing a contract (for three months) for the agency to fund their meals. This would allow officers to receive a stipend for their meals and at the same time broaden the patrol area they currently serve. The Subcommittee asked the agency to present additional information during Omnibus. As of April 21, 1999, the Legislative Research Department has not received any additional information.

D. Weigh In Motion Technology (Senate Subcommittee). The Senate Subcommittee recommended a presentation of "Weigh in Motion" technology during Omnibus. This technology allows semi tractors to be weighed as they are traveling on the road itself. The information would be automatically transferred to a computer at the upcoming weight station to be analyzed. Violating vehicles could then be stopped. The test station would be at Wabaunsee. The costs of the program are estimated to be \$160,000 from the State Highway Fund.

E. GBA No. 2, Item 45, pg. 20—Transfer Excess Funds to State General Fund.

Department of Corrections

A. Transitional Center/Work Release Program. (House Budget Committee Recommendation) The House Budget Committee recommended a review of the establishment of a transitional center/work release program at Topeka Correctional Facility. The Governor's recommendation was for 15.0 FTE and \$436,000 for the establishment of an 80-bed work release program on the grounds of the former Topeka State Hospital. The House Committee recommended a review of alternatives in advance of the Omnibus Session. Subsequently, the conference committee on Senate Bill 325 removed all funding for the transitional center/work release program.

B. Substitute for H.B. 2469. Concerning drugs, methamphetamine, chemical control act, and crimes and penalties. (Conference Committee). The bill establishes the manufacture of methamphetamines as an aggravating factor permitting upward departure in sentencing; establishing certain reporting requirements for chemical distributors and retailers; creates a new crime related to ephedra as a dietary supplement or stimulant. The bill also establishes the Kansas Chemical Control Act; regarding the sale of forfeited property with profits going to the

Chemical Control Fund; requires the Kansas Department of Health and Environment (KDHE) to adopt rules and regulations regarding the Kansas Chemical Control Act, to levy fines, and to contract for clean up of chemicals. The anticipated fiscal impact on KDHE for cleanup is \$1,273,583 (all funds) in FY 2000 for operating costs, including 3.0 FTE, and contracted cleanup costs. The creation of new drug grid crimes and doubling of some underlying sentences related to methamphetamine production will add between 2 and 20 new inmates per year. The Department of Corrections would be impacted by increased operating costs between \$2.6 and \$3.6 million per year. Additionally, prison capacity expansion costs are estimated at \$5.3 to \$18.1 million over the next several fiscal years.

- C. GBA No. 2, Item 30, pg. 15—Federal Grant Awards.
- D. GBA No. 2, Item 31, pg. 15—Off Budget Positions Omitted.
- E. GBA No. 2, Item 32, pg. 16—Shrinkage Rate.
- F. GBA No. 2, Item 33, pg. 16—Drug Testing Guidelines.
- G. GBA No. 2, Item 34, pg. 16—Raze Building.
- H. GBA No. 2, Item 35, pg. 16—Legal Assistant.
- I. GBA No. 2, Item 36, pg. 17—Capacity Expansion Project.
- J. GBA No. 2, Item 37, pg. 17—Consolidated Debt Service Reduction

Topeka Correctional Facility

- A. GBA No. 2, Item 38, pg. 18—Transition Center.
- B. GBA No. 2, Item 39, pg. 18—Additional Housing for Female Inmates.

Ombudsman of Corrections

A. **Operating Expenditure Review. (Senate Subcommittee Recommendation)** A recommendation due to information technology needs, the transition of new management for the agency, and unsuccessful efforts to fill the open associate ombudsman position. These items should be reviewed for possible omnibus adjustments. The agency intends to expend savings gained from the open position, approximately \$28,480 SGF, for information technology equipment. Included in the agency's enhanced request was \$16,600 for four microcomputers, \$1,000 for network connections, and \$11,100 for ongoing operating expenditures related to routers, modems, repair, and servicing. The agency also reports increased DISC T-1 circuit costs (of indeterminate amount) when the Attorney General's office leaves Jayhawk Tower.

Department of Wildlife and Parks

- A. GBA No. 2, Item 52, pg. 23—Partnership with Natural Resources Conservation Service.
- B. GBA No. 2, Item 53, pg. 23—Lesser Prairie Chicken Habitat Study.
- C. GBA No. 2, Item 54, pg. 24—Grant-in-Aid for Recreational Trails.

Emergency Medical Services Board

A. **Funding for Operations in FY 1999 (House Budget Committee and Senate Subcommittee).** Both the House Budget Committee and Senate Subcommittee requested a Governor's Budget Amendment for the agency's FY 1999 supplemental request of \$10,100 to provide funding for operations and travel, including \$3,300 for travel and mileage, \$2,000 for telephone costs, \$1,000 for central duplicating costs and \$1,200 for advertising costs incurred from hiring a new administrator, and \$2,600 for *Kansas Register* publication of regulations pertaining to 1998 S.B. 535, which updated EMS training practices to reflect changes in federal training criteria. Travel and mileage increases are due to increased investigations and the necessity of holding three public meetings pursuant to S.B. 535.

- B. GBA No. 2, Item 53, pg. 22—Emergency Medical Services for Children.

Board of Healing Arts

A. **H.B. 2215 (Governor).** This bill, as amended by the Senate Committee on Public Health and Welfare, changes the credentialing status for respiratory therapists from registration to licensure. On and after March 1, 2000, the bill makes it unlawful for any persons who are not licensed to hold themselves out to the public as a licensed respiratory therapist, to use specified initials following a name, or to practice respiratory therapy as defined in the bill. Any violation of the prohibition is a class B misdemeanor. The bill expands the statutory listing of persons who are not to be considered as engaged in the unlawful practice of respiratory therapy. The bill also changes the name of the Respiratory Therapist Council to Respiratory Care Council and provides for the addition of two public members and increase its membership from 5 to 7. The role of the Council remains advisory under the provisions of H.B. 2215. This bill would have no fiscal impact in FY 2000, but would result in additional expenditures to the Healing Arts Fee Fund in FY 2001 amounting to \$3,760 for a temporary clerical position for two months to process registration renewals and for costs associated with printing license certificates. The bill would also result in additional receipts of \$11,500 in FY 2001, when an anticipated 1,150 registered therapists would pay an initial registration fee of \$40 instead of the \$30 renewal fee.

B. **S.B. 205 (Conference Committee).** This bill, as amended by the House Judiciary Committee, allows the Board to grant a license, renewal, or reinstatement to any person convicted of a felony if the board determines by a two-thirds vote, based upon clear and convincing evidence, that such person will not pose a threat to the public and that the person has been sufficiently rehabilitated. The Board estimates that this bill as introduced would increase the number of administrative hearings as a result of license denial and cause ten

additional hearings at a cost of \$20,000 for FY 2000. The amount would be needed to pay for court reporters, hearing officers, and 50 hours of staff time needed to hold the hearings. The Board notes that the cost is contingent on the number and the length of the hearings.

C. GBA No. 2, Item 1, pg. 3—Outside Counsel Expenses and New Disciplinary Counsel Position.

State Library

A. Grants-in-Aid to Local Libraries (House Budget Committee and Senate Subcommittee).

Both the House Budget Committee and Senate Subcommittee recommended reviewing at Omnibus the issue of funding for grants-in-aid to local libraries to identify appropriate funding needs, and both noted the agency's view that funding to local library units is inadequate. The Senate Subcommittee recommended phasing in over four years, instead of one, the agency's requested enhancement of \$1,779,720 (SGF), which includes \$1,434,257 (SGF) for state grants-in-aid (GIA) to local libraries and \$345,463 (SGF) for Interlibrary Loan Development grants (ILDP). The agency states that adequate funding levels for state grant support to local public libraries should equal 10.0 percent of total annual public library and system local revenue, which was \$48,891,713 in FY 1997. Currently, as funded, the total amount for GIA and ILDP grants equals 6.3 percent. The national average of state aid to local libraries is 12.0 percent.

Of the total aid to local units the agency requested for FY 2000 of \$5,243,864 (which includes the above enhancement amount), \$3,875,788 is for GIA funding, \$959,372 is for ILDP grants, and \$375,168 is for contracts with the subregional libraries of the Kansas talking book services. The Legislature in 1999 S.B. 325 for FY 2000 appropriated \$3,410,608 for aid to local units, which includes \$2,421,531 for GIA funding, \$613,909 for ILDP grants, and \$375,168 for contracts with the subregional libraries of the Kansas talking book services. As a note, while total (all funds) aid to local units over a ten-year period, from FY 1991 to FY 2000, has increased by \$1,613,225, or 53.8 percent, State General Fund expenditures over the same period have increased by \$1,508,872, or 79.3 percent. Grants-in-aid total funding (which includes interlibrary loan development grants and federal funding) over the same period has increased by \$941,867, or 44.9 percent.

Juvenile Justice Authority

The Conference Committee on S.B. 325 deleted all funding for the Juvenile Justice Authority, including the juvenile correctional facilities in FY 2000. The supplemental funding for FY 1999 was also deleted by the Conference Committee on S.B. 325. Funding for the Juvenile Justice Authority and institutions was deferred for further review during Omnibus.

A. FY 1999 Operating Budget (Conference Committee). The Governor recommends \$43,090,534 for operating expenditures in FY 1999, which includes \$5,945,504 for state operations, and \$37,145,030 for aid to local units (same as the agency's request), and is a decrease of \$4,190,426 from the amount approved by the 1998 Legislature and an increase of \$748,313 above the agency request. The decrease is primarily due to a lower estimate for Title IV-E funding, which is a product of the Social Security Act and is for foster care placements for juveniles that meet certain welfare requirements. The \$748,313 is for an expenditure limitation increase for operating costs and 4.0 FTE positions to add 57 beds on an "as needed" basis at

the Topeka Juvenile Correctional Facility. The Governor intends that the funding be used over FY 1999 and FY 2000. The Senate had concurred with the Governor's recommendation. The House had concurred with the Governor's recommendation, but also added \$5,973 for 1.0 FTE Architect I position to plan and design juvenile facilities.

B. FY 2000 Operating Budget (Conference Committee). The Governor recommends operating expenditures of \$45,207,316, an increase of \$2,116,782 or 4.9 percent from the Governor's FY 1999 recommendation. The Governor's recommendation includes \$4,584,305 for operations, and \$40,623,011 for aid to local units, which includes \$14,377,237 (SGF) for purchase of services, \$4,000,000 tobacco money for prevention programs to communities, \$5,500,000 for case management operations, \$5,000,000 for intake and assessment, \$5,047,000 for community corrections, and \$1,737,416 for new programs. In light of the agency's receipt and analysis of plans submitted by 29 community planning teams and presented to the Legislature after February 15, 1999, the agency requests additional funding totaling \$13,348,888 or 37.4 percent above the Governor's recommendation for aid to local units. The agency had originally requested \$34,431,811 for aid to local units. The agency's revised request for aid to local units is \$54,141,899.

The Senate in S.B. 325 had concurred with Governor's recommendation, with the following adjustments:

- Add \$1,361,980 (SGF) for purchase of service funding for out-of-home placement bed expansion and daily rate increases for juveniles in detention facilities, emergency shelters, and out-of-home placements. The JJA has reported that the most recent SRS audited rates for the detention and out-of-home placements services is on average 2.87 years old, and some of the rates are reported to be 10 years old. Under its current rate structure, the JJA is at a disadvantage to move juvenile offenders into other placements because their rates are lower than SRS foster care rates for similar placements. The contractual capacity expansion funding is intended to provide out-of-home placement beds for an estimated 72 more juveniles in FY 2000. Without the capacity expansion, these juveniles would wait in detention facilities an average of 15.2 days until out-of-home placement beds become available. The Senate recommends using inflationary rates to gauge the increase until more accurate data can be obtained from SRS, the JJA, and providers. The rate increases could then be re-examined during Omnibus. Using a standard 3.5 percent inflation rate over three years, the following table represents the new rate increases the Subcommittee recommends, which includes the addition of the 72 out-of-home placement beds:

Type of Service	SGF Current Rate per Day (Since 1996)	Rate Assuming 3.5% Inflation Over 3 Years	Amount of SGF Increase	Estimated Number of Juveniles FY 00	SGF Increase X No. of Juveniles	Total Annual SGF Cost
Detention	\$74.70	\$82.54	\$7.84	116	\$910	\$332,094
Emergency Shelter	\$72.32	\$79.91	\$7.59	62	\$471	\$171,843
Level 4	\$55.93	\$61.80	\$5.87	42	\$247	\$90,028
Level 5	\$36.16	\$39.96	\$3.80	375	\$1,424	\$519,687
Level 6	\$98.18	\$108.48	\$10.31	66	\$680	\$248,329
				661	\$3,731	\$1,361,980

- Add \$1,381,292 (SGF) for new intervention and graduated sanctions programs in communities beginning January 1, 2000. The funding is expected to be distributed to each administrative county in grant amounts based on a juvenile offender funding formula.
- Add \$2,000,000 (SGF) for purchase of services funding for 336 more juveniles the JJA anticipates to serve in FY 2000. The JJA has observed since July 1, 1999, an average 1.15 percent increase per month in juvenile caseload numbers—from 2,432 juveniles in FY 1999 to an estimated 2,768 juveniles in FY 2000. This is an annualized increase of 13.80 percent. The funding is expected to cover extra caseload costs.

The House in S.B. 325 had concurred with Governor's recommendation, with the following adjustments:

- Add \$2,900,000 of tobacco money for grants of \$100,000 to each administrative district or county to establish and operate a juvenile corrections advisory board in each administrative district to implement the recommendations of each district's community planning team. The House notes that each administrative district that develops a budget for administration which is less than the grant amount may expend the remainder of grant amount for prevention program specified in such administrative district's community planning process.
- Add \$1,000,000 of tobacco money for Kansas Endowment for Youth Trust Fund grants to support current statewide initiatives and provide support for new creative and pilot innovative prevention programs. The Kansas Advisory Group—established by the Governor and directed by statute to advocate for, and promote the best interests of, juveniles in Kansas—would be expected to report the outcomes of the pilot programs to other communities.
- Delete \$1,000,000 from the Governor's recommendation of tobacco money for prevention programs grants to communities.
- Add \$2,262,584 of tobacco money for new intervention and graduated sanctions programs in the form of grants to communities, effective January 1, 2000, for a total of \$4,000,000 appropriated for new programs.
- Add \$35,833 (SGF) for the continuation of a 1.0 FTE Architect I position recommended in FY 1999 for full-time juvenile facility design and planning.
- Add \$170,000 of tobacco money for management information system projects in communities, to provide hardware and assistance to local community information system infrastructure, so that the correlation and sharing of information on juveniles can be made more effective between the agency and the community planning teams.

C. Juvenile Correctional Facility Operating Budgets (Conference Committee). The Governor recommends facility operating expenditures totaling \$25,666,852 in FY 1999 and

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\$26,481,883 in FY 2000. Both the **House** and the **Senate** concurred with the Governor in S.B. 325, prior to the deletion of all funding for the Juvenile Justice Authority. Individual operating budgets for the four juvenile correctional facilities are outlined below.

1. **Atchison Juvenile Correctional Facility.** The Governor recommends \$5,778,071 for operating expenditures in FY 1999, which is \$15,750 more than the amount approved by the 1998 Legislature. The increase is due to higher medical and dental costs for juveniles, as well as a larger than expected (4 percent, instead of 2 percent) raise in contracted teacher salaries. **The Governor recommends \$6,008,305 for operating expenditures in FY 2000**, which is \$230,234 (4.0 percent) over the FY 1999 estimate and \$25,019 above the agency's request. Most of the increase is due to the Governor adding \$33,802 for a 1.0 percent base salary adjustment for employees.

2. **Beloit Juvenile Correctional Facility.** The Governor recommends \$4,932,098 for operating expenditures in FY 1999, which is \$19,335 more than the amount approved by the 1998 Legislature. Part of the increase is due to a transfer of \$10,000 from the JJA for staff training related to the management information system. **The Governor recommends \$5,029,231 for operating expenditures in FY 2000**, which is \$97,133 (2.0 percent) over the FY 1999 estimate and \$24,003 above the agency's request, which is primarily due to the Governor adding \$26,896 for a 1.0 percent base salary adjustment for employees.

3. **Larned Juvenile Correctional Facility.** The Governor recommends \$4,142,198 for operating expenditures in FY 1999, which is \$68,765 more than the amount approved by the 1998 Legislature. The increase is mainly due to a transfer of \$56,988 from the JJA for staff training, 1.0 FTE, and equipment related to the management information system. **The Governor recommends \$4,257,757 for operating expenditures in FY 2000**, which is \$115,559 (2.8 percent) over the FY 1999 estimate and \$11,678 below the agency's request, which decrease is due to the Governor adjusting the agency's shrinkage rate.

4. **Topeka Juvenile Correctional Facility.** The Governor recommends \$10,752,802 for operating expenditures in FY 1999, which is \$2,208 more than the amount approved by the 1998 Legislature. **The Governor recommends \$11,186,590 for operating expenditures in FY 2000**, which is \$152,348 below the agency's request. The decrease is due to \$5,573 in salaries and wages to correct an agency error, \$85,775 for capital outlay to bring it in line with the agency's request, and \$51,000 in dietary expenditures.

D. Capital Improvements (Conference Committee). All of the regular rehabilitation and repair requests for each of the four facilities are included in the JJA's capital improvement budget request for both FY 1999 and FY 2000.

1. **FY 1999.** The agency's current year estimate of \$1,147,075 for rehabilitation and repair projects reflects the approved budget. **The Governor concurs. The**

Senate had concurred with the Governor in S.B. 325. The House also had concurred with the Governor's recommendation, but also added \$1,000,000 (SIBF) for preliminary facility and design of juvenile facilities.

2. **FY 2000.** The agency's request totals \$4,319,976 for rehabilitation and repair projects, and also includes a request of \$2,185,297 (comprised of \$218,530 SGF and \$1,966,767 of Federal Violent Offender Incarceration/Truth-in-Sentencing funds) for the architectural design funding of the proposed maximum security facility, and a request of \$1,544,625 (SGF) for the design of the proposed Larned replacement facility. The Governor recommends \$1,307,123 for rehabilitation and repair projects and \$2,185,297 (SIBF) for the architectural design funding of the proposed single maximum security facility. The Governor also recommends \$6.0 million SIBF transfer without an expenditure for future maximum security facility construction. The Senate had concurred with the Governor in S.B. 325. The House had concurred with the Governor's recommendation of \$1,307,123 for rehabilitation and repair projects, but deleted the \$6.0 million transfer only for building costs associated with the maximum facility, deleted the \$2,185,297 for architectural design of the proposed maximum facility, and added \$4,000,000 (SIBF) for preliminary design of age and gender specific maximum custody expansion at the existing juvenile facilities.

E. Beloit Juvenile Correctional Facility's Grandview Cottage (House Budget Committee and Senate Subcommittee). Both the Senate and the House requested a Governor's Budget Amendment to reopen the Grandview Cottage at the Beloit Juvenile Correctional Facility and provide operational funding for more beds for female juvenile offenders. The JJA requests \$99,218 from the State General Fund in FY 1999 and \$450,002 in FY 2000 for 12.0 FTE, \$22,099 in one-time costs and operating expenditures for the 16-bed cottage. Capital improvement costs for rehabilitation and repair would total \$287,850, but will be financed from the agency's existing SIBF appropriation (repair and rehabilitation) for FY 1999.

F. Purchase-of-Services Funding (House Budget Committee and Senate Subcommittee). The House and the Senate requested a Governor's Budget Amendment for purchase-of-services funding and recommended reviewing the agency's request for increased community purchase-of-services costs, rate increases, and the increase in the number of juveniles being served by purchase-of-services funding. For FY 2000, the Governor recommended \$14,377,237 for purchase-of-services funding (the same level as FY 1999), which includes \$1,275,391 for daily costs incurred with in-home placement juveniles, \$1,203,094 for day reporting costs, \$3,240,161 for daily costs of juveniles in detention facilities, \$7,928,929 for daily costs of juveniles in out-of-home placements (emergency shelters and levels IV, V, and VI), \$525,000 for costs associated with transporting juveniles, and \$204,662 for other costs like commodities and miscellaneous goods and services for juveniles in custody.

The JJA issued a revised budget request, after receipt and review of community planning team requests for purchase-of-services funding totaling \$23,226,125, an increase of \$8,848,888 (61.6 percent) over its original request, which includes \$1,755,391 for daily costs incurred with in-home placement juveniles, \$1,243,094 for day reporting costs, \$6,240,161 for daily costs of juveniles in detention facilities, \$13,092,817 for daily costs of juveniles in out-of-home placements (emergency shelters and levels IV, V, and VI), \$610,000 for costs associated

with transporting juveniles, and \$284,662 for other costs such as commodities and miscellaneous goods and services for juveniles in custody.

The JJA presented their revised funding proposal for purchase-of-services in three parts, rather than the six parts listed above. The JJA requested an increase of \$8,848,888, which included \$2,000,000 for caseload increases, \$2,300,000 for placement capacity expansion, and \$4,548,888 for rate increases. The House in S.B. 325 did not adjust the Governor's original recommendation of \$14,377,237 and the Senate added \$3,361,980 for caseload increases, placement capacity expansion, and rate increases.

G. GBA No. 2, Item 40, pg. 18—Implementation of Community Plans.

H. GBA No. 2, Item 41, pg. 19—Funding for Purchase-of-Services.

I. GBA No. 2, Item 42, pg. 19—Reopen Grandview Cottage at Beloit Juvenile Correctional Facility.

STATE OF KANSAS

BILL GRAVES, Governor
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OFFICE OF THE GOVERNOR

April 21, 1999

The Honorable Phill Kline, Chairperson
House Committee on Appropriations
Room 514-S, Statehouse

and

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

Dear Representative Kline:

I amend my budget to decrease State General Fund expenditures by \$1,876,763 for FY 1999 and by \$29,582,304 for FY 2000. These adjustments will result in an increase of \$31,459,067 in the balance of the State General Fund by the end of FY 2000. My amended budget would also change the number of positions in state government. For FY 1999, there will be a net increase of 2.0, a reduction of 1.0 FTE position but an increase of 3.0 unclassified temporary positions. For FY 2000, 106.8 FTE positions will be added and unclassified temporaries will increase by 11.0, for a net increase of 117.8.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (1,876,763)	\$ (29,582,304)
All Funds	\$ 17,863,123	\$ (166,914,156)
FTE Positions	(1.0)	106.8
Unclassified Temporary	3.0	11.0
Total Positions	<u>2.0</u>	<u>117.8</u>

Senate Ways and Means Committee

Date 4/22/99

Attachment # 6-1

With this memorandum, I submit the attached amendments to my budget recommendations.

Sincerely,

BILL GRAVES
Governor

OFFICE OF THE GOVERNOR

April 21, 1999

The Honorable Bill Kline, Chairperson
House Committee on Appropriations
Room 214-S, Statehouse

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

Dear Representative Kline:

I amend my budget to decrease State General Fund expenditures by \$1,876,763 for FY 1999 and by \$29,582,804 for FY 2000. These adjustments will result in an increase of \$21,459,667 in the balance of the State General Fund by the end of FY 2000. My amended budget would also change the number of positions in state government. For FY 1999, there will be a net increase of 2.0, a reduction of 1.0 FTE position but an increase of 3.0 unclassified temporary positions. For FY 2000, 1068 FTE positions will be added and unclassified temporary positions will increase by 11.0 for a net increase of 1178.

	FY 1999	FY 2000
State General Fund	2 (1,876,763)	2 (29,582,804)
Appropriations	2 (1,876,763)	2 (166,914,156)
FTE Positions	(1.0)	1068
Unassigned Temporary	3.0	110
Total Positions	2.0	1178

Board of Healing Arts

1. Outside Counsel Expenses and New Disciplinary Counsel Position

I amend my budget in FY 1999 by \$158,000 to pay higher than anticipated contract counsel costs for disciplinary proceedings of the Healing Arts Board. I amend my budget in FY 2000 to include \$99,878 to finance an additional Disciplinary Counsel position and additional contract counsel costs. A total of \$49,878 is needed to finance the cost of the additional position and associated equipment while \$50,000 is needed for contract counsel costs. This will allow disciplinary proceedings to be completed in a more timely manner. Finally, in FY 2001 I amend my budget to include \$44,428 to continue the financing of the new Disciplinary Counsel position.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	158,000	99,878
All Funds	<u>\$ 158,000</u>	<u>\$ 99,878</u>

Board of Barbering

2. Operations

I amend my 1999 budget to finance \$4,940 in operating expenditures for the Board of Barbering from the Barber Fee Fund for FY 1999. This amount will compensate staff and board members for travel and subsistence expenses to attend two special meetings. One meeting was held to familiarize board and staff members with legislative and regulatory issues that affect the agency and the other was an official hearing to determine whether several individuals licensed as barbers in another country meet the requirements to be licensed in Kansas.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	4,940	--
All Funds	<u>\$ 4,940</u>	<u>\$ --</u>

Board of Pharmacy

3. Executive Secretary Salary Increase

I amend my budget to include an 8.5 percent salary increase for the Executive Secretary of the Board of Pharmacy. After a reorganization of the Board's staff, the Executive Secretary has increased the scope of his responsibilities and taken on additional daily duties. In FY 2000, salary expenditures for the agency will increase by \$5,519 and in FY 2001 by \$3,363. All of the agency's expenditures are financed from the Board of Pharmacy Fee Fund.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	5,519
All Funds	\$ --	\$ 5,519

Consumer Credit Commissioner

4. Increase Grant to HCCI

I amend my budget to increase the grant to Household and Credit Counseling, Inc. by \$12,500, for a total of \$25,000. The grant increase is funded from the agency's fee fund. Currently, the grant provides HCCI with reimbursement for its service to low income individuals but HCCI experiences a loss from providing the service. Increasing the grant would reduce the loss.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	12,500
All Funds	\$ --	\$ 12,500

Securities Commissioner

5. Investor Education Program Expansion

I amend my budget to include 1.8 new FTE positions for the Securities Commissioner to expand the Investor Education Program. The Investor Education Program, which educates citizens on investment decision-making, will be expanded to include senior citizens. The positions include a Director of Investor Education and a part-time secretarial position. The Director will assume day-to-day control of investor education activities, which are currently divided among regular staff members. The cost of this proposal will be \$65,809 for FY 2000, all from the agency's fee fund.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	65,809
All Funds	\$ --	\$ 65,809

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Department of Administration

6. Architectural Services Operating Expenditures

I amend my budget to add expenditure authority of \$24,260 for FY 1999 and \$242,248 for FY 2000 from the Architectural Services Recovery Fund for three items. The recommendation includes \$89,248 to fill 2.0 regular FTE positions, an Architectural Project Designer and an Engineering Project Designer, that have been held vacant for some time because of the level of approved shrinkage. The work that would be done by in-house staff is currently being accomplished through outside consultant contracts in agency budgets at a higher cost. In addition, \$84,825 is recommended for an upgrade of the Division's computer-aided design software. The industry standard is developing toward AutoCAD, whereas Architectural Services is using the older Cadvance. Finally, the recommendation includes \$24,260 in FY 1999 and \$68,175 in FY 2000 to finance the salary and other operating expenditures of a project coordinator for the renovation of the Governor's residence. All of the expenditures from the recovery fund are non-reportable.

7. Transfer to Construction Defects Recovery Fund

I amend my budget to grant the Department of Administration authority to transfer up to \$200,000 from the Architectural Services Recovery Fund to the Construction Defects Recovery Fund for FY 1999 and FY 2000. Expenditures from the Construction Defects Recovery Fund support litigation to recover costs that the state has incurred because of defects in construction caused by contractors. The balance in the defects fund is down to \$17,160 and cannot support the recovery effort much longer.

The authority granted the Secretary of Administration would allow transfers to be made up to \$200,000 in both fiscal years based on actual legal expenses incurred. When some of the lawsuits are settled and the defects fund becomes stabilized, the Department expects to request a transfer from the Construction Defects Recovery Fund to reimburse the Architectural Services Recovery Fund. Suggested proviso language is presented below:

() Upon certification by the secretary of administration to the director of accounts and reports that the unencumbered balance in the construction defects recovery fund is insufficient to pay an amount that is necessary to finance expenses related to efforts by the state of Kansas to recover damages incidental to construction defects on capital projects involving state facilities, the director of accounts and reports shall transfer an amount equal to the insufficient amount from the architectural services recovery fund to the construction defects recovery fund, except that the total of all amounts transferred pursuant to this subsection during any fiscal year shall not exceed \$200,000.

8. Public School District Health Care Benefits Program

I amend my budget to add \$633,865 and 6.0 FTE positions from a new no-limit Public School District Benefits Fund for FY 2000 as the first-year administrative cost of establishing the Public School District Health Care Benefits Program. Participation by public school districts in the Kansas Health Care Benefits Program for state employees is authorized by KSA 75-6506. The program would require the public school districts' governing body to elect to participate in

the state program with agreement to follow the program parameters established by the Health Care Commission. Employees of a school district would be allowed to elect participation in the program. The public school districts that choose to participate would finance the entire cost of the program and its administration through payments made to the Kansas State Health Care Commission. The composite rate for individual participation for the Public School District Benefits Fund will be established by the Health Care Commission as provided by KSA 75-6506 and will include program administrative costs, premiums, claims, and administrative service only fees.

The positions and related costs are necessary to manage the enrollment, premium collection, communication, and other administrative functions to integrate and manage the addition of the public school districts under the Kansas Health Care Benefits Program. The 6.0 positions include 1.0 Public Service Administrator, 3.0 Program Consultants, 1.0 Accountant, and 1.0 Office Specialist. The total includes funds for a recordkeeping and membership system; communication and travel expenses; professional consultant fees for actuarial studies, consultations, and bid reviews; and miscellaneous other operating costs.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	633,865
All Funds	<u>\$ --</u>	<u>\$ 633,865</u>

Kansas Corporation Commission

9. Development of a National Pipeline Mapping System

I amend my budget to allow the Kansas Corporation Commission to expend an additional \$22,787 in FY 1999 and \$39,006 in FY 2000 from federal sources. The agency has been approved to receive a federal grant to participate in the development of a national pipeline state repository system. The grant is funded through the federal Office of Pipeline Safety. The monies will be expended through a new no limit fund entitled "National Pipeline Mapping System—Federal Fund."

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	22,787	39,006
All Funds	<u>\$ 22,787</u>	<u>\$ 39,006</u>

FY 2000
Department of Revenue

10. Legal Defense Costs

I amend my budget to include \$50,000 from the State General Fund in FY 2000 for costs associated with the defense of a lawsuit brought against the Secretary of Revenue and the Department of Revenue. The funding would provide outside legal services for this new lawsuit beyond the services already being provided by the Attorney General.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 50,000
All Other Funds	--	--
All Funds	<u>\$ --</u>	<u>\$ 50,000</u>

State Treasurer

11. Local Ad Valorem Tax Reduction Fund

I amend my budget to decrease the State General Fund demand transfer to the Local Ad Valorem Tax Reduction Fund in FY 1999 by \$138,106 and to decrease the transfer in FY 2000 by \$127,000. The change for FY 1999 is the result of the difference between actual sales and use tax revenue for CY 1998 as compared to estimated revenue in *The FY 2000 Governor's Budget Report*. The change for FY 2000 reflects the reductions made in receipts for sales and use taxes by the Consensus Revenue Estimating Group at its meeting on April 2, 1999.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (138,106)	\$ (127,000)
All Other Funds	--	--
All Funds	<u>\$ (138,106)</u>	<u>\$ (127,000)</u>

Judiciary

12. Magistrate Judge Positions

I amend my budget to delete \$208,228 and 4.0 FTE magistrate judge positions in FY 2000. The Judiciary has revised its original request for 9.0 FTE magistrate judges, which were included in my original recommendation, indicating that 4.0 of the recommended positions are no longer required. The other 5.0 positions remain a part of my recommendations.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ (208,228)
All Other Funds	--	--
All Funds	<u>\$ --</u>	<u>\$ (208,228)</u>

Department on Aging

13. Funding Error

Use of an incorrect State General Fund matching rate for the Targeted Case Management Program recommendation resulted in a funding error in the budget of the Department on Aging in both FY 1999 and FY 2000. The shortage in funding from the State General Fund was corrected in the Division of the Budget's Corrections Memo (February 3, 1999). However, Medicaid funding should have also been decreased. This correction to *The FY 2000 Governor's Budget Report* will restore the correct funding mix to the agency's budget.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	(198,912)	(202,788)
All Funds	<u>\$ (198,912)</u>	<u>\$ (202,788)</u>

14. KAMIS Funding

I amend my budget to increase expenditures for the Department on Aging's KAMIS Project from the State General Fund by \$392,000 and decrease expenditures from Medicaid Title XIX by the same amount in FY 2000. This switch in funding is necessary because the Health Care Financing Administration has tentatively rejected the agency's request for federal participation in the project. The Department on Aging is continuing its attempts to secure federal Medicaid participation. If it is successful, the following proviso is proposed so that any funds received would be used to reduce funding from the State General Fund.

() On or before July 15, 1999, and on the fifteenth day of each month thereafter during the fiscal year ending June 30, 2000, the secretary of aging shall certify to the director of the budget the total amount of moneys which was received by the above agency during the preceding month from the federal government and which was deposited in the state treasury to the credit of the medicaid fund—federal. During the fiscal year ending June 30, 2000, after receiving one or more certifications from the secretary of aging under this subsection, the director of the budget may certify an amount or amounts to the director of accounts and reports to be transferred from the medicaid fund—federal to the state general fund for the purpose of reimbursing the state general fund for the amount appropriated from the state general fund in the administration account. Upon receiving each such certification from the director of the budget, the director of accounts and reports shall transfer the amount or amounts certified from the medicaid fund—federal of the department on aging to the state general fund on the dates specified by the director of the budget.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 392,000
All Other Funds	--	(392,000)
All Funds	<u>\$ --</u>	<u>\$ --</u>

15. Nursing Homes

I amend my budget to reflect changes in caseload and the cost of aid and assistance in the Nursing Facilities Program administered by the Department on Aging. These caseload adjustments are the result of a consensus caseload estimating meeting that included the staff of the Department on Aging, Legislative Research, and the Division of the Budget. This amendment includes an increase of \$500,000 in FY 1999, of which \$200,000 is from the State General Fund. For FY 2000, I amend my budget to reflect an increase of \$2.1 million in expenditures from all funding sources. Of that amount, \$840,000 is from the State General Fund. These changes reflect a constant caseload, but increasing costs, in the Nursing Facilities Program.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ 200,000	\$ 840,000
All Other Funds	300,000	1,260,000
All Funds	<u>\$ 500,000</u>	<u>\$ 2,100,000</u>

Department of Health and Environment

16. Oz Entertainment Company Theme Park

I amend my budget to include \$250,000 from fee funds and 5.0 unclassified temporary positions for FY 2000 to clean up the site of the Sunflower Army Ammunition plant. The plant, which operated from 1942 until 1992 on 9,000 acres in Johnson County, is being transferred to the state and then leased or transferred to the Oz Entertainment Company for development as a theme park. The Department of Health and Environment indicates that the land requires significant environmental remediation. A total of 32 locations on the site has been identified that will require environmental clean-up. In addition, four of those locations as well as three creeks will require long-term monitoring to determine their levels of contamination. Therefore, I amend my budget to include 5.0 Environmental Geologists at a cost \$226,146 together with associated operating costs of \$23,854 to coordinate the site clean-up and the long-term monitoring. The recommendation would accelerate clean up of this site. The funding for this initiative will come from fees deposited in a special fund by the Oz Entertainment Company.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>250,000</u>
All Funds	\$ --	\$ <u>250,000</u>

17. Increase Expenditure Limitation on Health Care Database Fee Fund

I amend my budget to increase the expenditure limitation established for the Health Care Database Fee Fund from \$3,000 to \$35,000 for FY 1999. This fee fund finances the operation of the Health Care Database Program under the jurisdiction of the Secretary of Health and Environment and the policy guidance of the Health Care Data Governing Board. The program collects data on the utilization and cost of health services. One of the tasks assigned the program is to collect the data and evaluate the effect of managed care on the health delivery system of Kansas. I amend my budget so that the agency can receive and expend additional private contributions in FY 1999.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>32,000</u>	--
All Funds	\$ <u>32,000</u>	\$ --

18. Rural and Local Health

I amend my budget to increase the expenditure limitation established on the Office of Rural Health—Federal Fund by \$100,000 for FY 1999. This amount reflects the receipt of a federal Medicare Rural Hospital Flexibility Grant. The Office of Rural and Local Health operates a program that assists Kansas communities in the provision of public health, primary care, and preventive services. It also promotes the development of health care networks among communities, agencies, and health care providers. The grant will provide operating support for the Office and for the Kansas Hospital Association as they develop critical access hospitals and networks throughout the state.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>100,000</u>	--
All Funds	\$ <u>100,000</u>	\$ --

19. Federal Cancer Registry

I amend my budget to increase the expenditure limitation on the federal fund that finances the Federal Cancer Registry by \$50,000 for FY 1999. This program is undertaken through a contract with the University of Kansas Medical Center. The Medical Center maintains a list on all cancer victims in the state and carries out research using the data gathered. Federal

funds that were not obligated in past fiscal years have become available for use in the current year. The monies will be used to finance operations of the Kansas Cancer Registry Program.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	50,000	--
All Funds	<u>\$ 50,000</u>	<u>\$ --</u>

Commission on Veterans' Affairs

20. Water System Upgrades

I amend my budget to lapse the funding for the water system upgrades at the Kansas Soldiers' Home. In my original budget, I recommended funding of \$200,000 in FY 2000 from the State Institutions Building Fund for upgrade of the current water system at the facility. The system was not meeting the Kansas Department of Health and Environment's standards for nitrate contaminants. However, since my budget was issued, the Department of Health and Environment has indicated that the agency can meet current standards with its available water system resources.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	(200,000)
All Funds	<u>\$ --</u>	<u>\$ (200,000)</u>

21. Replace Treatment Building Roof at the Kansas Veterans' Home

I amend my budget to include funding in FY 1999 for replacement of the roof on the Treatment Building at the Kansas Veterans' Home near Winfield. The project requires \$52,000 from the State Institutions Building Fund to replace the roof that received damage from the heavy rains during the past few months.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	52,000	--
All Funds	<u>\$ 52,000</u>	<u>\$ --</u>

22. Energy Conservation Improvements Program at the Kansas Soldiers' Home

I amend my budget in FY 1999 to include \$915,250 from the State Institutions Building Fund to allow for air conditioning, heating, window lighting, and roof upgrades and repairs on five of the major buildings on the Kansas Soldiers' Home campus. In addition to the funding from the State Institutions Building Fund, the facility would participate in the Energy

Conservation Improvements Program (FCIP) to access \$286,098 available funding for the projects. The FCIP funding would be repaid, plus 4.52 percent interest, over an eight-year period starting in FY 2001 through operating savings generated on the campus over that same period.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	915,250	--
All Funds	<u>\$ 915,250</u>	<u>\$ --</u>

Department of Education

23. Enrollment Savings

I amend my budget to decrease funding for school finance by \$8,220,000 in FY 1999 and \$9,258,000 in FY 2000, all from the State General Fund. Current estimates for the amount of supplemental and general state aid to school districts in both FY 1999 and FY 2000 are based on the recently released final assessed valuation data and enrollment growth. My recommendation funds base budgets of \$3,720 in FY 1999 and \$3,755 in FY 2000. The savings in FY 1999 are carried forward to fund the FY 2000 budget.

	<u>FY 1999</u>	<u>FY 2000</u>
General State Aid	\$ (8,045,000)	\$ (8,997,000)
Supplemental State Aid	(175,000)	(260,000)
Capital Improvement State Aid	--	--
Total	<u>\$ (8,220,000)</u>	<u>\$ (9,258,000)</u>

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (8,220,000)	\$ (9,258,000)
All Other Funds	--	--
All Funds	<u>\$ (8,220,000)</u>	<u>\$ (9,258,000)</u>

Regents System

24. Traditional General Fees Fund Adjustments

I amend my budget to adjust the recommended level of expenditures from General Fees Funds for FY 1999 and FY 2000 at those Regents institutions which are budgeted through the traditional method. My original recommendations have been revised on the basis of the spring semester data on student credit hours and tuition receipts. The adjustments are detailed by year and by institution in the table below. Where there is a positive number, I amend my budget to replace the State General Fund appropriation with additional tuition dollars now estimated to be

available. A negative number indicates a reduction in tuition dollars requiring an additional State General Fund appropriation. The revisions reflect a total increase from the General Fees Funds of \$21,959 in FY 1999 and \$39,165 in FY 2000.

	Available Tuition FY 1999	Available Tuition FY 2000
Univ. of Kansas Medical Center	\$ --	\$ 37,650
KSU—Veterinary Medical Center	34,394	14,637
Emporia State University	(80,726)	(85,301)
Pittsburg State University	--	3,407
Fort Hays State University	<u>68,291</u>	<u>68,772</u>
	\$ 21,959	\$ 39,165
State General Fund	\$ (\$21,959)	\$ (\$39,165)
All Other Funds	<u>21,959</u>	<u>39,165</u>
All Funds	\$ --	\$ --

Kansas State University

25. Authority to Issue Revenue Bonds for Ackert Hall Addition

Kansas State plans to add 62,000 gross square feet to Ackert Hall for additional space for the Biology and Biochemistry Departments and the Center for Basic Cancer Research. Funding for the project was intended to come from Crumbling Classroom bonds (\$7.58 million), private gifts (\$2.3 million) and a federal grant (\$1.52 million). Kansas State has not yet been successful in obtaining the federal monies for the project, but efforts are continuing. In December, the Board of Regents authorized the institution to seek authorization to issue up to \$2.0 million in revenue bonds should the federal funds not be available at the time the construction contracts are signed next fall. The bonds would be repaid with restricted fees. Should federal funds become available prior to signing the construction contract next fall, the University will adjust the bond sale accordingly. In order to make debt service payments on the \$2.0 million, I amend my budget to include \$232,019 from restricted fees for FY 2000.

	FY 1999	FY 2000
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>232,019</u>
All Funds	\$ --	\$ 232,019

Kansas State University—ESARP

26. Federal Land Grant Funds

Kansas State University has received additional federal funds totaling \$23,207 for the current fiscal year. Agricultural Experiment Station funds are up by \$3,092 and Cooperative Extension System funds are up by \$20,115. I therefore amend my budget to reflect the latest amount of available federal funding for programs in this agency. These additional federal funds will offset State General Fund monies for no net change to the agency's budget.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (23,207)	\$ --
All Other Funds	23,207	--
All Funds	<u>\$ --</u>	<u>\$ --</u>

Emporia State University

27. Student Recreation Center

I amend my budget to allow the University to expend restricted use monies for architectural services for preliminary and final planning of a student recreation center. In March, Emporia State University students approved a referendum authorizing a student fee to construct a recreation center. Allowing the University to plan the facility in FY 2000 would schedule the facility for completion by October 2001. Suggested proviso language is included below.

() In addition to the other purposes for which expenditures may be made by the above agency from the restricted fees fund for the fiscal year ending June 30, 2000, as authorized by section 67(b) of 1999 senate bill 325, expenditures may be made by the above agency for fiscal year 2000 from the restricted fees fund for preliminary and final planning of a student recreation center: *Provided*, That expenditures for the restricted fees fund for fiscal year 2000 for preliminary and final planning of a student recreation center shall not exceed \$135,000.

Wichita State University

28. Transfer Authority

I recommend that the following authorization be provided to Wichita State University for both FY 1999 and FY 2000 in order to allow the institution to repay a portion of its debt service on energy conservation bonds on behalf of the student union.

() On the effective day of this act, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$99,962 from the restricted fees fund to the state general fund.

() On July 1, 1999, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$96,928 from the restricted fees fund to the state general fund.

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Historical Society

29. Security and Fire Alarm System for the Center for Historical Research

I amend my budget to finance costs in FY 2000 to replace the fire alarm and security system at the Center for Historical Research. An analysis of this system performed in the fall of 1998 showed system deficiencies, including non-compliance with Y2K readiness. The State Fire Marshal has informed the Historical Society that it must have a working fire alarm system, or the Center for Historical Research could not remain open to the public. Replacement of this system went out for competitive bid. The Historical Society indicates that the bid submitted in the amount of \$148,006 would be accepted and the new system would be operational within 120 days.

	FY 1999	FY 2000
State General Fund	\$ --	\$ 148,006
All Other Funds	--	--
All Funds	\$ --	\$ 148,006

Department of Corrections

30. Federal Grant Awards

In December 1998, the Department of Corrections and the Hutchinson Correctional Facility were awarded federal grants in the amounts of \$6,000 and \$500,000, respectively. The funds will be spent over a four-year period. The awards will be used to purchase supplies and equipment for use by special enforcement officers assigned to the Department's Parole Services Program and to implement a drug interdiction program at the correctional facility. I issued an executive directive (No. 99-278) on January 7, 1999, authorizing expenditure of the grant funds and creating new funds titled the "Asset Forfeiture—Federal Fund" for the Department of Corrections and the "Drug Free Demonstration Project—Federal Fund" for the Hutchinson Correctional Facility. The portion of the grants anticipated to be spent in FY 1999 and FY 2000 were not included in *The FY 2000 Governor's Budget Report* because of printing deadlines.

	FY 1999	FY 2000
State General Fund	\$ --	\$ --
Asset Forfeiture Fund	6,000	--
Drug Free Demo Fund	285,400	87,220
All Funds	\$ 291,400	\$ 87,220

31. Off-Budget Positions Omitted

I amend my budget to include three off-budget positions, which were mistakenly not added to the Department of Corrections' total reported positions in FY 1999. My budget should be increased by 1.0 FTE position and 2.0 unclassified temporary positions.

32. Shrinkage Rate

In FY 2000, I amend my budget to include federal funds that the Department of Corrections has been awarded under the State Criminal Alien Assistance Program (SCAAP) in the amount of \$1,033,454. The purpose of SCAAP is to reimburse states and local governments for costs incurred as a result of the incarceration of undocumented aliens. I propose that half of the funds, \$516,727, be used to lower shrinkage rates systemwide and the other \$516,727 be used for salaries and wages to decrease State General Fund expenditures by the same amount.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ (516,727)
All Other Funds	--	1,033,454
All Funds	<u>\$ --</u>	<u>\$ 516,727</u>

33. Drug Testing Guidelines

I amend my FY 1999 budget recommendations to include federal funds totaling \$135,000 from the Violent Offender Incarceration and Truth-in-Sentencing Grant Program (VOI/TIS). The funds will be expended for contractual services to automate the Department's drug testing result data. The central automation of the database will improve the Department's efficiency in generating and distributing random test lists and reporting forms and in collecting and reporting the test result data. The state match requirement will be financed within existing appropriations. This is a one-time expenditure.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	135,000	--
All Funds	<u>\$ 135,000</u>	<u>\$ --</u>

34. Razing of Building

I amend my budget to provide the authority for the Department of Corrections to raze the old barber shop building at the Lansing Correctional Facility. The building, which is no longer used by the facility, is in poor condition and is not appropriate for any other use.

35. Legal Assistant

I amend my FY 2000 budget to include \$31,500 for an additional FTE position. Effective January 19, 1999, the Legal Assistant responsible for processing extradition requisitions for Governor's warrants and requests for detainees from other states was transferred from the Governor's Office to the Department of Corrections, with the understanding that additional resources to finance the cost of the position would be provided for FY 2000.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 31,500
All Other Funds	--	--
All Funds	<u>\$ --</u>	<u>\$ 31,500</u>

36. Capacity Expansion Project

I amend my budget to include \$498,000 for a 100-bed expansion project at Lansing Correctional Facility in FY 2000. The Department of Corrections is currently experiencing an overall increase in the inmate population, as well as an increase in the numbers of medium and maximum custody. Some \$86,606 will come from already budgeted rehabilitation and repair funds (Correctional Institutions Building Fund), while \$17,000 will be financed from LCF's operating budget and Inmate Benefit Fund. The balance, \$394,394, represents federal funds from the Violent Offender Incarceration and Truth-in-Sentencing Grant Program. The anticipated occupancy date is September 1, 1999. My amended budget would also increase State General Fund expenditures to include 6.0 new positions to staff the new housing unit at a cost of \$154,600 and \$143,300 for additional operating expenditures.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 297,900
All Other Funds	--	394,394
All Funds	<u>\$ --</u>	<u>\$ 692,294</u>

37. Consolidated Debt Service Reduction

I amend my budget to reduce \$41,147 from the FY 2000 Department of Corrections budget for State General Fund savings related to the refunding of revenue bonds that were issued to finance costs associated with construction of Ellsworth, El Dorado and Larned Correctional Facilities and the Labette Correctional Conservation Camp (LCCC). As a result, the recommended FY 2000 expenditures for debt service associated with the El Dorado and Larned facilities can be reduced by \$48,747, while the recommended expenditures for debt service associated with the LCCC have to be increased by \$7,600.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ (41,147)
All Other Funds	--	--
All Funds	<u>\$ --</u>	<u>\$ (41,147)</u>

Topeka Correctional Facility

38. Transition Center

I amend my budget to reduce \$36,684 and 2.0 positions from the FY 1999 Topeka Correctional Facility (TCF) budget as well as \$399,965 and 15.0 positions from the FY 2000 budget for savings related to the conversion of TCF's West Unit to a transition center. The agency is withdrawing its request for the conversion. Opposition to the conversion has come from the 1999 Legislature and local Topeka and Shawnee County officials.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (36,684)	\$ (399,965)
All Other Funds	--	--
All Funds	<u>\$ (36,684)</u>	<u>\$ (399,965)</u>

39. Additional Housing for Female Inmates

I amend my budget to include \$131,000 from the State General Fund and 4.0 FTE positions for TCF for FY 2000. The female inmate population has increased over the past several years and is now at capacity. Additional housing will be provided for female inmates by transferring them to the west unit of TCF on the grounds of the former Topeka State Hospital. The male inmates will be transferred to other facilities throughout the state.

With the relocation of male inmates, it will be necessary to utilize female inmates on all work details. This will likely mean that inmates with certain job skills are not available. Without skilled male inmates available, the facility will need 4.0 Facility Maintenance Supervisor positions. The positions will supervise and train inmates during the process of completing projects.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 131,000
All Other Funds	--	--
All Funds	<u>\$ --</u>	<u>\$ 131,000</u>

Juvenile Justice Authority

40. Implementation of Community Plans

I amend my budget to provide \$5,310,143 for the implementation of community plans, which will address problems of juveniles in the community setting. The funding would include \$2.0 million for caseload increases, \$1,310,143 for rate increases for out-of-home placements for current and projected needs of juveniles in the agency's custody, and \$2.0 million for new community programs. Funding would come from the State General Fund, with the exception of \$2.0 million for new programs, which comes from the Children's Health Care Program Fund.

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New programs will reflect the needs of each community and may range from prevention and support programs to rehabilitation. The \$5,310,143 will be full-year funding and is in addition to the \$7.0 million in new funding that I have already included in the agency's budget for the implementation of community plans in FY 2000.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 3,310,143
All Other Funds	--	2,000,000
All Funds	<u>\$ --</u>	<u>\$ 5,310,143</u>

41. Funding for Purchase-of-Services

I amend my budget to provide supplemental financing of \$800,000 from the Juvenile Detention Facilities Fund for purchase-of-services in the community for juvenile offenders. Included are out-of-home placements and services received by juveniles under supervision at home, such as counseling, day reporting, substance abuse treatment, and GED preparation. This will allow the agency to maintain services through the remainder of the current fiscal year.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	800,000	--
All Funds	<u>\$ 800,000</u>	<u>\$ --</u>

Beloit Juvenile Correctional Facility

42. Reopen Grandview Cottage

I amend my budget to finance the reopening and operation of Grandview Cottage at Beloit Juvenile Correctional Facility for girls. Funding of \$459,090 from the State General Fund will provide \$22,635 for one-time expenditures, \$287,340 for 12.0 FTE staff positions, and \$149,115 for ongoing expenditures, such as utilities, food, textbooks, and medication.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 459,090
All Other Funds	--	--
All Funds	<u>\$ --</u>	<u>\$ 459,090</u>

Adjutant General

43. Emergency Funding

I amend my budget to remove \$7,635,497 from the Adjutant General's FY 1999 budget, including \$5,941,309 from federal funds and \$1,694,188 from the State General Fund. This decrease represents the amount by which total expenses were overestimated in connection with floods occurring in 1998. Based on information available in December 1998, I included a supplemental appropriation of \$2,313,326 from the State General Fund, which would have matched \$11,098,945 in federal funds. The reductions recommended in this budget amendment reflect the agency's most recent cost estimates to fulfill the emergency needs of Kansas citizens and local governments related to flood damage.

	FY 1999	FY 2000
State General Fund	\$ (1,694,188)	\$ --
All Other Funds	(5,941,309)	--
All Funds	\$ (7,635,497)	\$ --

44. Active Duty Reimbursement

I amend my budget to add \$280,066 to the Adjutant General's budget in FY 1999 to reimburse National Guard members for active duty performed during disasters that took place in Kansas in 1998. Members of the National Guard performed a variety of tasks during these disasters, including rescue, cleanup, and the provision of shelter for citizens. Of this amount, \$70,017 is from the State General Fund and \$210,049 is from federal sources.

	FY 1999	FY 2000
State General Fund	\$ 70,017	\$ --
All Other Funds	210,049	--
All Funds	\$ 280,066	\$ --

Highway Patrol

45. Transfer Excess Funds to State General Fund

I amend my budget to authorize a revenue transfer of \$1.2 million from the Kansas Highway Patrol Motor Vehicle Fund to the State General Fund. This one-time transfer is the result of an accumulation of surplus funds in the KHP Motor Vehicle Fund because of a reduction in the backlog of selling retired patrol vehicles.

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Kansas Bureau of Investigation

46. Private Detective Fee Fund

I amend my budget to allow the KBI to expend monies from the Private Detective Fee Fund for the purpose of regulating and licensing private detectives. Monies deposited in this fund are generated from fees charged for licensing private detectives. In addition, 1.0 unclassified temporary position is added to process licenses and renewals. The agency is authorized to expend \$29,839 in FY 1999 and \$42,912 in FY 2000 from the Private Detective Fee Fund to pay the salary of the unclassified temporary position and for other operating expenditures necessary to process the licensing and renewals for private investigators.

	FY 1999	FY 2000
State General Fund	\$ --	\$ --
All Other Funds	29,839	42,912
All Funds	\$ 29,839	\$ 42,912

47. Automated Fingerprint Identification System

I amend my budget to allow the Kansas Bureau of Investigation to move the final payment to Printrak for its automated fingerprint identification system from FY 2000 to FY 1999. Moving this payment will save \$19,632, which would have been paid under the Master Lease Program for interest. The agency budgeted \$455,902 for the payment in FY 2000, but the payment would be \$436,270 if made in FY 1999.

	FY 1999	FY 2000
State General Fund	\$ 436,270	\$ (455,902)
All Other Funds	--	--
All Funds	\$ 436,270	\$ (455,902)

Kansas Sentencing Commission

48. Criminal Justice Information System

I amend my budget to provide state matching funds in the amount of \$160,505 from the State General Fund to leverage \$481,515 in federal funds to continue the implementation of the Criminal Justice Information System (CJIS). The combined state and federal funds will finance the remaining expenses associated with the CJIS core infrastructure. The remaining expenses deal primarily with security firewalls, the backup site for the Automated Statewide Telecommunications and Records Assessment Network (ASTRA), and development of local software applications to accommodate photo-imaging capabilities. The source of the federal financing will be Edward G. Byrne Memorial Grants for criminal justice improvement.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 160,505
All Other Funds	--	481,515
All Funds	<u>\$ --</u>	<u>\$ 642,020</u>

Board of Emergency Medical Services

49. Emergency Medical Services for Children

I amend my FY 2000 budget to include additional expenditure authority of \$249,998 for the Emergency Medical Services for Children Program. The Board received these funds through a federal grant from the Bureau of Maternal and Child Health in the Department of Health and Human Services. They will be used to finance operations of the Emergency Medical Services for Children Program, which began in FY 1997. The purpose of the program is to assess and meet the specific needs of children during emergency medical care before they reach the hospital.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	249,998
All Funds	<u>\$ --</u>	<u>\$ 249,998</u>

Department of Agriculture

50. Pesticide Use Survey

I amend my budget to finance a pesticide use survey in the amount of \$100,000 from the Fertilizer Fee Fund in the Department of Agriculture in FY 2000. This survey will collect information on agricultural urban and suburban pesticide use in Kansas to improve water quality. A need has developed for determining the types and amounts of pesticides used in Kansas, which is driven by the federal Food Quality and Protection Act.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	100,000
All Funds	<u>\$ --</u>	<u>\$ 100,000</u>

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Water Office

51. Increase Water Plan Funding for Three Programs

I amend my budget to include \$65,000 from the Water Plan Fund. These monies would provide \$40,000 for a coordinator for the water resource education programs administered at the local level and coordinated by the Water Office. They would also provide \$10,000 to operate a booth at the Kansas State Fair and \$15,000 to provide additional resources to evaluate the effect of water conservation, wellhead protection and non-point source pollution prevention on the quality and quantity of water in the High Plains aquifer. The Water Plan Fund monies to finance these requests became available because of unused funds in existing accounts of the Conservation Commission.

	FY 1999	FY 2000
State General Fund	\$ --	\$ --
All Other Funds	--	65,000
All Funds	\$ --	\$ 65,000

Department of Wildlife and Parks

52. Partnership with Natural Resource Conservation Service

I amend my FY 2000 budget to include additional expenditure authority from the Wildlife Fee Fund of \$65,000 to continue the partnership between the Department of Wildlife and Parks and the Natural Resource Conservation Service (NRCS). This additional expenditure authority will be used to finance one-half of the salaries for 6.0 biotechnician positions. The other half is financed by NRCS. These positions, contracted through a private third party, provide technical assistance in field projects, including assessment of Walk-In Hunting Areas.

	FY 1999	FY 2000
State General Fund	\$ --	\$ --
All Other Funds	--	65,000
All Funds	\$ --	\$ 65,000

53. Lesser Prairie Chicken Habitat Study

I amend my FY 2000 budget to include additional expenditure authority from the Wildlife Fee Fund of \$150,000 to begin a partnership between the Department of Wildlife and Parks and Kansas State University, Department of Biology. This additional expenditure authority will be used to finance part of a study to determine land management strategies that address optimal solutions for improving the habitat of the lesser prairie chicken while maintaining agricultural production standards. In addition to the benefits to Kansas' agricultural producers, this study will assist the Department of Wildlife and Parks in substantiating its opposition to a federal petition to list the lesser prairie chicken as a threatened or endangered

species. Of the total amount, \$20,000 will be used to finance part of an unclassified temporary position. The remaining \$130,000 will finance land management demonstrations and specialized research.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	150,000
All Funds	<u>\$ --</u>	<u>\$ 150,000</u>

54. Grants-in-Aid for Recreational Trails

I amend my FY 2000 budget to include an additional \$800,000 in federal funds for use as grants for developing and maintaining recreational trails. This program will become a component of the Department of Wildlife and Parks' Grants-in-Aid. The recreational trails grant program will provide at least \$760,000 in grants to local governments to develop and maintain recreational trails. The grants will consist of 80.0 percent from the Department, while 20.0 percent in matching funds will be provided by the grant recipients. As specified by federal compliance guidelines, the remaining \$40,000 will finance overhead costs associated with administering the program. It is anticipated that federal funding for this program will continue through federal fiscal year 2003, and all federal funds will be deposited in a sub-account of the Department's existing Federal Grants Fund.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	800,000
All Funds	<u>\$ --</u>	<u>\$ 800,000</u>

Department of Transportation

55. Comprehensive Transportation Plan

I amend my budget to finance additional expenditures in FY 2000 that will be necessary to implement a Comprehensive Transportation Program of the same scope that I initially recommended and which is currently being discussed by the Kansas Legislature. Under current scenarios, additional expenditures necessary to implement the program in FY 2000 would total \$191,303,686, all from highway funds. The recommended expenditures include \$119,598,000 for state highway construction projects, \$16,250,000 for design and construction inspection contracts, \$21,275,161 for local aid payments, \$25,087,000 for new debt service payments, and \$9,093,525 for increases in agency operations. My recommendation also includes 136.0 FTE positions and 1.0 unclassified temporary position.

This recommended increase will offset by \$408.0 million expected expenditures from bond revenues in FY 2000. As I stated in my original recommendations, I endorse the use of bond revenues to finance any proposed Transportation Plan and anticipate that any plan that is

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passed by the Kansas Legislature will include some bonding component. The recommended \$408.0 million in bond proceeds will fund a portion of the increased expenditures associated with a Transportation Plan and substantial maintenance and construction expenditures that I have already recommended. Because expenditures from bond proceeds are non-reportable, the adoption of the funding for my recommended Comprehensive Transportation Plan will reduce reportable expenditures from the State Highway Fund by \$216,696,314 in FY 2000. Reflected in the amount for agency operations is \$50,738 to fund my recommended 1.0 percent increase in classified salaries for the new FTE positions.

I further amend my budget to reduce the recommended State General Fund demand transfer by \$39,531,433. This reduction reflects growth of 1.7 percent over the FY 1999 demand transfer amount. This reduction in the demand transfer amount is offset by a corresponding increase in State Highway Fund expenditures to reflect only a change in the funding source and not total expenditures. This change is indicative of current legislative discussions of alternative transportation plans that rely less heavily on the State General Fund in the first two years.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ (39,531,433)
All Other Funds	--	(177,164,881)
All Funds	<u>\$ --</u>	<u>\$(216,696,314)</u>

56. Local Aid

In addition, I amend my budget to include two expenditure increases from the Special City and County Highway Fund. These increases of \$3,621,732 in FY 1999 and \$8,088,323 in FY 2000 reflect disbursements from the fund attributable to increases in the estimates for motor fuels taxes. The original consensus motor fuels estimates were not finalized in time to be included in my budget recommendations.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	3,621,732	8,088,323
All Funds	<u>\$ 3,621,732</u>	<u>\$ 8,088,323</u>

Department of Social and Rehabilitation Services

57. Foster Care

There is a shortfall of \$33.4 million in foster care and adoption services that spans a two-year period. Several factors have contributed to rising contract costs, including higher than estimated case rates, a significant increase in the number of children in foster care in the system, and accumulated debts incurred by the contractors. To fund this shortfall over two years, I amend my budget to shift \$10,000,000 from savings in other SRS programs to this program and

recommend an additional \$8,120,000 from the State General Fund, \$5,280,000 from other federal funds, and an additional \$10,000,000 in TANF dollars.

After internally shifting program savings to finance my amendment, the net amount of monies added to the foster care and adoption services budget would total \$16.9 million in FY 1999 and \$6.5 million in FY 2000. The agency will realize \$2.5 million in savings in the current year and \$1.3 million in FY 2000 from turnover in the Field Operations Program. In addition, the agency will find savings in its family preservation contracts totaling \$6,200,000 in the current year. The combined agency reductions include savings from the State General Fund of \$5.25 million in the current year and \$650,000 in FY 2000.

I also propose the use of an additional \$10,000,000 in TANF funds in FY 1999. In my original recommendation, I provided \$84.5 million in TANF funding over two years for foster care contracts. Unfortunately, the amount of TANF dollars cannot be increased anymore because of the income eligibility requirements. To maximize the use of TANF funding, I recommend that \$10,000,000 be shifted to other eligible programs and services within the Department, freeing up State General Fund dollars to finance costs in the foster care and adoption contracts.

	<u>FY 1999</u>	<u>FY 2000</u>
Field Operations Shrinkage	\$ (2,500,000)	\$ (1,300,000)
Family Services Savings	(6,200,000)	--
Shift SGF Savings to Foster Care	(10,000,000)	--
Shift TANF into Other Programs	10,000,000	--
Foster Care Contracts	15,600,000	5,200,000
Adoption Contracts	10,000,000	2,600,000
	<u>\$ 16,900,000</u>	<u>\$ 6,500,000</u>

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ 3,450,000	\$ 4,670,000
All Other Funds	13,450,000	1,830,000
All Funds	<u>\$ 16,900,000</u>	<u>\$ 6,500,000</u>

58. HCBS/DD Waiver Shortfall

I amend my budget to fund a \$2.4 million shortfall in the HCBS/DD waiver for FY 1999 by increasing expenditures from various fee funds in the state hospitals, which will free up State General Fund dollars for the waiver program. I recommend increasing the expenditure limitation of the Larned State Hospital Fee Fund by \$850,000, the Osawatimie State Hospital Fee Fund by \$1,100,000, and the Rainbow Mental Health Facility Fee Fund by \$200,000. I also increase the federal Title XIX expenditure limitation \$250,000. For each increase in expenditure limitation, a corresponding decrease in State General Fund expenditures will occur. The following tables illustrate these adjustments in funding source.

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Larned State Hospital:

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (850,000)	\$ --
All Other Funds	<u>850,000</u>	<u>--</u>
All Funds	\$ --	\$ --

Osawatomie State Hospital:

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (1,100,000)	\$ --
All Other Funds	<u>1,100,000</u>	<u>--</u>
All Funds	\$ --	\$ --

Rainbow Mental Health Facility:

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ (200,000)	\$ --
All Other Funds	<u>200,000</u>	<u>--</u>
All Funds	\$ --	\$ --

SRS Mental Health and Developmental Disabilities Commission:

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ 2,150,000	\$ --
All Other Funds	<u>250,000</u>	<u>--</u>
All Funds	\$ 2,400,000	\$ --

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>2,400,000</u>	<u>--</u>
All Funds	\$ 2,400,000	\$ --

59. Kansas Covering Kids Project

I amend my budget to provide expenditures of \$700,142 for the receipt of a grant from the Robert Wood Johnson Foundation. The \$350,071 grant will be matched with federal monies to provide outreach strategies to identify children eligible for the Children's Health Insurance program. The Kansas Covering Kids Project will feature face-to-face outreach in nontraditional settings conducted in by trained volunteers. In addition to the statewide initiative, three pilot community efforts will reach out to diverse populations. The Department will contract with the

Kansas Children's Service League for the operation of the Kansas Covering Kids Project. The Department of Social and Rehabilitation Services will monitor the grant and will hire an unclassified temporary Grants Fiscal Officer at \$35,875 to be paid from grant funds.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	700,142
All Funds	<u>\$ --</u>	<u>\$ 700,142</u>

60. HCBS/DD Waiver Waiting List

I amend my budget to add \$2.0 million in tobacco money to the HCBS/DD waiver for FY 2000. Using a 40.0 percent state match rate, the \$2.0 million in state funds will leverage \$3.0 million in federal Medicaid funding. This funding is recommended to provide services to more people through the HCBS/DD waiver.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	5,000,000
All Funds	<u>\$ --</u>	<u>\$ 5,000,000</u>

61. Caseload Adjustments

I amend my budget to reflect changes in caseloads and the cost of aid and assistance programs. These caseload adjustments are the result of consensus caseload estimates that included the staff of the Department of Social and Rehabilitation Services, Legislative Research, and the Division of the Budget. The consensus estimates were limited to Medical Assistance, Temporary Assistance for Families, General Assistance, and Nursing Facilities for Mental Health. This amendment includes a net increase of \$8.0 million in FY 1999, of which \$4.4 million is from the State General Fund. These changes reflect a slight decrease in General Assistance and modest increases in Temporary Assistance for Families and Nursing Facilities for Mental Health. The largest portion of the increased cost is for Medical Assistance, which is estimated to be \$6.9 million higher than previous estimates.

For FY 2000, I amend my budget to reflect a net increase of \$26.3 million in expenditures from all funding sources. Of that amount, \$10.9 million is from the State General Fund. There are again modest increases for Temporary Assistance for Families and Nursing Facilities for Mental Health, a small decrease for General Assistance, and an increase of \$26.5 million for Medical Assistance. In my original budget recommendations, I had included the implementation of a two-tiered pharmacy program in an effort to control costs. This policy change will begin in FY 2000 and reduces the medical estimate by \$3.4 million, of which \$1.4 million is from the State General Fund. As a result, the net increase for Medical Assistance will total \$23.1 million in FY 2000. Contributing factors leading to increases in Medical Assistance are pharmaceutical costs and an increase in the medically needy and disabled populations, which are the most expensive to serve. Additional population growth is anticipated with poverty level

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infants and children who were found to be qualified for medical cards after applying for benefits under the Children's Health Insurance Program.

	<u>FY 1999</u>	<u>FY 2000</u>
Temporary Assistance to Families	\$ 900,000	\$ 3,000,000
General Assistance	(190,000)	(190,000)
Medical Assistance	6,940,600	26,467,800
Two-Tiered Pharmacy Plan	--	(3,407,158)
Nursing Facilities for Mental Health	300,000	400,000
Total	<u>\$ 7,950,600</u>	<u>\$ 26,270,642</u>

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ 4,412,100	\$ 10,905,200
All Other Funds	3,538,500	15,365,442
All Funds	<u>\$ 7,950,600</u>	<u>\$ 26,270,642</u>

62. Physically Disabled Waiver

I amend my FY 2000 budget to include an additional \$2.5 million for the expansion of home and community based services in the physically disabled waiver program. My recommendation includes \$1.0 million in tobacco monies, which would be matched with \$1.5 million in Medicaid funds. The program provides community alternatives to nursing homes for individuals between the ages of 16 and 64.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ --
All Other Funds	--	2,500,000
All Funds	<u>\$ --</u>	<u>\$ 2,500,000</u>

University of Kansas Medical Center

63. Tele-Kidcare

In my original budget recommendations, I included \$255,541 from tobacco settlement monies for the University of Kansas Medical Center's new Tele-Kidcare Program. The Legislature removed funding for the program. Because of the positive consequence this initiative will have on children's health across the state, I now amend my budget to fund this program from the State General Fund, rather than from the Children's Health Care Programs Fund.

	<u>FY 1999</u>	<u>FY 2000</u>
State General Fund	\$ --	\$ 255,541
All Other Funds	--	(255,541)
All Funds	<u>\$ --</u>	<u>\$ --</u>

Selected Agencies

64. Tobacco Settlement Funds

The most current information is that the tobacco settlement proceeds will not be available to the state at the time originally anticipated. The budget recommendations I presented at the beginning of this legislative session, after adjusting for what the federal government was expected to claim to recoup tobacco-related Medicaid costs, assumed that \$8.0 million would be received in FY 1999 and \$21.2 million in FY 2000. In accordance with 1998 SB 424, I recommended \$14.6 million from the Children's Health Care Program Fund, or half of the amount available, for initiatives in FY 2000 that I believe are vital to the health and education of our children.

In order to keep my commitment to these programs, I amend my FY 2000 budget to transfer \$14.6 million from the State General Fund to the Children's Health Care Program Fund until the tobacco settlement funds are forthcoming in FY 2001. When the tobacco funds are received, a reverse transfer will restore the "borrowed" funds to the State General Fund. In this way expenditures for the children's initiatives can move forward in the same manner as I originally proposed.

At the same time, State General Fund receipts need to be reduced to reflect the fact that the \$14.6 million, representing the other half of the tobacco funds for government operations, will not be received in FY 2000. The following proviso language is suggested to implement this amendment.

() On July 1, 1999, or as soon thereafter as monies are available, the director of accounts and reports shall transfer \$14,600,000 from the state general fund to the children's health care program fund.

() On July 1, 2000, or as soon thereafter as monies are available, the director of accounts and reports shall transfer \$14,600,000 from the children's health care program fund to the state general fund.

65. Retirement Reductions

I amend my budget to reduce expenditures in various agencies in FY 1999 and FY 2000 to reflect savings resulting from retirement reductions. In FY 1999, savings from retirements in addition to the amounts included in my original budget recommendations total \$587,562, of which \$311,006 is from the State General Fund. Full-year salary savings in FY 2000 for positions that were eliminated through the retirement reduction process total \$1,363,425, including \$655,622 from the State General Fund. A total of 42.0 FTE positions will be reduced

for FY 2000 that have occurred to date in FY 1999. The amounts by agency are contained in the attachment following this memorandum.

	FY 1999		FY 2000	
State General Fund	\$	(311,006)	\$	(655,622)
All Other Funds		(276,556)		(707,803)
All Funds	\$	(587,562)	\$	(1,363,425)
Department of Administration		(12,020)		(12,020)
Kansas Corporation Commission		(6,618)		(6,618)
Kansas Human Rights Commission		(32,142)		(32,142)
Dept. of Revenue		(65,841)		(65,841)
Social and Rehabilitation Services		(13,266)		(13,266)
Kansas Psychological Institute		(30,272)		(30,272)
Lamed State Hospital		(12,322)		(12,322)
Oswatomoie State Hospital		(8,244)		(8,244)
Parsons State Hospital & T.C.		(26,722)		(26,722)
Rainbow Mental Health Facility		(27,792)		(27,792)
Dept. of Human Resources		(20,296)		(20,296)
Kansas State University		(6,879)		(6,879)
KSU - Vet Med		(2,004)		(2,004)
Brigham State University		(12,416)		(12,416)
KU Med Center - Education		(12,722)		(12,722)
Wichita State University		(23,402)		(23,402)
Dept. of Education		(17,828)		(17,828)
School for the Blind		(1,062)		(1,062)
Lanning Correctional Facility		(2,062)		(2,062)
Lamed MI Correctional Facility		(25,002)		(25,002)
Winfield Correctional Facility		(4,092)		(4,092)
Adults General		(26,292)		(26,292)
Highway Patrol		(14,282)		(14,282)
Dept. of Agriculture		(8,400)		(8,400)
Department of Transportation		(292,812)		(292,812)
Statewide Total		(231,006)		(231,006)

Attachment for
Retirement Reductions

Agency	FY 1999		FY 2000		
	SGF	All Funds	SGF	All Funds	FTE
Department of Administration	\$--	\$--	\$--	\$--	(2.0)
Kansas Corporation Commission	--	(12,020)	--	(30,148)	(1.0)
Kansas Human Rights Commission	(6,618)	(10,139)	(29,537)	(44,066)	(1.0)
Dept. of Revenue	(32,142)	(36,279)	(66,855)	(101,492)	(3.0)
Social and Rehabilitation Services	(21,374)	(65,841)	(72,832)	(180,031)	(5.5)
Kansas Neurological Institute	(13,266)	(13,266)			
Larned State Hospital	(30,572)	(30,572)	(21,743)	(21,743)	(1.0)
Osawatomie State Hospital	(13,333)	(26,665)	(16,546)	(33,092)	(1.0)
Parsons State Hospital & T.C.	(2,990)	(8,544)	(7,707)	(22,019)	(1.0)
Rainbow Mental Health Facility	(13,558)	(26,735)	(13,601)	(27,201)	(1.0)
Dept. of Human Resources	--	(27,792)	--	(58,484)	(1.0)
Kansas State University	(20,596)	(25,198)	(53,193)	(71,164)	(3.0)
KSU--Vet Med	(6,879)	(6,879)	(27,618)	(27,618)	(1.0)
Pittsburg State University	(3,004)	(3,004)	(13,378)	(13,378)	(0.5)
KU Med Center--Education	(13,416)	(13,416)	(66,994)	(66,994)	(2.0)
Wichita State University	(13,753)	(13,753)	(71,802)	(71,802)	(2.0)
Dept. of Education	(13,000)	(23,402)	--	(51,135)	(1.0)
School for the Blind	(17,828)	(17,828)	(20,476)	(20,476)	(1.0)
Lansing Correctional Facility	(1,063)	(1,063)	(37,638)	(37,638)	(1.0)
Larned MH Correctional Facility	(5,058)	(5,058)	(28,780)	(28,780)	(1.0)
Winfield Correctional Facility	(25,002)	(25,002)	(33,502)	(33,502)	(1.0)
Adjutant General	(4,093)	(37,607)	(5,613)	(57,638)	(2.0)
Highway Patrol	(39,993)	(56,727)	(40,597)	(40,597)	(1.0)
Dept. of Agriculture	(13,468)	(14,282)	(27,210)	(28,612)	(1.0)
Department of Transportation	--	(86,490)	--	(295,815)	(7.0)
Statewide Total	(\$311,006)	(\$587,562)	(\$655,622)	(\$1,363,425)	(42.0)

**State of Kansas
Department of Social
& Rehabilitation Services**

Rochelle Chronister, Secretary
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**Omnibus
April 22, 1999**

Follow Up

**Rochelle Chronister, Secretary
785-296-3271**

Senate Ways and Means Committee

Date 4/22/99

Attachment # 7-1

Follow Up

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Buy In Options for Working Disabled

Contact: Candy Shively, Commissioner, Economic and Employment Support, 785-296-6750
Ann Koci, Commissioner, Adult and Medical Services, 785-296-3981

In response to the request that the agency provide a "cost neutral" plan to provide coverage to working disabled adults, the following information is offered.

1. The Balanced Budget Act of 1997, which allows the state the option to implement a Buy-in Option for the Working Disabled does not allow states to require participants to have previously received Medicaid before becoming eligible for this Program. Therefore, the state does not have the option to limit participation in the program to those currently receiving Medicaid benefits which could have made the option cost neutral to Kansas.
2. The original fiscal impact of 50 persons was based upon the current spenddown population. There would be no fiscal impact for consumers currently being served through the SSI program or those on the Medically Needy program with no spenddown who transitioned to this program because those consumers are already receiving Medicaid benefits. The number was determined by identifying consumers identified as being disabled and having earned income whose spenddowns were not currently met since these consumers were not currently receiving Medicaid benefits and would qualify under this program. In contrast to this, a recent GAO study on the working disabled indicated that approximately one half of one percent of current Social Security beneficiaries lose disability status due to earnings every year. Using the currently available Social Security data and this formula, approximately 190 disabled Kansans would lose their disability status and would potentially be eligible for this program. Given current annual average expenditures of \$25,739 per person, which includes professional, hospital and pharmacy services, for this population, the fiscal impact would increase to approximately \$4.9 million if all 190 Kansans were served.
3. Kansas already has a Qualified Working Disabled Program which would allow Medicaid to pay for Medicare Part A premiums if the consumer is not eligible for Medicare Part A without a premium. Generally, Medicare Part A pays for inpatient hospital care, skilled nursing facility care, home health care and hospice care. Medicare Part A does not pay for convenience items such as telephones and televisions provided by hospitals or skilled nursing facilities, private rooms (unless medically necessary), or private duty nurses. Medicare Part B helps pay for doctor's services, outpatient hospital services (including emergency room visits), ambulance transportation, diagnostic tests, laboratory services, some preventive care like mammography and Pap smear screening, outpatient therapy services, durable medical equipment and supplies, and a variety of other health services. Medicare Part B also pays for home health care services for which Part A does not pay.

Medicare Part B usually does not pay for most prescription drugs, routine physical examinations, or services not related to treatment of illness or injury. Part B does not pay for dental care or dentures, cosmetic surgery, routine foot care, hearing aids, eye examinations or eyeglasses. This program would be an option for those who qualify and could be used to offset some of the fiscal impact of the Optional Buy-in Program.

4. The state of Oregon implemented the Buy-in option in February 1999. Based upon information received from Oregon, a premium of \$80 to \$90 per month would be comparable. The Oregon program assesses a premium to all consumers eligible for the program. Approximately \$182,400 - \$205,200 revenue would be generated from a like premium contribution.
5. SRS Adult and Medical Services is informally exploring with HCFA the possibility of obtaining a demonstration waiver which would allow the state to limit the number of consumers served and to implement the program with the \$259,000 originally requested. The waiver would also allow Kansas to determine the level of interest in the program and provide more accurate data to determine future fiscal impact.

In light of these factors, the agency does not believe that the coverage recommendation can be made cost neutral at this point.

At the Congressional level, options are being examined under the Work Incentives Improvement Act of 1999 (H.R. 1180) to make it more attractive to states interested in pursuing expanded health coverage for persons with disabilities who go to work. This would be an add on to the provisions that exist in the Balanced Budget Act of 1997.

Employment Preparation Services for Temporary Assistance for Families Program

Contact: Candy Shively, Commissioner, Economic and Employment Support, 785-296-6750

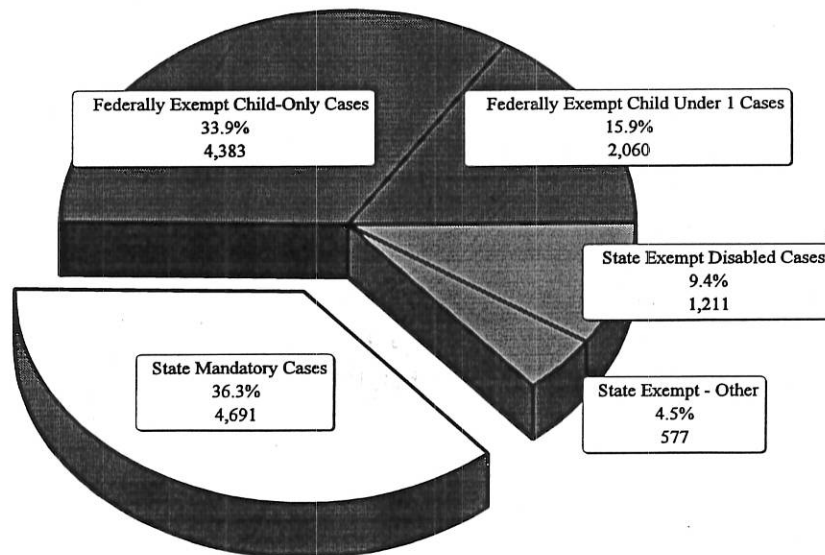
The focus in employment services is *work-attachment*, or, *work-first*. The underlying philosophy of this approach is that participants are capable of finding work, and that job advancement and higher wages follow from quick exposure to, and entry into, the labor force, even if initial jobs pay low wages. The present focus on work evolved from the limited success of the previous human development emphasis, in which basic education and skill development activities were met with low attendance and a low correlation with employment. The *Personal Responsibility and Work Opportunity Reconciliation Act of 1996* also constrains states by limiting participation in education and training activities.

The following provides a description of the participants who receive employment services, their work activities, and a discussion of the program's outcomes. A list of employment services providers is found in attachment A.

Program Participants

The welfare reform law generally allows states to exempt whomever they choose from participating in work programs. However, adult recipients except for single parents caring for a child under one year of age are included in the calculation of the state's participation rate. Figure 1 displays the cases exempted from work requirements, and the cases required by the state to engage in a work activity. The "Other State Exempt Cases" primarily includes adults who are needed as a caretaker for another family member. This data is based on February 1999 caseload information.

Figure 1. TAF Caseload Composition



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Therefore, of the 13,000 TAF cases, approximately one-third are required by the state to engage in a work activity. Of the 4,691 state mandatory cases, all were involved in a work activity at some level, and 52 percent were involved at a level sufficient to meet the minimum federal work participation requirement of 25 hours a week. It is noted that the state mandatory cases have decreased significantly: from July 1998 to February 1999 (20 months) these cases decreased by 47 percent, falling from 8,916 to 4,691 cases. It is noted that effective April 1999, the exemption for adults with disabilities will be removed. After adding these cases to the state mandatory cases, the percentage of cases required to participate in a work activity will increase from 36.3 to 45.7 percent.

Work Activities

Consistent with the work-first philosophy, Kansas recipients are expected to participate in work activities leading more directly to employment, such as job readiness and job search. The distribution in activities, found in Table 1 below, reflects this emphasis. The department typically provides recipients with an orientation, assistance in searching for a job, and job readiness training. Those unable to find a job after several weeks are then assessed for placement in other activities.

Table 1. Employment Services Activity Distribution

Activity Category	FY 1996	FY 1997	FY 1998	FY 1999
				Jul-Dec
Education & Training	46%	14%	6%	8%
Job Search	12%	24%	31%	30%
Job Readiness	15%	12%	13%	20%
Work Experience	8%	16%	7%	4%
Employment	19%	34%	43%	38%
Total	100%	100%	100%	100%

The department's high emphasis on work does not imply a simplistic or a mechanical approach. Changing conditions will require the department to adapt its approach. For example, new and special services targeted to disabled populations must be developed to prepare these recipients for employment. Specialized education and adaptive services will be needed to assist learning disabled clients along their paths to employment.

Outcomes

The success of the Employment Preparation Services program is documented by increased employments. The data in Table 2 depicts the number of cases closed due to employment as a percentage of all welfare cases receiving assistance during the fiscal year. The increase in the employment rate during a period when the TAF caseload decreased by 50 percent demonstrates the significant number of families who have left welfare for jobs. Some estimation is required to produce this measure because the employment status of 40% of closed cases is not known; these departing cases provide no information to the department when they exit the program.

Chronister refers to

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Table 2. TAF Employment Rate

Item	FY 1996	FY 1997	FY 1998	FY 1999 estimate
Estimated employments	12,051	11,640	9,926	8,414
Percent of TAF cases employed	26.9%	29.1%	32.9%	33.9%

The department's effectiveness in moving welfare clients toward employment is affected by prevailing economic conditions and the composition of the welfare caseload. The leveling in the employment rate is attributed to the remaining recipients on welfare who have greater barriers to employment.

The quality of the participants' employment is also measured by the department. Table 3 displays the beginning wages of employed recipients, their relationship to the poverty level, and the proportion of recipients employed in full- and part-time jobs. All of the reported measures exhibit positive increases.

Table 3. TAF Employment Characteristics

Item	FY 1996	FY 1997	FY 1998	FY 1999 estimate
Initial Wages				
Full-time employment	\$5.76	\$5.84	\$6.08	\$6.39
Percent change		1.5%	4.0%	5.2%
Part-time employment	\$5.11	\$5.23	\$5.54	\$5.65
Percent change		2.3%	5.9%	2.1%
Full-time wage as a percent of the federal poverty level				
	92.3%	91.2%	92.6%	95.8%
Distribution of Employments				
Full-time employments	70.7%	76.1%	79.3%	81.1%
Part-time employments	29.3%	23.9%	20.7%	18.9%

The next table provides a distribution by category of employment. Despite the major changes in this program, the occupational mix of employed clients has remained relatively constant. One noticeable trend is the increase in clerical and sales jobs with a concurrent decline in employment more closely related to manufacturing.

Table 4. Occupational Categories of EPS-TAF Clients

Category	FY 1996	FY 1997	FY 1998	FY1999 Jul-Mar
Professional, Technical, and Managerial	18.5%	16.2%	15.1%	17.0%
Clerical and Sales Services	23.7%	24.9%	27.9%	29.6%
Agricultural, Fishery, Forestry Processing	32.9%	35.5%	36.0%	33.8%
Machine Trades	1.2%	1.3%	0.9%	1.2%
Bench Work	6.0%	6.7%	6.6%	6.5%
Structural Work	3.7%	3.7%	3.2%	3.1%
Miscellaneous	6.4%	5.5%	5.5%	4.6%
Total	4.3%	3.5%	2.5%	2.0%
	3.3%	2.8%	2.3%	2.0%
	100.0%	100.0%	100.0%	100.0%

A second aspect of employment quality is the permanence of employment. Because of the data problems associated with measuring job retention, the department focuses on recidivism which should closely parallel the job retention rate. The recidivism rate, shown in Table 5, is measured by the percent of closed cases returning to welfare within 12 months.

Table 5. TAF Recidivism Rate

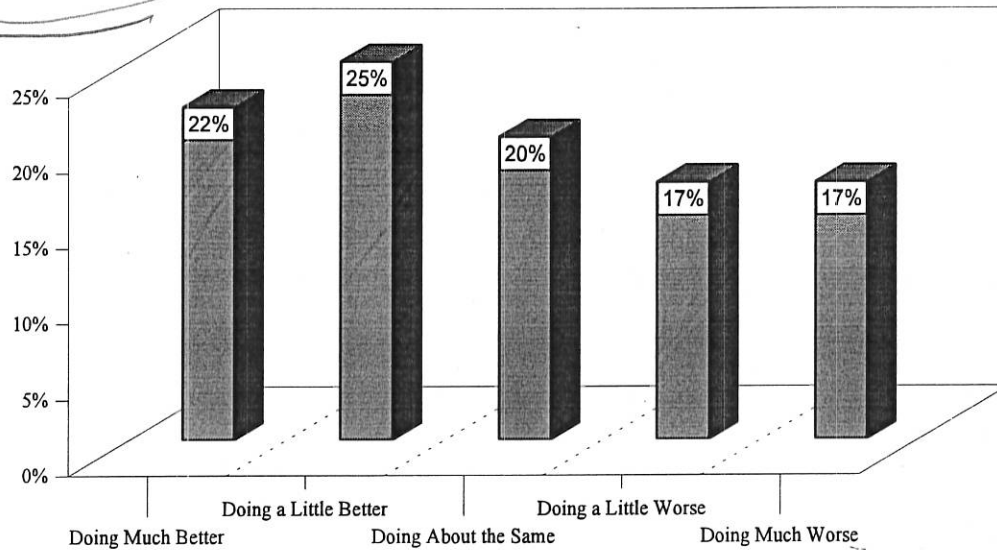
Item	FY 1996	FY 1997	FY 1998	FY 1999 estimate
Percent of closed cases returning to TAF within 12 months	35.6%	34.2%	30.3%	29.1%
<i>Percent change</i>		-4.1%	-11.2%	-4.0%

The recidivism rate has declined continuously for the years measured, leading to the conclusion that fewer clients are returning to welfare following their departure. This measure does not discriminate for the length of time a returning case remains open: cases returning for one month and cases returning for one year are treated equally as a returning case. The question is therefore whether the exiting cases are simply recirculating. Measurements of stays on assistance show that cases are not staying longer upon their return. The median spell on assistance decreased by 22 percent (four months) from fiscal year 1996 to 1998, indicating briefer spells upon return, and in turn, increasing job retention rates.

A final outcome concerns the perspective of former recipients who retained employment. If recipients do not ultimately accept work as a positive alternative to assistance, the severity of difficulty in transforming welfare would be increased tremendously. It is therefore reassuring to find that most former recipients view themselves as financially even or better off than when they received cash assistance. A sample of former recipients who retained employment for one year was asked: "Do you feel you are better or worse off financially than when you were receiving cash assistance?". Their response, shown in Figure 2, indicates that two-thirds of the former clients view themselves as financially even or better off.

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Figure 2. Perspectives of Employed TAF Clients



Absent from this discussion of outcomes are the state's work participation rates - the cornerstone of welfare reform. The implicit assumption by the Congress was that engagement in a work activity translates into employment success. Moreover, Congress prescribed work activities so narrowly, perhaps too narrowly, to promote job attachment activities while effectively excluding education and training for clients, some of whom may benefit from these services. Nevertheless, the work participation rates, which may be viewed as process or intermediate outcomes, have been purposely excluded in favor of outcomes which describe the ultimate success of the program.

While the outcomes for the Employment Preparation Services program are promising, the department faces the task of adapting the program to a caseload with an increasing proportion of recipients with multiple barriers to participation. These physical and mental health barriers include spouse abuse, alcohol or substance abuse, and learning disabilities. Furthermore, the program's performance has not been tested by a major downturn in the economy. These concerns will be emphasized as the program continues to adjust in the future.

Special project programs provide specific skill-based training in office/clerical training and aircraft manufacturing, and are operated in conjunction with a prospective employer. Data for the period 1/1/98 through 6/30/98 indicates that 532 clients were referred to these programs, 462 completed the skill training- and 393 left TANF. The programs are located in Chanute (38), Topeka (30) and Wichita (464). Of the 532 referred, 462 (87%) completed the program and 393 (85% of the completers and 74% of those referred) left TANF .

The data for the second half of the calendar year is not due yet, but a review of the placement codes from the Kscares automated system indicates that 426 clients are currently participating in skill based training special projects that leads to a job. They are concentrated in five areas: Chanute, Kansas City, Olathe, Topeka, and Wichita. Data for the six month period 7/1/98 through 12/31/98

will not be available until late April. The measurement time lag between program completion and leaving TANF is 60-90 days beyond the end of the review period. Success is operationalized by being off TANF for at least 60 days after completion of the training.

Other agency strategies include initiatives related to Substance Abuse, Domestic Violence, Learning Disabilities, Mental Health Services, and job retention.

Substance Abuse. We are screening cash assistance recipients for substance abuse and making referrals to Regional Alcohol/Drug Abuse Assessment Centers (RADACs) for further diagnosis and treatment. (Screening is not drug testing. Drug testing is done by the RADACs only if necessary.) The referral rate with comprehensive screening is about 17 percent. Completion of treatment plans is mandatory for work program participants. Treatment plans also include a 20-hour work or work experience requirement. Failure to complete or comply with the treatment plan results in a sanction, e.g., loss of cash assistance.

Domestic Violence. Beginning this year, a partnership between SRS and the Kansas Coalition Against Sexual and Domestic Violence (KCSDV) is working to increase employment outcomes of victims of domestic violence. Through a contract with KCSDV, we are conducting a pilot project in the Topeka SRS area which has provided cross-training to child welfare, child support and economic and employment support staff, and specialized services to recipients who are battered. An on-site domestic violence advocate is "out-stationed" in the Topeka Area Office. To date, 27 consumers have revealed they are victims of domestic violence; six have begun intensive case management. (These figures are consistent with other states' experience.) We are evaluating this service model for statewide delivery.

Learning Disabilities. A pilot study conducted in Montgomery and Reno counties show that approximately 30% of the TANF population suffers from learning disabilities. The University of Kansas Center for Adult Learning has developed a new screening tool to assess the LD status of adults. This spring, KU will begin training all EES and Welfare-to-Work case managers on learning disabilities and use of the screening tool. Following this training, all TANF applicants and recipients will be screened for learning disabilities. When the screening indicates a learning disability, the individual will be sent to a specialist for diagnosis and accommodation instruction. Currently, TANF recipients diagnosed with a learning disability are referred to Rehabilitation Services for case management and employment services.

Mental Health Services. Several collaborative efforts are underway with community mental health centers to provide employment services for recipients with a mental illness. A grant application is also pending with the Social Security Administration for a five-year project to increase employment outcomes for 625 persons with persistent mental illness.

Job Retention. Kansas has been as liberal as possible in defining who is eligible for the Welfare to Work Program, administered by the five Private Industry Councils. Once a TANF recipient qualifies for Welfare to Work, that individual may continue to be eligible for Welfare to Work services even if the individual is no longer a TANF recipient. One of the prime components of the Welfare to Work Program is post employment services which allow participants to receive

upgrade skills needed to advance to a better job. Additionally, EES is retooling its policies to meet the needs of the remaining TANF population and giving staff more latitude to immediately consider education/training opportunities for those with severe barriers, limited skills, or limited job opportunities, and who would not benefit from an initial 90 days of applicant job search. EES has also eliminated prospective budgeting to allow recipients who go to work to continue to receive a TANF grant for two months before wages of the new job are counted in determining future TANF eligibility and the amount of the grant. This change will provide a family with two extra months of assistance, which can be used to buy a car or auto insurance, pay off bills, buy a work wardrobe, or meet other family needs. This extra financial boost will aid in job retention.

Appendix A

Current Employment Services Providers

SRS Management Area	Provider
Chanute	Mary Kay Caldwell Four County Mental Health Fort Scott Community College Labette Community College Allen County Community College Curtis & Associates Neosho County Community College Rehab CDC (old KVRC) Loretta Johnson Southeast Kansas Multi-County Health Department International Black Student Alliance, Inc Employment Plus
Emporia	Curtis & Associates Dorothy & Associates Goodwill Employment Plus
Garden City	None
Hays	None
Hutchinson	Curtis & Associates Sumner County Mental Health Center Dennis Angle Meadowlark Rice County Learning Center Goodwill USD 373
Kansas City	Shalom U-Plan Kansas City Area Vo-Tech School Judith McCarty International Black Student Alliance, Inc. Catholic Community Services Tracy Bedell Economic Opportunity Full Citizenship

SRS Management

Area	Provider
Lawrence	Tracy Bedell NEK-CAP, Inc. Jeannette Armstrong Marian Mullins Full Citizenship, Inc. Employment Plus (Sister Carleen Richards) Independent Living Center of NE Kansas International Black Student Alliance, Inc.
Manhattan	Team Effort Curtis & Associates Rehab CDC (KVRC) Employment Plus (Sister Carleen Richards)
Olathe	Intensive Family Counseling Loretta Johnson Employment Plus (Sister Carleen Richards) Catholic Community Services Saralee Garren Full Citizenship, Inc. Ft. Scott Community College International Black Student Alliance, Inc.
Salina	Salina Chamber of Commerce Occupational Center of Central Kansas, Inc. Team Effort
Topeka	New Dimensions of Kansas, Inc. Kansas Legal Services Recipients, Inc. International Black Student Alliance, Inc. Let's Help Goodwill Shawnee County Mental Health Center Community Action, Inc. Northeast Kansas CAP Employment Plus (Sister Carleen Richards) YWCA Topeka Full Citizenship, Inc.
Wichita	DETAMC Goodwill Episcopal Social Services Cessna McAfee Manufacturing Company Curtis & Associates USD 500 KC AVTS Wichita Area Technical College International Black Students

7-13

KESSEP (Kansas Enhanced Statewide Support Enforcement Project)

Contact: Mary Hoover, Commissioner, Administrative Services, 785-296-2974

Background: KESSEP is being developed by SRS to meet the federal requirements mandated by the federal Family Support Act of 1988, in support of Child Support Enforcement (CSE). Congress mandated each state develop a statewide automated data system that has the capability to control, account for, and monitor all processes for determining paternity and collecting child support. Initially, Congress mandated implementation of such a system by October 1, 1995. Due to significant delay in issuance of federal regulations and other factors, Congress extended the deadline to October 1, 1997.

Planning for KESSEP began in 1991 and project work began in earnest in 1994 after SRS issued to vendors an RFP document for competitive bid for the design of the mainframe system. The scheduled delivery date per the contract was October 1, 1997. In November 1997, KESSEP failed a limited statewide pilot. As a result, independent technical consultants analyzed system performance. This analysis indicated that while KESSEP might be capable of operation, when full implementation occurred, some business functions and performance would not be acceptable. Consequently, statewide implementation was delayed until September 30, 1999. Estimated cost for completion of KESSEP is \$45.9 million (SGF: \$13.3 million).

Because the system failed to meet certification requirements of the Family Support Act of 1988, by October 1, 1998, the Child Support Enforcement (CSE) program was assessed a penalty. The penalty, which is an incremental percentage of CSE administrative costs is estimated at a net of \$1.0 million.

Summary: To avoid additional penalties, the KESSEP system must be certified by September 30, 1999. SRS has implemented an aggressive schedule to ensure a fully certifiable system by this deadline. The schedule was determined after review by SRS management, the KESSEP Steering Committee, and the Chief Information Technology Officer for the Executive Branch. The revised project plan includes:

- An expedited development/fix and testing procedure;
- A step by step approach in which application developers and CSE field staff work in teams where system deficiencies are identified, modified or fixed, and tested;
- Short-term measurable deliverables detailing the specific tasks and results of the identified processes associated with each task;
- Stringent project tracking using a 40-hour (one week) base measurement to identify problems and to develop and implement corrective measures without any significant loss in time to the project.

- Weekly oversight by the KESSEP Steering Committee, Chief Information Technology Officer, and executive management of SRS through review of project plans, project manager reports, deliverable status reports, etc.

Update: As of April 19, 1999, 67% of the project tasks were completed using 57% of the scheduled duration of the project time. The system is scheduled to be implemented and certified by October 1, 1999.

Independent external quality assurance is provided by Don Heiman, in his role as the Chief Information Technology Officer, who monitors the project's progress in comparison to the project methodology and schedule. This methodology was substantiated by an independent review from Case Masters, a consulting firm. Mr. Heiman receives weekly reports verifying that the application is being built correctly, i.e., according to accepted project management standards. Mr. Heiman receives formal written monthly progress reports from project staff and continues to present the project's progress to the Joint Committee on Information Technology. Validation activities are based on reviews and feedback from OCSE and CSE staff along with an experienced contractor.

Internal quality assurance has been maintained with the continued presence of CSE state staff as project managers, consultations with CSE policy and program staff, and field reviews of work completed. Beginning in January 1999, field reviews have been held weekly with CSE staff from Olathe, Manhattan, the Central Receivables Unit and the CSE Interstate Unit. In August 1999, DynCorp will complete the financial test deck to verify functionality. DynCorp's test scripts have been applied successfully in other states for certification and are approved by OCSE. These test scripts will be modified to include Kansas requirements.

7-15

Update on Federal Proposal to Change Match Rates for Medicaid Administration

Contact: Ann Koci, Commissioner, Adult and Medical Services, 785-296-3981

Information was presented to the Budget Committees earlier in the session regarding a national proposal to reduce federal financial participation for Medicaid administrative costs.

In Congress, both the House and Senate Budget resolutions have approved a reduction of \$4.9 billion in federal funding for Medicaid administration over the next five years, although the reduction methodology has not yet been determined. The reduction will be included in the final FFY99 budget unless removed by the Appropriations committees. If the reduction methodology is a change in cost allocation methods that shifts more eligibility determination costs to the state, the impact on Kansas will be a \$1.6 million reduction in federal funds annually. If it is a one percentage point reduction in the federal share of Medicaid administration costs (from 50 percent to 49 percent, and from 75 percent to 74 percent for the operation of the Medicaid Management Information System), the impact on Kansas would be about \$1.2 million annually.

House Bill 2263 – Medical Assistance Prescription Drug Programs

Contact: Candy Shively, Commissioner, Economic and Employment Support, 785-296-6750

In response to March 4th testimony on House Bill 2263, the sub-committee asked SRS to research the following and report back during the Omnibus session:

- ▶ The medical assistance policies of Iowa, Indiana, North Dakota, Ohio, and Vermont who it is believed allows prescription cost deductions;
- ▶ How a targeted or pilot program could be carried out.

In addition, the sub-committee asked SRS to clarify the ramifications of prospective spenddown deductions of recurring expenses and make a recommendation of the best way to assist elderly and disabled households with high prescription costs.

What Was Learned From Other States

Neither Iowa, Indiana, North Dakota, nor Ohio allows recurring prescription expenses to be deducted prospectively nor do they have an income exemption for high prescription costs. They deduct prescription costs from spenddowns as the costs are incurred in the same manner done by Kansas.

Vermont, on the other hand, has a comprehensive prescription drug program. For persons with income less than 150% of the federal poverty level and no other prescription coverage, Vermont pays the full cost of prescriptions except for a co-pay requirement of \$1 for prescriptions costing less than \$30 and \$2 for prescriptions costing \$30 or more. This program is funded through a federal/state match. For persons whose income exceeds 150% of poverty but is less than 175% of poverty, there is a state-funded prescription program which requires a 50% co-pay. These prescription programs are totally separate from the Medicaid program. If a beneficiary of the prescription program is on a spenddown for Medicaid eligibility, the amount of the co-payment from the prescription program is applied toward the spenddown.

The prescription program for those with income less than 150% of poverty has an average enrollment of 6,398 persons for a cost of \$6.7M per year. The prescription program for those with income between 150% and 175% of poverty has an average enrollment of 1,804 with an annual cost of \$536,469.

7-17

In addition to these prescription programs, Vermont provides Medicaid coverage for pregnant women up to 200% of poverty and for children up to 300% of poverty. For adults with children whose income is less than 185% of poverty and for adults without children whose income is less than 150% of poverty, Vermont provides a comprehensive managed care health insurance program, known as Health Access, if the adults are not eligible for Medicaid and have had no other health insurance coverage in the past 12 months.

Vermont receives federal matching funds for its prescription program and Health Access program due to a federal 1115 waiver from the Health Care Financing Administration (HCFA). According to an official from HCFA, all 1115 waivers must still be cost neutral. Vermont established cost neutrality for its waiver by adopting these expanded programs at the same time the state switched to managed care, which gave them the significant savings needed for cost neutrality. HCFA does not believe Kansas, or any other state which has already implemented managed care, can now come up with the amount of savings necessary to adopt a program similar to Vermont's.

In addition to its separate prescription program, Vermont also allows recurring non-prescription medications, such as aspirin and laxatives, to be deducted prospectively from spenddowns. Vermont looks at prior usage to estimate the deduction for the next spenddown period. Non-prescription medication is such a small expense in comparison to others that Vermont says prospective deductions has had a minimal fiscal impact but does make it easier administratively for both clients and staff.

Other Waiver Options

An up-front income exemption related to prescription drugs costs would require an 1115 waiver from HCFA. The waiver would have to be cost neutral. It is unlikely the state could come up with enough savings from other medical programs or policies to submit a cost neutral waiver proposal. HCFA has told us they absolutely will not approve a waiver request that is not cost neutral. They also will not approve a waiver which makes less people eligible for medical assistance or services than is currently eligible.

Prospective Spenddown Deduction

A prospective spenddown deduction is our only viable option for handling prescription costs differently than we do now for the elderly and disabled medical assistance recipient. This policy would be implemented by looking at an individual's prescription expenses in the last six months or so. This documentation would most likely be obtained from a print-out of pharmacy records. Any prescription which is recurring on a routine basis could then be deducted immediately from the spenddown. In most instances, this would result in an individual receiving a medical card earlier in their spenddown period. It would not result in their spending less money for prescriptions than they did prior to this change; those recurring prescription costs would remain their responsibility to pay. At the end of the six month spenddown period, staff would have to

compare anticipated recurring prescription costs to actual prescription costs. They would then have to reconcile the difference, most likely in the next spenddown period. This policy could be adopted with a rules and regulation change and would have no fiscal impact as the recipients remain responsible for the same amount of their own medical expenses.

Conclusion

The state could choose to allow the prospective deduction of recurring prescription costs from spenddown. While this may allow some recipients to get a medical card earlier in the spenddown period, it will not change the amount of their income which must be used to pay for prescription drugs. While having a medical card in hand is often necessary for low-income families and pregnant women to get a doctor to see them, it is not of much benefit to the elderly and disabled population who usually have Medicare which allows them access to doctors and hospitals. Since this procedure will not meet the objective of the legislation, the agency is not in favor of adopting it at this time.

Any other options the state could take to help the elderly and disabled with the high cost of prescription drugs over and above what Medicaid currently pays for would require the use of state only funds. The cost neutrality requirement of the 1115 waiver process precludes the use of federal funds for this purpose.

The only other option open to the state which does not require a federal waiver is to increase the amount of the protected income level. Currently, the amount of income which is protected from being considered available to meet medical expenses is \$475 for one individual. If this amount was raised, spenddowns would be lower and individuals would not be required to put so much of their own money toward prescription costs. However, the amount of the protected income level is established by federal law as a percentage of the TAF grant. Therefore, to raise the protected income level for the elderly and disabled medical assistance recipient requires an increase in the TAF grant. This is not a recommendation the department is willing to make at this time.

It is obvious that there are no easy answers for the state in helping the elderly with the high cost of their prescriptions. Making any changes to reduce the prescription expense for the elderly has ramifications across many programs. These ramifications must be weighed carefully before acting. The agency recommends making no changes at this time.

Although there are no good options open to the state in providing more help to the elderly and disabled with their high prescription drug costs, there is an alternative open to Congress. Congress could add a pharmacy rider to the Medicare Program for persons whose income falls below a specified level of poverty, such as 185% or 200% of the federal poverty guidelines. Kansas could take a pro-active stance on this and actively lobby the Kansas Congressional delegation and others to pursue this option. It is likely that research would show this to be a cost neutral benefit for Congress to adopt. In Kansas we have certainly seen that a decrease in pharmacy coverage is directly related to an increase in emergency room, hospital, and long term costs. As Congress looks at overhauling the Medicare Program, this is an alternative that should be given consideration.

7-19

Kansas Must Have a Support Payment Center by October 1, 1999.

Contact: John Badger, Chief Counsel, SRS Legal Services, 785-296-3967

Background: For general information about the Kansas Payment Center for child support, see the original summary of issue in the January 7, 1999, SRS Briefing Handbook (Legal Division, CSE Program).

PROGRESS REPORT:

Legislation. A *proviso* is still needed to address the authority of the Supreme Court to redirect payments to the Kansas Payment Center when there is no income withholding order. We have made a commitment to OJA to seek this measure during Omnibus. Also, we will need substantive legislation during the 2000 session to make the authorization permanent.

Provided, that the supreme court is authorized to adopt a rule or administrative order directing payments of support, made pursuant to any order entered in this state regardless of the date of the order, to be made to a central unit for the collection and disbursement of support payments notwithstanding any provision of law to the contrary.

Budget.

- *IV-D fee increase from 2% to 4%.* The probable effective date is 9/1/99, rather than 7/1/99 as previously assumed. Material delay in getting approval from Department of Administration or the Attorney General could push the effective date further back. Revised (net) state revenues projected from the increase: **\$756,000** for FY2000. (Original estimate was \$952,000.)
- *Cash flow (FY2000).* Policy Studies, Inc. (PSI), the vendor helping to write the RFP work specifications, has estimated that the start-up costs of the KPC vendor will be about \$750,000. PSI can structure the RFP to require the KPC vendor to incorporate all or part of the start-up costs into operating fees/transaction costs, reducing or eliminating outlays during the first half of FY2000.

RFP Development. The KPC Work Team has adopted an aggressive schedule (attached), which was furnished to JCIT at its March 12 meeting. Under this schedule, the RFP will be issued in early June. Although not in time to produce solid cost information for Omnibus, the bid information should be available in time for the JCIT progress report, tentatively set for September.

Work on the RFP text proceeds on schedule. PSI has assured us that Kansas is likely to receive three or more bids from experienced vendors. Also, a statistical survey of the clerks of court has been completed by OJA, for data needed in the RFP. The clerks were unable to furnish the kind of information needed to identify nonmandated payments, unfortunately, so the survey did not help us quantify costs not eligible for FFP.

Kansas Central Payment Center / RFP Development

12-1

Department of Social and Rehabilitation Services
Rochelle Chronister, Secretary

Description Task	1999						
	March	April	May	June	July	August	September
Contract With PSI	△ March 15						
RFP Requirements Definition	◀────────▶ March 15	▶────────▶ April 15					
RFP Development		▶────────▶ April 16	▶────────▶ May 14				
Agency Review of RFP			▶────────▶ May 14	▶────────▶ June 4			
Release RFP				△ June 4			
Bidder's Conference				△ June 16			
Bid Close					△ July 16		
Agency Review of Vendor Proposals					▶────────▶ July 16	▶────────▶ August 15	
Select Vendor						△ August 15	
Vendor Negotiations						▶────────▶ August 15	▶────────▶ September 1
Vendor Contract Completed							△ September 1
Start Preparations KPC							△ September 1
Schedule JCIT Briefing							△ September 1

Omnibus Follow-Up
April 22, 1999

Page 22

Status of the Low Income Energy Assistance Program (LIEAP)

Contact: Candy Shively, Commissioner, Economic and Employment Support, 785-296-6750

The following summary provides clarification on the status of the Low Income Energy Assistance Program. SRS has confirmed with the Department of Health and Human Services that the Administration's FY 2000 budget includes continued level funding for energy assistance. The President's budget also recommends small increases in subsequent years.

The House attempted to eliminate the program in FY 1999, but the Senate restored and increased the funding by 10% over FY 1998 funding. The Kansas portion of the FY 1999 funding was \$9.1 million.

LIEAP provides an annual benefit averaging \$280 to help pay home energy costs. The program targets working families going off welfare, elderly persons living on "low end" Social Security benefits, disabled and other low income individuals. The federally funded program compliments welfare reform efforts by helping to provide home heating energy while the family is attempting to make ends meet. Kansas has a state-added provision which requires households to demonstrate a history of self-payments prior to receiving energy assistance. Benefits are used for the intended purpose since payments are made directly to the utility or other fuel provider.

Welfare-to-Work Substance Abuse Initiatives

Contact: Candy Shively, Commissioner, Economic and Employment Support, 785-296-6750

This testimony will discuss coordination between SRS Alcohol and Drug Abuse Services (ADAS) and the Kansas Department of Human Resources (KDHR) for the purpose of funding TANF substance abuse initiatives with Welfare-to-Work funds.

Currently, Welfare-to-Work program participants are individuals who have been screened for alcohol and/or drug problems during the time they were receiving TANF case management services (prior to becoming Welfare-to-Work participants). Those individuals who are identified as having alcohol and/or drug concerns are referred to the local Regional Alcohol and Drug Assessment Center for further testing and placement in alcohol and/or drug treatment activities. During and/or following treatment, these TANF individuals may be referred to Welfare-to-Work if they meet the Welfare-to-Work criteria. If a TANF participant has alcohol and/or drug issues which are not uncovered prior to Welfare-to-Work participation, and while participating in Welfare-to-Work activities is subsequently identified as needing alcohol and/or drug intervention, a referral to the Regional Alcohol and Drug Assessment Center is made by either the Welfare-to-Work provider or the TANF case manager.

A discussion of funding TANF initiatives with Welfare-to-Work dollars elicits the following points:

- Our experience has shown that the majority of TANF participants do not meet the criteria for participation set forth in the Welfare-to-Work regulations which state that 70% of Welfare-to-Work funds must be spent on individuals who meet the following criteria:
 - Must be a TANF recipient or a non-custodial parent whose minor child is a TANF recipient
 - Must have received TANF (or AFDC) for 30 months or be a non-custodial parent whose minor child or custodial parent has received AFDC/TANF for 30 months
 - Must have a least two of the following barriers:
 - no high school diploma/GED **and** low skills in reading or math;
 - needs substance abuse treatment for employment
 - a poor work history
- Neither KDHR nor SRS has the authority to decide how Welfare-to-Work funds will be spent. That authority resides with the Private Industry Councils. Although substance abuse is listed in the Welfare-to-Work regulations as a criteria for referral and as a possible focus of the 15% grant funds, Kansas Private Industry Councils and potential grantees have not chosen to focus their efforts in this direction. The Governor can earmark 15% of Welfare-to-Work funds for substance abuse initiatives but the population served must still meet the 70% spending criteria.

Youth Treatment Results for House Appropriations

Contact: Andrew O'Donovan, Commissioner, Alcohol and Drug Abuse Services,
785-296-3925

The attached two documents provide information about the 1,645 youth who received alcohol and drug treatment services in Fiscal year 1998:

- The average age at admissions was 14.7
- 71.6% were male and 28.3% were female
- Marijuana and alcohol were the primary drug problems
- School absences, school suspensions, and drug use decreased following treatment.

Foster Care and Adoption – Business Plan Update

Contact: Joyce Allegrucci, Commissioner, Children and Family Services, 785-368-6448
 Laura Howard, Special Assistant to the Secretary, 785-296-6218

RECENT ACTIVITIES

The business plan process has been intense and ongoing. The following chronology summarizes the process and status of contractor business plans.

Contractor	<i>Meeting with Commissioner</i>	<i>Pre-Business Plan and Business Plan Process</i>	<i>Business Plan Presented to Secretary</i>	<i>Next Monitoring Meeting of Original Team</i>
<i>Foster Care:</i>				
United Methodist Youthville (UMY)	February 24	Feb. 1 - 4 Feb. 12	Feb. 16	April 1 July 1
Kaw Valley Center	February 22	March 9 - 11 April 6	April 26	June 9
KCSL	March 4	March 18, 29, 30, April 14	April 28	July 15
<i>Adoption:</i>				
Lutheran Social Service (LSS)	March 3 March 22 - 25	March 3 March 22 - 25 April 14, 21	April 28	TBA

Meetings with Commissioner. Commissioner Allegrucci met with each contractor to discuss the business planning process and to make clear the expectation that contracts for Year 4 would be based on the business plans, with payments related to debt reduction and deficit tied to achieving the financial and programmatic targets in the business plan.

Pre-Business Plan and Business Planning Process. The business plan process differed at each contractor based on the contractor's financial and programmatic status. At each foster care contractor, the SRS team included the Social Service Chiefs from each area office within the contract region. For the adoption contract, the team included two Social Service Chiefs and an SRS area office adoption contract specialist.

7.25

MONTHLY REPORTING

The first monthly report from Youthville for performance in the month of February was presented in the follow-up team meeting in Newton on April 1. The draft monitoring report will be the management tool which UMY uses centrally and in the field in managing its operations. As the report shows, in the first month of operations under the business plan:

- Referrals exceeded projections by 4
- Permanencies exceeded projections by 24, for a net caseload reduction of 20
- Expenditures for the month exceeded the amount in the business plan by \$31,477
- Average daily use of psychiatric beds declined to an average of 21 beds per day, exceeding the business plan target of 27 for February

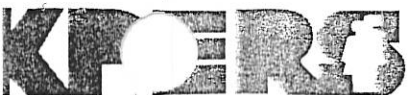
Each contractor, as a part of its business plan process is developing its tracking tool. At a minimum, when the process is completed this month, we will have the following elements to present in the monthly accountability report for each contractor:

- Expenditures projected by month through June, 00
- Revenue projected by month through June, 00
- Referrals and Permanencies/Placements/Finalizations by month through June, 00
- Monthly performance targets for key categories impacting contractor cost in each specific business plan. Common areas are: use of inpatient psychiatric beds; percentage of caseload in residential facilities compared to family-based; and foster family recruitment.
- Narrative which describes corrective action plans when necessary

The original teams will meet on at least a quarterly basis to review performance under the business plan. If performance lags, the teams will reconvene earlier to develop new strategies and corrective action plans.

NEXT STEPS

April 30	Finalize Business Plans
Mid-May	First monthly reports due to SRS from all foster care and adoption contractors
May - June	Year 4 Contract Negotiations for Foster Care and Adoption Contracts will fit within budgetary limits Linking payment to business plan performance Inclusion of financial reporting requirement



Kansas Public Employees Retirement System

April 14, 1999

Senator Dave Kerr, Chairman
Senate Ways and Means Committee
Room 120 South
State Capitol
Topeka, Kansas 66612

Dear Senator Kerr:

The Retirement System respectfully requests your review of two budgetary issues upon your return to Topeka. The first item is a technical amendment regarding the KPERS Technology Project. The remaining item consists of the updated manager fee estimates for Fiscal Years 1999-2000.


The appropriations limitations for the KPERS Technology Project are \$2,400,000 for the fiscal year ending June 30, 1999 and \$600,000 for the fiscal year ending June 30, 2000. A technical amendment is requested to allow the unencumbered appropriations as of June 30, 1999 to be carried over to the fiscal year ending June 30, 2000. The purchases for certain equipment and services previously planned for Fiscal Year 1999 will be ordered in the first quarter of Fiscal Year 2000.

Please find attached an updated schedule projecting investment related expenses for the fiscal years ending June 30, 1999 and June 30, 2000. The estimate for the fiscal year ending June 30, 1999 is \$22,968,648 and is less than the current limitation of \$24,084,723. The revised estimate for investment related expenditures for the fiscal year ending June 30, 2000 is \$24,455,059. This is a decrease of \$348,485 from the Governor's recommendation of \$24,803,544.

If you have questions regarding these issues, please give me a call. As always, I am available at your convenience.

Thank you for your assistance.

Sincerely,


Meredith Williams
Executive Secretary

attachment

cc: Julian Efird, Legislative Research
Greg Tugman, Budget Division

611 S. Kansas Ave. Suite 100 ■ Topeka, Kansas 66603-3803 ■ Phone (785)
Facsimile: (785) 296-2422 ■ E-mail: kpers@kpers.com ■ Home Page: www.kpers.com
Toll Free 1-888-275-5737

Senate Ways and Means Committee

Date 4/22/99

Attachment # 8-1

Kansas Public Employees Retirement System
 INVESTMENT RELATED EXPENSES - EXTERNAL MANAGERS
 BUDGET ESTIMATES FY 1999 / FY 2000

Apr-14-99

	<u>STARS Actual</u> FY 1998	<u>Current</u> <u>Limitation</u> FY 1999	<u>Aug-20-98</u> <u>Projected (a)</u> FY 1999	<u>Apr-14-99</u> <u>Projected (a)</u> FY 1999	<u>Apr-14-99</u> <u>Estimated (a)</u> FY 2000
Publicly Traded Mgmt Fees	\$ 16,432,048	\$ 18,067,973	\$ 17,665,773	\$ 16,642,722	\$ 18,154,559
Real Estate Mgmt Fees	1,313,380	1,372,000	1,372,000	1,470,000	1,521,000
Direct Placement Mgmt Fees	1,559,500	1,776,250	1,776,250	1,760,675	1,740,000
Direct Placement Expenses	82,340	100,000	100,000	100,000	100,000
Custodial Bank Fees	960,040	950,000	950,000	1,000,000	1,000,000
Investment Consultant Fees	331,898	318,500	318,500	366,250	439,500
Investment Related Litigation	1,076,890	1,500,000	1,500,000	1,629,000	1,500,000
Total Investment Related	<u><u>\$ 21,756,095</u></u>	<u><u>\$ 24,084,723</u></u>	<u><u>\$ 23,682,523</u></u>	<u><u>\$ 22,968,648</u></u>	<u><u>\$ 24,455,059</u></u>
FYE Net Asset Value Used	8,819,345,594	9,724,517,663	9,524,814,110	9,838,267,492	10,624,818,333
Cash Expenses Percent of Assets	0.2467%	0.2477%	0.2486%	0.2335%	0.2302%



April 20, 1999

To: Joint Committee on Pensions, Investments, and Benefits

From: Julian Efird, Principal Analyst

Re: Funding Status of the KPERS Death and Disability Benefits Program

The KPERS actuary reported to the Board of Trustees at the April 16, 1999, meeting on the KPERS Death and Disability Benefits Program. The annual actuarial valuation indicates that the disability reserve was overfunded by \$51,144,034 as of June 30, 1998. The Security Benefit Group which administers the program estimated overfunding at \$42,850,597.

The KPERS actuary told the Board of Trustees that the present employer contribution rate for covered payroll is 0.6 percent (0.4 percent for Judges), and that the group insurance reverse balance was \$181.2 million as of June 30, 1998. On that date, the actuarial value of liabilities was \$130.1 million. The difference is \$51.1 million, or the amount of overfunding.

The normal cost for death and disability benefits was calculated by the KPERS actuary at 0.61 percent, exclusive of the overfunding being considered. If the reserve overfunding is applied, the employer contribution rate would be 0.55 percent.

Two policy options may be considered—do nothing or modify the current situation. The KPERS actuary notes that the "\$51.1 million provides a margin for years where the experience of the fund is worse than expected or for years where the 0.6 percent contribution is insufficient to cover the true cost of coverage." This information would support the option of doing nothing. However, based on the surplus identified in the actuarial report, several modifications of the present situation are possible.

First, since the statutory employer contribution rate is 0.6 percent of covered payroll, the rate could be reduced to 0.55 percent if the amount of overfunding is retained in the reserve. Second, if the statutory employer contribution rate were left at 0.6 percent, then the amount of overfunding in the reserve could be reallocated for some other purpose, such as reducing the unfunded liability associated with the 1998 KPERS cost-of-living adjustment. That COLA was prefunded with \$20 million and had an \$88 million unfunded liability to be paid over 15 years beginning in FY 2001. The state's employer contribution rate is scheduled in FY 2001 to rise 0.19 percent to pay for the COLA.

Perhaps the Committee may want to address this matter. KPERS staff could be consulted if an option of modifying the present situation is addressed.

#28202.01(4/21/99(3:14PM))

Senate Ways and Means Committee

Date 4/22/99

Attachment # 9



Kansas State Department of Education

120 S.E. 10th Avenue
Topeka, Kansas 66612-1182

April 1, 1999

TO: Carolyn Rampey
Legislative Research Department

FROM: Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: School District Capital Improvement State Aid

A potential problem has arisen concerning the School District Capital Improvement State Aid Program which has been quite successful since its inception in 1992.

Kansas Statutes Annotated 75-2319 was designed to assist school districts with low valuation in the payment of general obligation bonds approved by the voters of the school district for school district capital improvement purposes.

We recently encountered an obscure statute, K.S.A. 12-1769, which allows school districts, and cities, upon voter approval, to issue bonds for the purpose of constructing community buildings. We have always felt that this is not an appropriate expenditure of school district capital improvement state aid, based upon legislative intent.

We believe a proviso in the appropriation bill for these funds could clarify this issue. Perhaps these funds could be limited to the payment of general obligation bonds approved by the voters under the authority of K.S.A. 72-6761, and amendments thereto.

Revisor's Note:

Section was amended twice in 1989 session, see also 12-1767a.

Law Review and Bar Journal References:

Discussion of prior law and 1968 statutory changes. Robert F. Bennett, 37 J.B.A.K. 159, 206 (1968).

Attorney General's Opinions:

Public building commission; elections; cities, power of home rule. 85-152.

12-1767a.

History: L. 1965, ch. 122, § 11; L. 1968, ch. 163, § 2; L. 1981, ch. 173, § 25; L. 1986, ch. 78, § 1; L. 1989 ch. 61, § 5; L. 1989, ch. 62, § 5; Repealed, L. 1990, ch. 75, § 3; July 1.

12-1767b. Same; revenue bonds issued by a county; resolution; protest petition; election. (a) Any revenue bonds proposed to be issued by a public building commission created by a county shall be issued as provided in K.S.A. 10-1201 *et seq.*, and amendments thereto, except to the extent that such statutes are in conflict with this act. Before any revenue bonds are authorized or issued under the provisions of this act, the public building commission shall adopt a resolution specifying the amount of such bonds and the purpose of the issuance thereof. The resolution shall provide that if within 30 days after the last date of publication of the resolution a petition in opposition to the resolution, signed by not less than 5% of the electors of the county is filed with the county clerk, the board shall submit the question to the voters at an election called for that purpose or at the next general election. Such resolution shall be published once a week for two consecutive weeks in the official county newspaper.

(b) No construction contract shall be let or approved by a public building commission until after the expiration of the protest period provided under this section.

History: L. 1989, ch. 61, § 6; L. 1989, ch. 62, § 6; May 11.

12-1768. Same; invalidity of part. If any part or application of this act is held invalid, the remainder of this act or its application to other situations or persons shall not be affected.

History: L. 1965, ch. 122, § 12; June 30.

COMMUNITY BUILDINGS;
JOINT CITY AND SCHOOL

12-1769. Bonds by city and school district for site, construction and equipping com-

munity building; election; joint management. Any city and the school district in which such city is located may jointly acquire a site and construct, furnish and equip thereon a community building upon such terms and conditions as shall be agreed upon by the governing body of such city and the governing board of the school district. Such community building shall be under the joint control and management of the governing body of the city and the governing board of the school district and shall be used for such purposes as said governing body and governing board of the school district shall provide by written agreement.

For the purpose of providing funds to be used for the acquisition of a site, construction, furnishing and equipment of said community building, said city and the school district may each issue general obligation bonds. In addition to funds derived from the issuance of bonds, the city may use any other funds for such purposes as it may have available therefor.

No bonds shall be issued by any city or school district under the authority conferred by this section until the question of the issuance of said bonds shall have been submitted to a vote of the qualified electors of such city for city bonds and the qualified electors of the school district for school district bonds at a regular city or regular school district election, as the case may be, or at a special election called for that purpose and unless a majority of those voting on the question shall have declared by their votes to be in favor of the issuance of said bonds: *Provided*, That neither the city nor the school district may issue bonds unless both elections carry. Such bond election shall be called and held and said bonds shall be issued, registered, sold, delivered and retired in accordance with the provisions of the general bond law. All bonds issued under the authority conferred by this act shall not be subject to or within any bonded debt limitation provided by any other law of this state. "School district" as used in this act means any district or political subdivision organized to provide grade, high, extension, college or vocational instruction and having the power to issue bonds, levy taxes and hold elections.

History: L. 1949, ch. 178, § 1; L. 1965, ch. 140, § 1; June 30.

Research and Practice Aids:

Municipal Corporations § 918(1).

C.J.S. Municipal Corporations § 1920 *et seq.*



Supreme Court of Kansas

Kansas Judicial Center

Topeka, Kansas 66612-1507

April 22, 1999

KAY MCFARLAND
Chief Justice

(785) 296-5322

Hon. Dave Kerr
300 SW 10th Avenue, Room 120-S
Topeka, KS 66612-1504

Dear Senator Kerr:

I am writing to request the addition of language to the Omnibus appropriations bill regarding the \$800,000 salary pool approved for the FY 2000 Judicial Branch budget.

As you know, proviso language currently included in 1999 SB 325 gives the Supreme Court the discretion to authorize expenditures for an additional amount of compensation for appellate judges and judges of the district court, not to exceed \$800,000. The Governor's recommendation to the 1999 Legislature included the \$800,000 for a judicial salary increase pool, and both the House and Senate concurred with using the funding for a judicial salary pool. In keeping with the recommendations of the Governor and the Legislature, it is our intent to use the \$800,000 salary pool to provide an annual salary increase of \$3,218 for each Supreme Court justice, Court of Appeals judge, and district judge, and an annual salary increase of \$1,609 for each district magistrate judge.

Because the Kansas Constitution provides that justices of the Supreme Court and judges of the district court "shall receive for their services such compensation *as may be provided by law*," it would seem appropriate that additional language regarding these salary increases be added to the Omnibus appropriations bill. I would suggest that proviso language similar to the following could be added to the judiciary operations account of the State General Fund for the Judicial Branch:

Expenditures shall be made from this account for an additional amount of compensation for each justice of the supreme court and for each judge of the court of appeals, and for each district judge in an amount for each justice or judge equal to \$3,218 that is payable to each justice or judge for each payroll period chargeable to fiscal year 2000.

Provided further, that expenditures shall be made from this account for an additional amount of compensation for each district magistrate judge equal to \$1,609 that is payable to such district magistrate judge for each payroll period chargeable to fiscal year 2000.

Thank you for your attention to this matter. As always, should you have any questions or if any additional information would be helpful to you, please feel free to contact me.

Sincerely,

Handwritten signature of Kay McFarland in black ink.

Kay McFarland
Chief Justice

Senate Ways and Means Committee

Date 4/22/99

Attachment # 11

KMcF:ps

Office of the Secretary
Kansas Department of Revenue
100 SW Harrison St.
Topeka, KS 66612-1588



Office of the Secretary

(785) 296-3041
FAX (785) 296-7928
Hearing Impaired TTY (785) 296-3909
Internet Address: www.ink.org/public/kdor

To: Duane Goossen
Division of the Budget

Ben Barrett, Director
Legislative Research Department

Senator David Kerr, Chairperson
Senate Ways and Means Committee

Senator Christine Downey
Senate Ways and Means Committee

Representative Phil Kline, Chairperson
House Appropriations Committee

Representative Henry Helgerson
House Appropriations Committee

From: Karla Pierce
Secretary of Revenue

Date: April 14, 1999

Subject: Computer Programming Hours Attributable to 1998 Senate Bill No. 493

The Department of Revenue shall report, as required by Section 44 of Senate Substitute for House Bill No. 2895, the number of hours of additional computer programming attributable to the changes in the law enacted by 1998 Senate Bill No. 493. Reported below are the number of hours for March. With this being the final report the total hours are also shown.

March 1999	968.5
Total Hours	25,534.5

Senate Ways and Means Committee

Date 4/22/99

Attachment # 12-1

APR 22 1999

STATE OF KANSAS
Graves, nor

DEPARTMENT OF REVENUE
Karla J. Pierce, Secretary

Office of the Secretary
Kansas Department of Revenue
5 SW Harrison St.
Topeka, KS 66612-1588



Office of the Secretary

(785) 296-3041
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To: Duane Goossen, Director
Division of the Budget

Ben Barrett, Director
Legislative Research Department

Representative Phil Kline, Chairperson
House Appropriations Committee

Senator David Kerr, Chairperson
Senate Ways and Means Committee

From: Karla Pierce
Secretary of Revenue

Date: April 13, 1999

Subject: Revenue and Expense Report for Project 2000

The Department of Revenue shall report on April 10, 1999, all revenue deposited and amounts expended from the Automated Tax System Fund per 1998 Senate Bill 495 Section 107 (f). The following table shows those amounts as of March 31, 1999.

Month/Year	Deposits into ATS Fund	Disbursements	Fund Balance
FY 96	5,885,706	1,287,978	4,597,728
FY 97	11,739,800	14,280,793	2,056,735
1st Qtr FY 98	1,674,661	2,428,592	1,302,804
2nd Qtr FY 98	3,000,271	2,941,158	1,361,917
3rd Qtr FY98	3,874,949	3,569,659	1,667,207
April 1998	4,899,865	528,870	6,038,202
May 1998		4,191,777	1,846,425
June 1998	9,761,612	332,437	11,275,600
July 1998		8,367,482	2,908,118
August 1998		258,258	2,649,860
September 1998	1,852,131	1,732,466	2,769,525
October 1998	1,298,973	1,144,992	2,923,506
November 1998	645,464	1,011,737	2,557,233
December 1998	1,509,695	1,218,089	2,848,839
January 1999		1,315,317	1,533,522
February 1999	1,734,036	1,748,363	1,519,195
March 1999	2,222,634	2,478,539	1,263,290
Totals	50,099,797	48,836,507	



BILL GRAVES
Governor

Juvenile Justice Authority

Albert Murray, Commissioner

Jayhawk Walk
714 SW Jackson, Suite 300
Topeka, Kansas 66603
Telephone: (785) 296-4213 FAX: (785) 296-1412

SENATE WAYS AND MEANS COMMITTEE

22 APRIL 1999

TESTIMONY

Good evening Chairman Kerr and committee members. For the sake of brevity, I will confine my prepared comments to those budget matters that remain under discussion or are of special interest and concern. More specifically, I am referring to the budget for funding the community plans and the facilities master plan. I will, of course, answer any and all questions on any aspect of the agency's budget following my brief comments.

Funding Community Plans:

Of special concern is the funding of the community plans for those programs and services identified in the Comprehensive Community Plans as submitted by the 29 Community Planning Teams. More precisely, the agency's budget for community based juvenile justice services includes new monies to fund prevention programs and to create or expand immediate intervention and graduated sanctions programs. The budget also includes funding to maintain core programs, such as juvenile intake and assessment (JIAS), juvenile intensive supervision (JISP), and case management services for juvenile offenders in the state custody. The latter includes the cost for purchased services for juveniles in custody. Funds for existing core programs, graduated sanctions, immediate intervention and prevention services will be allocated to each judicial district based on a formula. The purchase of service funds will be managed by JJA. The amounts that follow include recommended funding included in the Governor's Budget Amendment.

Prevention

\$4,000,000

A major initiative of the reform act is the development of prevention programs as a part of the continuum of juvenile justice services. The prevention programs funded by JJA will be expected to reflect a history of research based effectiveness and demonstrate how the programs will address risk factors as well as community protective factors that will help reduce juvenile crime. The agency's budget for prevention is well supported and unchanged from the amount contained in the *FY2000 Governor's Budget Report*.

Senate Ways and Means Committee

Date 4/22/99

Attachment # 13-1

Core Programs**\$15,547,000**

The core programs are those services that are statutorily required to be included in community based juvenile services which include juvenile intake and assessment, juvenile intensive supervision (often referred to as juvenile community corrections), and case management supervision for juvenile offenders in state custody. These are services that are presently operating in all judicial districts and will need to continue operation for FY 2000. The amount recommended is a \$1.9 million increase from FY 1999. This increase will allow the core programs to maintain current service levels while assuming supervision of the additional juvenile offenders projected to be assigned in FY 2000.

New and Expanded Programs**\$3,737,416**

A major goal of the community planning process was the identification of the needs of youth and communities and the types of programs that might best meet those needs. The funds in this category will be for expansion or enhancements to existing intervention and graduated sanction programs as well as starting new programs. These programs are crucial to the local entities' ability to supervise juveniles in the community rather than placing them in out of home residential facilities or state juvenile correctional facilities. The amount includes \$2 million recommended as a Governor's Budget Amendment.

Purchase of Services**\$17,687,380**

Purchase of service funding is used for juvenile offenders placed in the custody of the Juvenile Justice Authority who have been determined to need additional community support services. Examples of the purchased services are counseling, drug/alcohol treatment, mental health services and out-of-home residential placement services. The amount includes \$3,310,143, recommended as a Governor's Budget Amendment for purchased services and essentially, provides that amount to address projected caseload increases and to increase per diem rates for service providers.

Summary:

To summarize, the total request to fund community plans is \$40,971,796. The agency's recommended budget for community programs differs only slightly from the Senate's current appropriation position. The most notable difference being the agency's recommended budget request of \$1,039,580 more for new and enhanced programs over the Senate's current position.

Juvenile Correctional Facilities Master Plan

Other issues of particular concern and discussion have been the proposals for increasing the capacity of the state's juvenile correctional facility system. To put this in context, according to the most recent population forecasts, Kansas can expect the average daily population in the state juvenile correctional facilities to reach 661 by FY 2003, and 843 by FY 2008. These population figures are based on the implementation of the placement matrix on July 1, 1999. (See attachment 1.) Based on the expected population increases and the profiles of the expected population, it is the agency's recommendation that plans begin in Fiscal Year 2000 to do the following:

1. Expand capacity to ensure there are available beds in the juvenile correctional facility system for the increase in population projected through FY 2004.
2. Ensure there are sufficient maximum-security beds to provide the appropriate level of safety and security for offenders who require a more secure environment for programming.

The agency strongly recommends that these two needs be met as indicated in the Governor's Budget. The appropriation of \$2.1 million for FY 2000 is necessary to begin the architectural design for a 225-bed facility. This facility will be designed and constructed to meet the needs outlined above. This facility will also accomplish the following:

1. It will add 225 beds to the existing 519 beds, for a total bed capacity of 744.
2. 150 maximum-security beds will meet the programming needs of offenders who require a more secure environment as outlined in the facilities master plan.
3. 60 beds will meet the classification and diagnostic services for all offenders entering the juvenile correctional facilities, and
4. 15 infirmary beds will meet the needs of seriously, chronically ill and pregnant offenders who require long term medical care.

I am aware that there is at least one other proposal under consideration by the Legislature. As the Commissioner of the Juvenile Justice Authority and a veteran juvenile correctional professional, I strongly recommend that you pass the plan recommended by JJA and submitted to you in the Governor's Budget. I have testified before you on several occasions, sharing information with you that substantially justifies the agency's plan. Today, I will quickly summarize why the agency plan should be implemented by noting seven key points.

1. The agency plan was developed based on solid data and research. Institutional program staff and juvenile facility planning professionals spent considerable time, in a thorough process to develop the agency plan. The result is a plan that best meets the needs of juvenile offenders, provides ease of management for staff and allows for the safest environment for offenders, staff and the public, while making the most appropriate use of the existing facilities.
2. With the implementation of the alternative plan, construction will cost significantly more than under the JJA plan. Information regarding the JJA plan is based on solid architectural design and cost models for this state as done by Gary LaShell, SRS staff architect, and validated by Thaine Hoffman, Chief Architect of the State of Kansas. We respectfully disagree with the cost estimates used in the alternative plan.
3. The alternative plan would build 901 beds by 2004. This results in 175 more beds than needed under current population projections through the year 2004. The agency plan provides the beds needed through 2004 and allows for future assessment of bed needs before investing additional construction dollars.
4. Operational costs for operating four separate maximum custody facilities as recommended in the alternative plan are significantly higher than that of operating one facility because more staff are required system-wide. This cost will be on going throughout the life of the structures, which could be upward of 50-75 years.
5. Location of maximum-security beds at Atchison, as recommended in the alternative plan, would require significant expense for a security fence around the campus, which is not included in the plan. Even if a fence is built around only the maximum-security area, the facility would require a significant increase in staff, to control ingress and egress through the controlled area. Further, the architects have indicated that suitable ground on which to build is not available at Atchison because of the terrain.
6. Small facilities are more expensive to build based on square footage cost. They require redundancy in support systems and equipment. It is inefficient to operate these types of facilities on a system-wide basis; for example, staffing costs are much higher. They are more expensive to maintain than a single facility over the long term.
7. The placement matrix will become effective July 1, 1999 and is intended to place only the most violent, serious and chronic juvenile offenders in the juvenile correctional facilities. The JJA proposal recommends the implementation of a classification-based system that will provide maximum safety and security for the staff, offenders and the public. It is the most effective system to be utilized in juvenile correctional facilities that are required to program violent offenders. Age, maturity level and gender will be effectively managed within the

classification-based system. If juvenile justice is to be effective in our facilities, safety and security must be the number one priority.

The agency recommended master plan is more cost efficient to build and operate than the alternative proposal. Additionally, the agency proposal provides a new vision for the operation of the current facilities. With a separate facility for the maximum security and reception and evaluation unit, the current facilities can be allowed to pursue a mission better suited for the design of those facilities.

As an aside, apart from the customary increases in operational and personnel costs, the FY 2000 request includes \$748,000 to expand, internally and temporarily, the Topeka facility by 50 beds, and with the Governor's Budget Amendment \$459,000 would be utilized for operating costs for the Grandview Cottage at the Beloit facility. Please note that these are operating costs, not capital improvement costs.

Closing:

In closing, I request and urge your support for passage of the agency's budget. The two areas I have discussed are of critical importance. Juvenile justice reform has two arenas in which to effect change. One arena is the community. Here reform calls for a new way to plan for and deliver community based services. The other arena is the state juvenile correctional facilities. Here reform calls for a new way to plan for and operate the juvenile correctional facility system. Both arenas are critically important to fulfill the agency's mission to maintain public safety. This year's budget will set the pace for what can happen in the communities. It will also set the course, one that will be very difficult and expensive to change, for our juvenile correctional facility system for decades to come. Thank you for your attention.

KANSAS JUVENILE CORRECTION FACILITIES**Projected Offender Population FY 1999- FY 2008
Placement Matrix Forecast
Implemented on July 1, 1999**

Fiscal Year	Monthly Average	Monthly Low	Monthly High	End of FY
1999*	571	535	630	551
2000	389	354	476	427
2001	491	440	542	542
2002	578	548	615	615
2003	661	626	684	680
2004	727	684	764	764
2005	801	770	839	839
2006	822	811	841	831
2007	829	812	845	830
2008	843	832	858	854
Total Percent Growth FY 2000 - FY 2008	47.6%	55.5%	36.2%	55.0%
Average Yearly Percent Growth FY 2000 - FY 2008	6.0%	6.9%	4.5%	6.9%

*. Projected populations are under current policy. Starting from FY 2000, population projections are under placement matrix.

State General Fund Profile
FY 1998 - FY 2004

Governor's Recommendation Except:
State Highway Fund Demand Transfer Capped FY 00 and FY 01 Then 7.628%
Revised Consensus Revenue Estimates as of April 2, 1999
No Tax Reductions
Legislative Action on S.B. 325; Plus Senate Rec. on JJA
All Demand Transfers as Expenditures
Tobacco Settlement Starting in FY 2001 (Current Law 50%)

	Actual FY 1998	Increase	Revised FY 1999	Increase	Projected FY 2000	Increase	Projected FY 2001	Increase	Projected FY 2002	Increase	Projected FY 2003	Increase	Projected FY 2004	Increase
Beginning Balance(a)	\$528.6		\$756.7		\$581.6		\$386.7		\$336.3		\$343.7		\$360.7	
RECEIPTS:(b)	4,027.2	9.3%	4,055.5	0.7%	4,229.8	4.3%	4,398.1	4.0%	4,579.4	4.1%	4,776.3	4.3%	4,981.6	4.3%
Tobacco Settlement	0.0	0.0	0.0	0.0	0.0	0.0	65.0	65.0	34.5	(30.5)	35.0	0.5	29.0	(6.0)
Revenue Transfer for Children's Health Care Programs Fund	0.0	0.0	0.0	0.0	(9.5)	(9.5)	0.0	9.5	0.0	0.0	0.0	0.0	0.0	0.0
Other Revenue Adjustments	0.0	0.0	(1.2)	(1.2)	(8.3)	(7.1)	0.1	8.4	1.6	1.5	0.0	(1.6)	0.0	0.0
Adjusted Receipts	4,027.2	9.3%	4,054.3	0.7%	4,212.0	3.9%	4,463.2	6.0%	4,615.5	3.4%	4,811.3	4.2%	5,010.6	4.1%
EXPENDITURES:														
Base General and Supplemental School Aid (c)	1,384.0	1.5%	1,419.1	2.5%	1,436.4	1.2%	1,419.9	-1.1%	1,400.6	-1.4%	1,380.0	-1.5%	1,358.7	-1.5%
Additional Base Aid (\$15.00 in FY 2000)	0.0	0.0	0.0	0.0	9.0	9.0	9.0	0.0	9.0	0.0	9.1	0.1	9.1	0.0
Approved Property Tax Relief:														
Approved Mill Levy Reduction (35/20 mills; \$20,000 homestead)	108.7	108.7	266.1	157.4	321.3	55.2	331.6	10.3	342.2	10.6	353.1	10.9	364.3	11.2
Approved Motor Vehicle Property Tax Relief	46.3	24.7	75.5	29.2	103.8	28.3	125.9	22.1	131.8	5.9	137.1	5.3	142.6	5.5
Subtotal - Approved Property Tax Relief	155.0	133.4	341.6	186.6	425.1	83.5	457.5	32.4	474.0	16.5	490.2	16.2	506.9	16.7
Subtotal - Approved General and Supplemental School Aid (c)	1,539.0	153.1 11.2%	1,760.7	221.7 14.4%	1,870.5	109.8 6.2%	1,886.4	15.9 0.9%	1,883.6	(2.8) -0.1%	1,879.3	(4.3) -0.2%	1,874.7	(4.6) -0.2%
Demand Transfers: (e)	205.1	5.4	219.6	14.5	229.0	9.4	234.8	5.8	267.1	32.3	277.6	10.5	288.4	10.8
All Other Expenditures(d)	2,055.0	103.6 5.3%	2,249.1	194.1 9.4%	2,307.4	58.3 2.6%	2,307.4	0.0 0.0%	2,392.4	85.0 3.7%	2,457.4	65.0 2.7%	2,637.4	180.0 7.3%
Available for Other Purposes(g)	0.0	0.0	0.0	0.0	0.0	0.0	85.0	85.0	65.0	(20.0)	180.0	115.0	195.0	15.0
TOTAL Expenditures	3,799.1	263.3 7.4%	4,229.4	430.3 11.3%	4,406.9	177.5 4.2%	4,513.6	106.7 2.4%	4,608.1	94.5 2.1%	4,794.3	186.2 4.0%	4,995.5	201.2 4.2%
Ending Balance(f)	756.7		581.6		386.7		336.3		343.7	57.8	360.7	9.6	375.8	(1.9)
Percent of Expenditures	19.9%		13.8%		8.8%		7.5%		7.5%	7.5%		7.5%	7.5%	
Receipts in Excess of Expenditures	228.1		(175.1)		(194.9)		(50.4)		7.4		17.0		15.1	

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NOTES:

Includes released encumbrances in FY 1998 and FY 1999.

b) Receipts are actual for FY 1998. Receipts for FY 1999 and FY 2000 reflect the April 2, 1999 consensus revenue estimates, as adjusted by the Governor. The adjustments include the tobacco settlement (starting in FY 2001) which reflects the full 50 percent transfer to the State General Fund (current law).

The Governor also makes several other minor adjustments in receipts (Project 2000 in the Department of Revenue, Lottery, oil and gas well plugging transfer in the KCC, Winfield Veteran's Home, and a transfer to the State Emergency Fund).

Senate adjustments include leaving the SGF transfer to the KCC in FY 99 and FY 00, plus \$0.7 from Lottery, \$14.1 million to the Higher Education Faculty Salary Parity Fund and \$1.2 million from the Kansas Highway Patrol. A revenue transfer of \$9.5 million to the Children's Health Care Programs Fund.

The projections for FYs 2001 - 2004 are not consensus estimates of receipts but are based on a growth rate of 4.0 percent in FY 2001; 4.1 percent in FY 2002; 4.3 percent in FY 2003; and 4.3 percent in FY 2004.

c) Base estimate of general and supplemental school aid payments in FY 1998 (actual), estimates for FY 1999 (revised), and FY 2001 - FY 2002 were made by the Department of Education, Division of the Budget, and the Legislative Research Department. For FY 2000 the recommendation reflects an increase in the base per pupil amount of \$50 from \$3,720 to \$3,770, an additional correlation weighting adjustment from 1,750 FTE students to 1,725 FTE students, and the reduction in the uniform property tax rate from 27 to 20 mills and a homestead exemption of \$20,000.

The FY 2000 - FY 2004 estimates assume a uniform school mill levy of 20 mills and a \$20,000 homestead

and a base aid per pupil amount of \$3,770. FY 2003 and FY 2004 are estimated by the Legislative Research Department.

An additional base increase in FY 2000 of \$15.00 in the base aid amount above the Governor, or a total of \$3,770.

d) FY 1998 actual all other expenditures. The FY 1999 and FY 2000 amounts are as approved by the Legislature in S.B. 325, plus the Senate recommendation for Juvenile Justice Authority which is \$4.7 million above the Governor's recommendation. For FY 2001 - FY 2003 all other expenditures generally reflect the prior year's all other expenditures, plus the prior year's amount that is available for other purposes.

e) Demand transfers for the School District Capital Improvement Fund, Water Plan Fund, State Fair and the Local Ad Valorem Tax Reduction Fund (FY 1999 - FY 2004) all reflect current law.

The County-City Revenue Sharing Fund and the City-County Highway Fund for FY 1999 reflect a cap of 2.4 percent; FY 2000 a cap of 1.75 percent; FY 2001 the amounts are frozen;

FY 2002 a cap of 0.6 percent; and for FY 2003 and FY 2004 a cap of 2.6 percent. For the State Highway Fund the FY 2000 and FY 2001 the amounts reflect a capped increase of 1.7 percent; the rate increases to 7.628 percent (current law) for FY 2002 - FY 2004.

f) Current law minimum ending balance requirement is 7.5 percent of expenditures.

g) Available for other purposes such as additional expenditures or tax reductions.

Kansas Legislative Research Department
April 21, 1999
Revised

File: AC04219S

14-2
13-2

STATE OF KANSAS



DIVISION OF THE BUDGET

Room 152-E

State Capitol Building

Topeka, Kansas 66612-1575

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Bill Graves
Governor

Duane A. Goossen
Director

MEMORANDUM

TO: Senate Committee on Ways and Means
FROM: Duane A. Goossen, Director of the Budget
DATE: April 22, 1999
SUBJECT: Juvenile Justice Authority Budget

Mr. Chairman, Members of the Committee:

Thank you for the opportunity to visit with you about the Juvenile Justice Authority budget.

In January the Governor submitted a budget for JJA and the juvenile correctional facilities that totaled \$75.2 million including \$57 million from the State General Fund.

That original recommendation included \$7.0 million new dollars for community programs. The Governor has now submitted a \$5.3 million GBA which further addresses these issues in three areas and is similar to the recommendations that the Senate made earlier in the session:

Senate Ways and Means Committee

Date 4/22/99

Attachment # 15-1

- \$2.0 million is targeted toward caseloads, based on JJA projections and fully funding their request.
- \$1.3 million is recommended for rate increases paid by JJA for out of home placements. The recommendation is based on a 10 percent rate increase in each of the placement categories in which JJA makes payments. However, JJA would have the flexibility to apply this money to the placement categories that they feel are most in need of increases. JJA would clearly like to increase rates more than 10 percent and have indicated that to you earlier in the legislative session. However, we think that it is important to be careful about how fast rates rise. A raise in the rates that JJA pays likely will put pressure on payers in the SRS foster care system to also increase rates. A 10 percent raise is reasonable and will allow JJA to more adequately reimburse community providers for the cost of care, but at the same time will give everyone a chance to look more closely at realistic and consistent reimbursement rates across our entire system.
- \$2.0 million is budgeted for new community programs in addition to the money already in the original recommendations.

The original Governor's recommendation also budgeted \$2.2 million from the SIBF for architectural design of a new juvenile maximum security facility, and set aside an additional \$6.0 million from the SIBF to begin construction of the facility. In addition to those recommendations, the Governor is now recommending \$459,090 to open Grandview Cottage at Beloit Juvenile Correctional Facility.

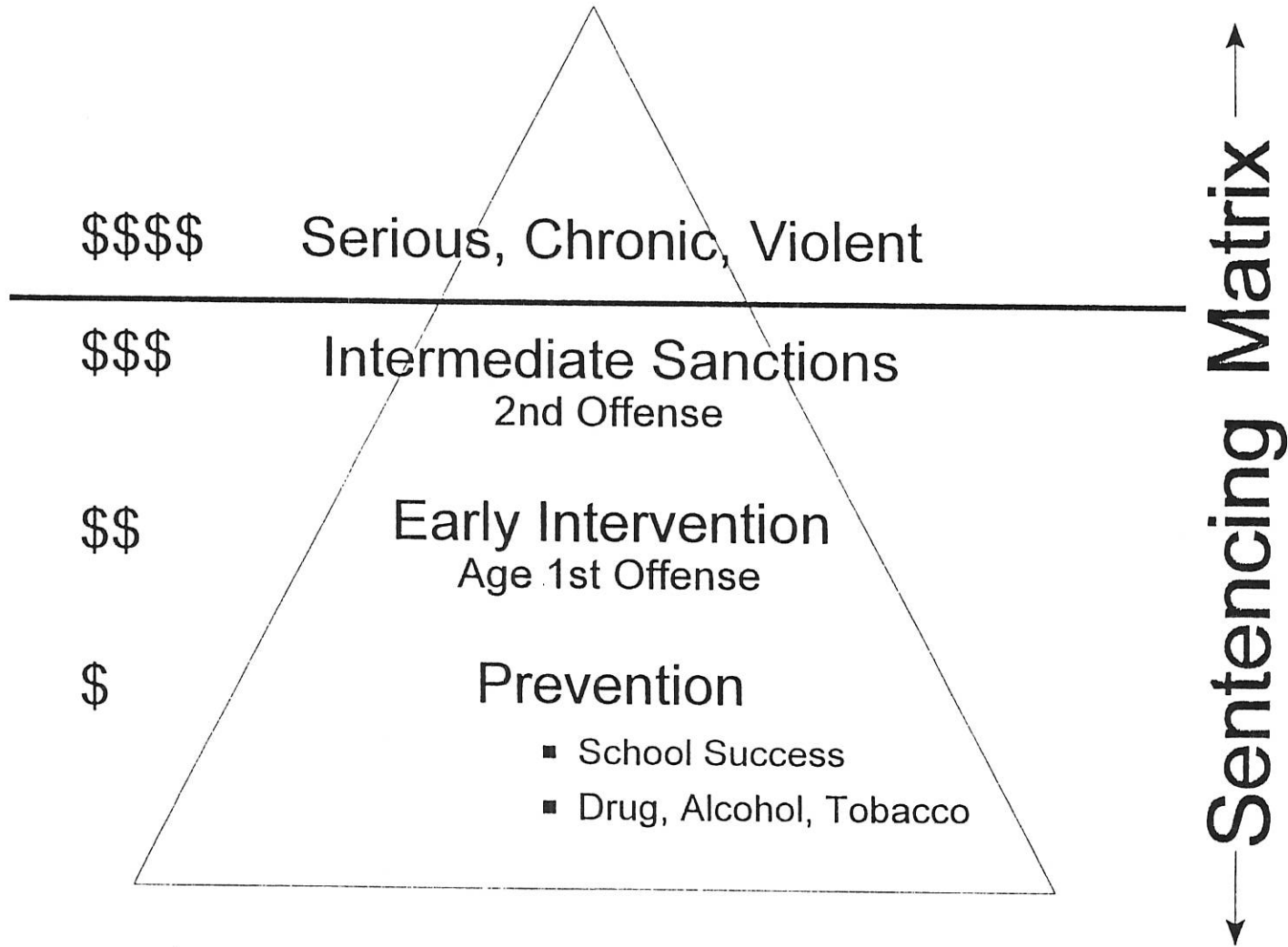
With the exception of Grandview Cottage facility recommendations have not been changed by a GBA, but lots of room exists for discussion. A key policy principle should guide this decision. **JJA will need more beds and the beds they need the most are maximum security beds.** Building a single maximum security facility makes sense. It will add the greatest number of beds to the system. It will accommodate the pregnant girls. It could be used for juveniles with mental and behavioral problems. It provides space for a reception and diagnostic center. It could be used to house juveniles needing a lower level of security while other juvenile correctional facilities are being remodeled.

Where a new facility is built is still an open question. JJA is in the process of looking at a number of sites. Interest has been expressed that a new facility should be attached to an existing juvenile correctional facility. That certainly is possible.

In addition, while the Governor's recommendation simply budgets SIBF money to begin the process it would be possible to issue bonds to pay for the facility. The SIBF could support bond payments for the project.

In short, the discussion is open about place, method of payment, and even size. The key is that new beds are needed and the first beds built should be maximum security beds.

Juvenile Justice Objectives



Community Advisory Bodies

Community Corrections Advisory Board

1. Sheriff
2. Chief of Police
3. District Attorney
4. Administrative Judge
5. Education professional*
6. Court service officer***
7. Citizen*
8. Citizen*
9. Citizen*
10. Citizen**
11. Citizen**
12. Citizen**
13. NA
14. NA
15. NA
16. NA
17. NA
18. NA
19. NA
20. NA

Juvenile Corrections Advisory Board

- Sheriff
- Chief of Police
- District Attorney
- Juvenile Judge
- Educational Professional*
- Court Service Officer***
- Citizen*
- Citizen*
- Citizen*
- Citizen**
- Citizen**
- Citizen**
- Ex. Dir. Community Mental Health Center
14. NA
15. NA
16. NA
17. NA
18. NA
19. NA
20. NA

Community

- Planning Team
- Law Enforcement
- Defense Counsel
- District or County Attorney
- Courts
- Education(public)
- Court Services
- Juvenile Community Corrections
- Prevention Services
- County official
- City Official
- Juvenile Detention
- Business Community
- Mental Health
- Religious Community
- Juvenile Intake & Assessment
- Ks. Dept. SRS
- Youth
- Health Care
- Service Provider
- Other

Note:

*Denotes appointee of the board of county commissioners

**Denotes appointees of the city

***Court service officer appointed By the administrative judge for the correction advisory board

***Court service officer appointed by the juvenile judge for the juvenile corrections advisory board

Note:

Special statutory language prescribes appointment of members for multi-county boards.

Note:

All members are appointed by the convener

Community Planning Team Funding

Community Planning Team/Judicial District			Estimated Requested Funding			
Jud. Dist.	Counties	1996 Juvenile Pop.*	Prevention	Intervention	Graduated Sanctions	TOTAL Requested to JJA
1	Atchison, Leavenworth	21,862	\$154,667	\$443,090	\$646,680	\$1,244,437
2	Pottawatomie, Jackson, Wabunsee	14,180	\$143,334	\$221,800	\$2,696,940	\$3,062,074
3	Shawnee	41,693	\$236,421	\$651,180	\$2,185,369	\$3,072,970
4	Osage, Franklin, Coffey, Anderson	14,621	\$185,000	\$153,027	\$793,450	\$1,131,477
5	Lyon, Chase	9,800	\$83,750	\$168,959	\$653,514	\$906,223
6	Miami, Linn, Bourbon	12,506	\$48,500	\$168,673	\$517,373	\$734,546
7	Douglas	16,769	\$29,531	\$1,617,450	\$1,040,896	\$2,687,877
8	Dickinson, Geary, Morris, Marion	18,505	\$312,500	\$646,250	\$1,035,650	\$1,994,400
9	McPherson, Harvey	15,278	\$219,200	\$309,643	\$1,578,330	\$2,107,173
10	Johnson	95,155	\$246,667	\$3,562,731	\$2,244,208	\$6,053,606
11	Crawford, Cherokee, Labetta	20,232	\$220,000	\$1,072,422	\$1,057,292	\$2,349,714
12	Jewell, Republic, Washington, Mitchel, Cloud, Lincoln	8,940	\$685,000	\$161,940	\$1,002,150	\$1,849,090
13	Butler, Greenwood, Elk	17,205	\$0	\$374,200	\$870,315	\$1,244,515
14	Chautauqua, Montgomery	11,046	\$235,000	\$422,389	\$1,048,388	\$1,705,777
15, 17, 23	Cheyenne, Rawlins, Sherman, Thomas, Wallace, Logan, Sheridan; Decatur, Norton, Phillips, Smith, Osborne, Graham; Gove, Trego, Ellis, Rooks	18,000	\$134,750	\$333,536	\$1,056,683	\$1,524,969
16	Gray, Ford, Meade, Clark, Kiowa, Commanche	12,968	\$37,500	\$136,655	\$4,657,142	\$4,831,297
18	Sedgwick	111,814	\$780,000	\$738,023	\$8,360,908	\$9,878,931
19	Cowley	9,783	\$97,500	\$175,292	\$316,129	\$588,921
20	Barton, Russell, Elsworth, Rice, Stafford	15,475	\$515,400	\$562,178	\$650,772	\$1,728,350
21	Clay, Riley	18,300	\$50,000	\$436,000	\$623,000	\$1,109,000
22	Marshall, Nemaha, Brown, Doniphan	10,874	\$461,325	\$314,500	\$454,250	\$1,230,075
24	Lane, Ness, Rush, Hodgeman, Pawnee, Edwards	6,109	\$46,820	\$119,000	\$726,788	\$892,608
25	Greeley, Wichita, Scott, Hamilton, Kearney, Finney	16,219	\$115,400	\$755,228	\$1,557,361	\$2,427,989
26	Stanton, Grant, Haskel, Morton, Stevens, Seward	12,978	\$36,667	\$263,364	\$1,733,877	\$2,033,908
27	Reno	15,910	\$453,000	\$749,000	\$2,013,058	\$3,215,058
28	Ottawa, Saline	16,600	\$79,150	\$456,000	\$845,687	\$1,380,837
29	Wyandotte	46,007	\$83,333	\$3,663,933	\$5,549,617	\$9,296,883
30	Pratt, Kingman, Barber, Harper, Sumner	15,664	\$63,100	\$290,000	\$2,112,060	\$2,465,160
31	Woodson, Allen, Wilson, Neosho	11,946	\$182,000	\$372,224	\$613,946	\$1,168,170
TOTALS		656,439	\$5,935,515	\$19,338,687	\$48,641,833	\$73,916,035

*Juvenile Population means those persons under the age of 18.

Note: This \$73.9 million includes existing programs and purchase of services, as well as new funding for new programs and new construction. Existing programs and purchase of services account for \$47.0 million of the total, while new programs account for \$26.9 million of the total requested. New requested funding can be broken down into \$5.9 million for prevention programs (the Governor recommends using \$4.0 million of tobacco money to fund these prevention programs), \$12.3 million for new construction projects, and \$8.7 million for intervention and graduated sanctions programs.

The Juveniles Served by the Juvenile Justice Authority

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

1. Community Funding serves this many juveniles...

Type of Custody	Actual FY 1996 SRS Custody	Actual FY 1997 SRS Custody	Actual FY 1998 JJA Custody	Projected FY 1999 JJA Custody*	Projected FY 2000 JJA Custody*
Detention Centers	141	184	165	170	175
Emergency Shelter	0	0	76	78	80
Foster Care	135	154	173	176	178
Group Home	419	402	271	285	310
Home/Relative	754	754	738	765	800
Hospital	46	47	13	20	25
Individual Living	0	0	38	45	50
Other	0	0	122	130	145
Total in Custody	1,495	1,541	1,596	1,669	1,763

*Numbers for these years are based on suppositions of how the JJA projects overall figures.

Total Community Funding	\$20,000,000	\$22,398,786	\$27,273,881	\$37,145,030	\$45,955,595
Community Cost per Juvenile	\$13,378	\$14,535	\$17,089	\$22,256	\$26,067

2. Juvenile Correctional Facility Operations Funding serves this many juveniles...

Average Daily Census	Actual FY 1996	Actual FY 1997	Actual FY 1998	Projected FY 1999**	Projected FY 2000**
Atchison Juv. Correctional Facility	109	97	102	115	105
Topeka Juv. Correctional Facility	219	215	199	235	203
Beloit Juv. Correctional Facility	81	80	82	91	87
Larned Juv. Correctional Facility	120	120	124	130	122
Total	529	512	507	571	517

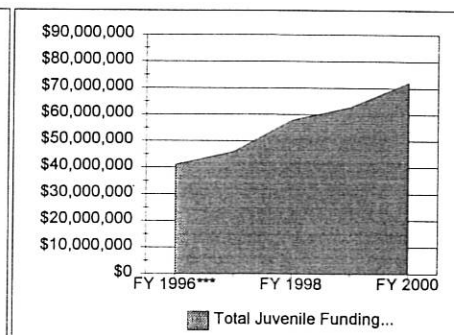
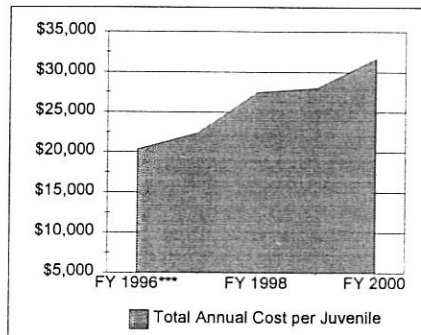
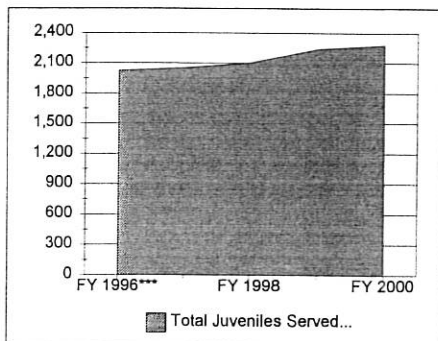
**Approximate figures based on Sentencing Commission's projected numbers.

Total Facility Funding	\$21,137,301	\$23,532,007	\$25,535,541	\$25,666,852	\$26,258,186
Annual Facility Cost per Juvenile	\$39,957	\$45,961	\$50,366	\$44,951	\$50,790

3. Total JJA Operations Funding employs 598.0 FTEs, costs this much, and serves this many juveniles...

	FY 1996***	FY 1997***	FY 1998	FY 1999	FY 2000
Total Juveniles Served...	2,024	2,053	2,103	2,240	2,280
Total Juvenile Funding...	\$41,137,301	\$46,003,918	\$57,809,422	\$62,811,882	\$72,213,781
Total Annual Cost per Juvenile	\$20,325	\$22,408	\$27,489	\$28,041	\$31,673
Numbers JJA is forecasting	2,024	2,053	2,137	2,432	2,768
Annual Cost per Juvenile	\$20,325	\$22,408	\$27,052	\$25,827	\$26,089

***Numbers for these years are based on suppositions of what SRS spent and who served.



Report of the
Joint Committee on Corrections and
Juvenile Justice Oversight
to the
1999 Kansas Legislature

CHAIRPERSON: Senator Lana Oleen

VICE-CHAIRPERSON: Representative Joe Kejr

OTHER MEMBERS: Senators Richard Becker, Les Donovan, Greta Goodwin, Dave Kerr, Marge Petty, and Alicia Salisbury; Representatives David Adkins, Barbara W. Ballard, Jim Garner, Kathe Lloyd, Ed McKechnie, and Shari Weber

December 1998

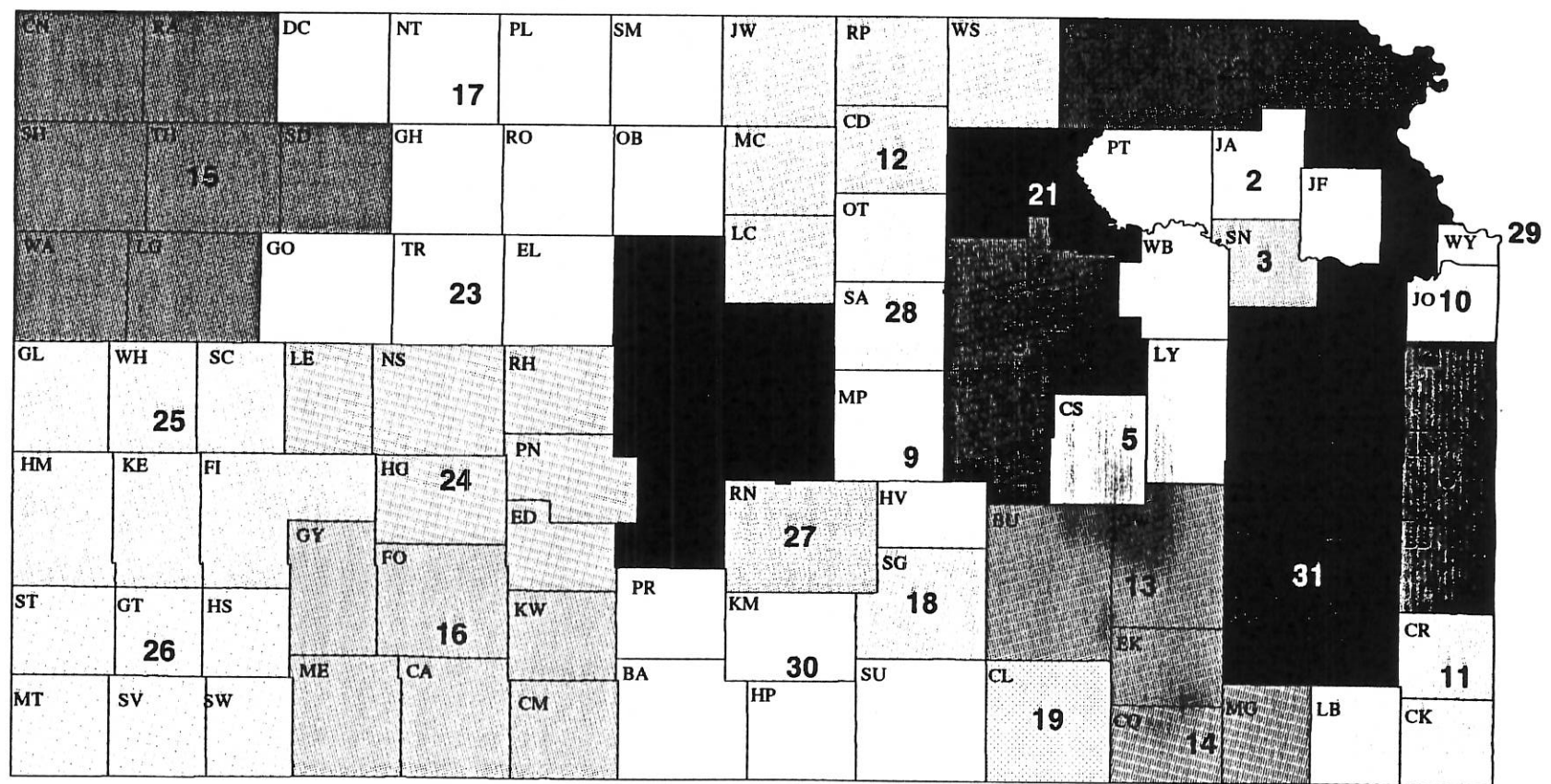
Senate Ways and Means Committee

Date 4/22/99

Attachment # 17-1

17-2

Kansas Judicial Districts



JOINT COMMITTEE ON CORRECTIONS AND JUVENILE JUSTICE OVERSIGHT

REVIEW ADULT CORRECTIONAL SYSTEM AND JUVENILE JUSTICE SYSTEM AS MANAGED BY 1997 SESSION LAW AND STATUTORY REQUIREMENTS TO REVIEW APPROPRIATIONS AND PROJECTS*

CONCLUSIONS AND RECOMMENDATIONS

The Joint Committee held hearings and toured across the state visiting adult and juvenile correctional facilities and services. The Joint Committee also conducted meetings with each juvenile community planning team throughout the state as they worked to establish juvenile offender community programs. The Joint Committee report includes a number of recommendations and bills affecting both adult and juvenile corrections.

BACKGROUND

The Joint Committee reviewed designated duties in meetings and tours on May 26, June 30-July 1, July 31, August 12, 26, September 17, October 8, 13, 29-30, November 24-25, and December 3, 15. The Committee held public hearings at the following locations: Lansing, Salina, Norton and WaKeeny, Kansas City, Oswego, Pittsburg, Wichita, Winfield, in addition to Topeka. The minutes and attachments of all meetings are available in the Division of Legislative Administrative Services. In regard to the Department of Corrections and the Juvenile Justice Authority, the Committee recommendations follow.

COMMITTEE ACTIVITIES

Juvenile Justice Authority

During the 1998 interim, the Joint Committee monitored a number of key issues related to the juvenile correctional field. Pursuant to the provisions of Chapter 156, the Joint Committee met monthly with the Juvenile Justice Authority (JJA) Commissioner, Albert Murray, to monitor the creation and activities of the JJA. Each month the Commissioner provided an up-to-date report on the JJA's progress.

Perhaps the most prolific issue brought before the Committee was the ongoing progress of the community planning teams. The Committee heard from all 29 community planning teams in the state. The teams presented their findings and their future plans for creating community-based juvenile offender programs. Of particular interest to the Committee was how funding will work within community planning teams. A portion of

* Legislation will be introduced during the 1999 Session.

last year's JJA appropriation included \$2.5 million for community initiatives which were designed to reduce demands on the juvenile correctional facilities through the creation of diversions or alternatives to the use of these facilities.

The Commissioner submitted to the Committee a report containing a funding strategy to allocate state funds to localities for community-based programs, according to Chapter 156. The report, called the *Juvenile Justice Funding Viability Plan*, recommended that a new Juvenile Justice Fund be established. The fund would consist of the sum of State General Funds for intake and assessment, case management, community initiatives, juvenile community corrections, and discretionary grants to detention centers; it would not consist of federal funds nor community planning funds. The fund would be allocated based on factors such as juvenile population, arrests, dispositions, and commitments to state correctional facilities. Funds would be allocated by district rather than by individual counties. The report also recommends that every community be allowed to develop and implement community-based programs that meet their particular needs as approved in the Juvenile Justice plan.

The Commissioner submitted a five-year capital improvement plan, approved by the Kansas Youth Authority, that sought to avoid construction or expansion of institutional capacity when alternatives are justified. The plan also included consideration of funding subsequent to the expansion of enhanced community-based capacity, as well as revenue sources for capital improvements.

The Commissioner also submitted to the Committee a ten-year master plan for funding and construction of juvenile correctional facilities. Through the master plan, the JJA evaluated systemwide facilities and reviewed privatization options. The master plan proposed that a new juvenile maximum facility be built, that the Grandview and Morning View buildings at the Beloit Juvenile Correctional Facility be rehabilitated, that a new 120-bed facility be constructed at Larned, that the Topeka Juvenile Correctional Facility be expanded to 306 medium security

beds, and that 50 new minimum security beds be added to the Atchison Juvenile Correctional Facility. The proposed cost for all projects would be \$100.3 million, amortized across a seven-year planning and construction period.

The JJA was required in Section 39 of Chapter 192, to submit for review before the Joint Committee on Computers and Telecommunications (JCCT), a plan for the establishment of an information management system. The JCCT recommended release of both federal and state general funds and the Commissioner kept the Committee apprised of acquisition of computers, networking, and development of an information management system. A hired firm, MTG from Seattle, Washington, created the system.

Department of Corrections

During the 1998 interim, the Joint Committee monitored a number of key issues related to the adult correctional field. Included in the projects reviewed were expansion plans and programs added during the 1998 Legislative Session. The Kansas Department of Corrections (KDOC) kept the Committee apprised of the activities related to the selection of a location for the new reception and diagnostic unit. The Committee followed the activities of KDOC and the professional consultants acquired with a federal grant to assist in the site selection process. The Committee noted the KDOC final decision in November to construct new units at El Dorado Correctional Facility and move the reception and diagnostic unit operation from the Topeka Correctional Facility.

The Committee also took testimony on three projects authorized by the 1998 Legislature: (1) a 100-bed transition center (work release program); (2) a 30-bed female conservation camp; and (3) an intermediate sanction center. KDOC reported they issued a request for proposal (RFP) for all three projects. Following an initial RFP for the conservation camp, KDOC combined the boot camp and transition center bid. Eventually, after lengthy negotiations, KDOC, in December, agreed to contract with GRW, Inc., of Brentwood, Tennessee, current vendor for the male

conservation camp, to operate a female boot camp in Oswego, Kansas. Responses to the transition center RFP were also the subject of lengthy negotiations with vendors. In November, the Secretary of Corrections reported that KDOC had decided to explore the possibility of opening and running a transition center out of the West Unit of Topeka Correctional Facility, although the RFP has been left open. The intermediate sanction center request for proposal was limited to participation by community corrections organizations. Only one community corrections organization responded to the RFP and KDOC reported they are contacting the organizations to see how the RFP might be modified to make it more appealing to other community corrections programs.

The Committee toured a number of correctional facilities during the interim. On July 31, the Committee toured the Lansing Correctional Facility, in particular they examined the location of the execution chamber. The building housing the execution chamber is currently under renovation and will be ready for operations in advance of potential need for its use. The Secretary of Corrections and the Warden were in attendance with the Committee and answered questions regarding the death penalty procedures and arrangements that need to be resolved for viewing, security, etc. The Committee also toured Norton Correctional Facility and observed the ongoing construction of the new 200-bed medium custody cellhouse. The construction project was approved by the 1997 Legislature and the unit is scheduled to begin receiving inmates in March 1999. On October 29, the Committee toured the Labette Correctional Conservation Camp. The Committee toured the new construction project approved by the 1998 Legislature which will allow the camp to expand its capacity from 104 to 204. The Committee also toured the Wichita Work Release Facility on November 24. While the Committee was in Winfield on November 25, it toured a portion of the Winfield Correctional Facility and spent the majority of time meeting with representatives of DCCCA, Inc., who are the recently contracted operators of a 64-bed therapeutic community program at the facility. The Committee heard about programming, costs,

follow-up information, and various aspects related to the intensive substance abuse counseling program which had been in operation only a couple of weeks when the Committee visited.

The Committee reviewed the Kansas Sentencing Commission's (KSC) annual report on inmate population projections through FY 2007. The Executive Director of the KSC reported on August 26 that the projections demonstrated a slower than previously anticipated growth in the adult correctional facility inmate population. The Executive Director's report included discussion of the recent state court decision that restored good time credit for more than 1,000 inmates and which shortened the length of time selected inmates will remain in custody. The court's ruling overturned a KDOC policy that applied new good time credit rules to all inmates, including a group of inmates whose conviction date preceded the date of the rules change. The court ordered KDOC to restore good time credit rules for inmates whose conviction date preceded the date of the new rule. The affected inmates adjusted release dates are distributed throughout the ten-year population projection. Combined with a slower than anticipated admissions rate, the good time restoration issues' impact was to adjust downward the prison population growth rate over the next ten years. The KSC also reported to the Committee on a new projection they made for the first time which projects inmate population based on a classification level. Projecting by classification level allows KDOC to anticipate custody level bed space needs. The Committee learned from this report that minimum custody bed needs will decline by 92 while 124 medium beds and 270 maximum custody, special management, and unclassified beds will be needed.

The Committee reviewed a number of other issues during the interim. On August 26, the Community Corrections Advisory Committee (CCAC) appeared before the Committee to discuss their report to the Secretary of Corrections. The CCAC report included recommendations concerning the consolidation of field services, the need for consistency in offender assignment to available programs, and budget enhance-

ment requests to increase per unit and average daily population funding. The Committee received testimony at Lansing Correctional Facility and Norton Correctional Facility from correctional employees regarding correctional officer compensation, job satisfaction, working conditions, and related issues. The Committee heard a great deal about low entry level salaries, job hazards, retirement, and promotion issues affecting staff turnover rates. Additionally, correctional staff noted the competition from other states and local units of government in Kansas attempting to lure away correctional officers. The Committee also received testimony regarding educational programs provided in the correctional facilities by Correctional Program Management, Inc. The educational vendor reported on academic and vocational education programs, as well as the efforts to obtain some type of accreditation for the program. The vendor testified such accreditation arrangements were under negotiation, and subsequent communications reported on an agreement between Cowley County Community College and the State Department of Education. While the Committee held hearings in Wichita and Kansas City, it received testimony from the KDOC regarding placement plans for offenders on parole or postrelease supervision. The internal, individualized plans organized by KDOC were detailed, as were housing, employment, and notification issues. While in Wichita, the Committee also heard from KDOC about factors contributing to the distribution of offenders in Sedgwick County. The Committee also undertook two visits to programs run by Outside Connections, a private group, who provide services to incarcerated offenders and their families. The Committee toured the Outside Connections visitors' center at Lansing and a half way house in Salina.

The Committee also reviewed and approved for introduction a number of bills related to adult corrections. As the Committee did during the 1997 interim, a bill was introduced which allows KDOC to use funds from Kansas Correctional Industries, or to enter into agreements with private companies to provide work space and employment for inmates within correctional facilities, provided the projects are reviewed by

the Joint Committee on State Building Construction. The 1997 interim bill did not pass the Legislature, but was added to an appropriation bill as a proviso. The Committee voted to reintroduce 1997 H.B. 2826 during 1999 Legislative Session.

CONCLUSIONS AND RECOMMENDATIONS

Throughout the interim, the Joint Committee has examined and debated a great number of policy issues in the adult and juvenile criminal justice systems with a paramount focus on public safety. The Legislature and this Committee are concerned about maintaining vigilant oversight of funds expended by the state. Fiscal responsibility in the criminal justice system, however, must also be measured by the physical removal (often at great cost), of violent adult criminals and violent juvenile offenders from our environment and placing them in correctional facilities.

As was the case during the 1997 interim, several issues warrant special comment. The study of juvenile offenders illuminated for the Committee the clear connection to early childhood issues. The Committee heard countless times the connection between early truancy, for example, and later juvenile offender behavior. Even more clear and disconcerting to the Committee is the overwhelming and crucial role alcohol and drug abuse play in both juvenile and adult criminal behavior. The current failure to address successfully alcohol and drug abuse also appears to be the central cause for high recidivism rates between both adults and juveniles. No other issue was raised more often to the Committee as a contributing factor to criminal behavior, and the Committee heard repeatedly that 60-70 percent of those incarcerated have substance abuse problems.

A tremendous number of issues remain to be addressed regarding where and how the state spends funds for substance abuse treatment. The Committee will continue to focus attention on these issues. The Governor appointed a cabinet-level Substance Abuse Prevention Council to explore substance abuse funding and several

members of the Joint Committee have been asked to continue working to address substance abuse issues during the coming year. Several Committee members have undertaken additional efforts to address substance abuse issues. During October 19-21, 1998, Senators Greta Goodwin and Rich Becker and Representative Shari Weber attended the National Corrections Conference on Enhancing Public Safety by Reducing Substance Abuse sponsored by the U.S. Department of Justice. Our state should address the distribution and uses of substance abuse treatment funding and provide some uniform measure of standards for treatment programs in an effort to address the pervasive connection between substance abuse and criminal behavior.

Kansas Department of Corrections

- The Committee endorses the decision of KDOC to construct the new reception and diagnostic unit at El Dorado Correctional Facility. The agency's decision is in keeping with protecting public safety because the reception and diagnostic population is unknown to KDOC personnel as they enter the system and requires greater security concerns. The facility at El Dorado was designed to accommodate future needs such as the reception and diagnostic unit and the Wichita area provides significant accessibility to professional staff as needed. Cost savings for the new units constructed at El Dorado are estimated at \$4,682,000 over construction at Topeka.
- The Committee believes a work release program or transitional center for inmates nearing the end of their release date from the correctional system should be established in Wyandotte County. The Committee toured the Wichita Work Release Facility and believed a similar program in the Kansas City area would be beneficial because Wyandotte County is the home of a significant proportion of inmates on parole or postrelease supervision. The Legislature and the Secretary of Corrections should explore with the consolidated government, the possibility of

providing a work release program in Wyandotte County.

- The Committee supports the KDOC decision to establish a female correctional conservation camp. KDOC has signed a contract awarding construction funds and operating costs to a private vendor for the design, construction, and operation of the female conservation camp. At the conclusion of the nine-year lease, the camp buildings and property revert to ownership by the State of Kansas. The 1998 Legislature appropriated \$737,000, including \$281,250 from the federal Violent Offender/Truth-In-Sentencing grants for a female conservation camp. The federal funds may be used for the construction of a private facility and a portion of the operating costs of a facility operated by a private company. At this camp, federal funds will account for 47.8 percent of the total annual operating costs. KDOC selected a private contractor to use federal funds for operating costs. The Committee endorses the decision. The vendor selected is the current operator of the male correctional conservation camp and the female camp will be located approximately one-quarter of a mile from the current male camp in Labette, ensuring sight and sound separation. Additionally, the city administrator of Labette communicated to the Committee his community's endorsement of placement of the program in Labette. The community had a public hearing and no opposition came forward to the establishment of the female camp.
- The Committee received testimony from a number of "front-line" correctional officers and believes action should be taken to increase front-line staff salaries to enhance hiring and promotion opportunities and increase staff retention. The Committee endorses the KDOC FY 2000 budget request seeking \$972,440 to abolish the Correctional Officer Trainee position (salary range 15) and starting all new hires as Correctional Officer I (salary range 17).

- The Committee reviewed the current status of educational programming in the states' correctional facilities. The current provider, Correctional Program Management, Inc. (CPM), has been providing educational services since July 1997. During the 1998 Legislative Session, the Senate Ways and Means Committee questioned CPM in meeting accreditation standards. A number of issues relating to provider stability, quality of service, and personnel and compensation issues were also raised. The Committee took testimony from the CPM executive director and KDOC regarding accreditation of the program. Following the CPM executive director's testimony, the provider reported an agreement with Cowley County Community College, "acknowledged" by the Kansas State Department of Education, that the CPM programs "meet standards determined by the State Board of Education." The Committee notes no mechanism exists to fully accredit correctional facility adult and vocational education courses in the same manner as other education programs.

The Committee, however, recommends that efforts persist to ensure educational programs are operated in the best interests of the state and inmates. It is the Committee's intention to continue to oversee the provision of educational programming to ensure compliance with the negotiated quasi-accreditation agreement. The Committee recommends the terms of the educational programs be reviewed regularly and reported to the appropriate legislative committees. Additionally, Cowley County Community College should review and evaluate the contractors' programs in each correctional facility to maintain consistency of service. Terms of the CPM-Cowley County Community College agreement will be made available to the Committee.

Finally, the Committee renews the recommendation of the Senate Ways and Means Committee to ascertain employee and inmate satisfaction with the educational programs. The Committee recommends that KDOC

survey and report on CPM employees and inmates who have participated in the educational programs to determine their evaluation of the quality of the provider's program. The survey should distinguish between inmates who have successfully completed educational programs and those who have not. Results of the survey should be provided to the Joint Committee on Corrections and Juvenile Justice Oversight.

- The Committee recommends that KDOC make every effort to establish a therapeutic community program for female offenders similar to the ones which exist for males at the Lansing and Winfield correctional facilities. Women have as great a need for substance abuse treatment as men, and the state should explore all options, including available federal funds, for the female inmates with substance abuse problems.

Juvenile Justice Authority

- The Committee recommends that the JJA examine further the merits of sanction houses. The Committee would like the JJA to delineate the differences between sanction houses and detention facilities in terms of population, purpose, programming, and services available. The Committee reviewed sanction houses as possible counterparts to juvenile detention facilities and believes both serve important purposes. The Kansas Department of Health and Environment (KDHE) presented testimony about the definition and use of sanction houses within the state's juvenile justice system and they are, in conjunction with the JJA, reevaluating rules and regulations for sanction houses.
- The Committee endorses the decision to reopen the Grandview cottage at the Beloit Juvenile Correctional Facility and encourages the JJA to move with great speed within the year of 1999 to accommodate the increased number of juvenile female offenders. The use

of Grandview Cottage is a high priority and its opening should not be postponed.

- The Committee supports the community planning teams' process and acknowledges the power of these teams to bring people together to address juvenile justice problems. The Committee notes the cost of implementing all of the community planning teams' different programs may be more than is currently available. The Committee is committed to being advocates for these community planning teams and acknowledges that without substantial funding, recommended by the Governor and approved by the Legislature, the state will lose the efforts, support, and energy of many people who participated in the community planning team process. The juvenile justice system being created will be a cooperative relationship between local government and the state. The Committee wishes to acknowledge the magnitude of each community planning team's cooperation and support. The Committee recommends the JJA note the uniqueness of each community planning team's efforts and plans, so that other teams may learn from each other. The Committee also encourages the JJA to keep the community planning teams aware of the advancement and progress of the juvenile information management system.
- The Committee recommends the Department of Social and Rehabilitation Services and JJA review funding available to counties to address disparities between the per diem rate of the state versus what the county pays for detaining a juvenile offender. The Committee heard testimony from throughout the state that the current reimbursement discrepancies may limit availability of services.
- Among the many programs the Committee addressed during the interim, the Committee wants to acknowledge the efforts of Mary Tannahill and her staff at Focus on the Future. The Focus on the Future project is one of the best examples of caring residential aftercare for juvenile offenders. The Committee applauds their efforts.

Minority Report

The Joint Committee report includes the following response to the majority committee recommendations:

The decision to move the functions of the reception and diagnostic unit from Topeka Correctional Facility to El Dorado Correctional Facility may not be in the best interests of public safety and efficiency for the State of Kansas. The movement of the program is cheaper in the short term because some usable space already exists at El Dorado which could be used for assessment, while a new evaluation building and more fencing would need to be erected at Topeka. Travel costs and personnel costs, given the high turnover rate at El Dorado, as well as the disruption to current employees, may not be fully appreciated. Long-term costs of moving the facility may be higher as well.

The Department of Corrections should reevaluate the plan and explore new options to gain efficiencies in other ways. For example, five of the alternatives for the RDU created by the Department of Corrections do not use the existing evaluation building. The RDU problem is the housing unit (J-Cellhouse), not the evaluation building (MBA Testing/Medical Building). Each Topeka Correctional Facility option adds \$1,670,000 for a new support building for evaluations, except for Option #1 which uses the building but adds \$3,500,000 to renovate the existing RDU for females. The Department of Corrections should provide an estimate for new housing units while continuing to use the evaluation building. Any number of other alternative options may exist for exploration. Kansas Sentencing Commission inmate projections reveal slower inmate population growth rates, and although the RDU housing unit must be replaced, hasty judgement now serves no useful purpose.

Senator Marge Petty

SUMMARY OF COMMITTEE BILLS
SUBMITTED TO THE
1999 LEGISLATURE

The following subjects were approved for introduction by the Joint Committee:

- Amendments to the Department of Corrections Correctional Industries Fund provide that unencumbered balances in the Fund may be used for capital improvements for or acquisition of Correctional Industries buildings and allow the Secretary of Corrections the ability to contract with private individuals for increased correctional industries provided the projects are reviewed by the Joint Committee on State Building Construction.
- A bill to expand the authority of the Secretary of Corrections to make a direct placement to conservation camps of offenders whose offenses fall within the border boxes of either the nondrug or drug sentencing grid. This authority is similar to the authority presently held by the courts in making such placements.
- Amendments to the statutes relating to execution of death sentence procedures that:
 - the responsibility for issuing all orders and warrants with the Supreme Court (rather than the Governor or the district court where the defendant was convicted), this would include situations involving convicts found to be insane, determined to be pregnant, escaped convicts, and postponement of execution due to a pending hearing;
 - the Supreme Court shall designate a week for execution (rather than a specific day) with the Secretary of Corrections designating the specific day of execution;
 - expansion of the number of witnesses to be present (six to ten), witness qualifications, the Secretary may deny attendance of certain witnesses and confidentiality of witnesses, executioners and other persons who assist with an execution;
 - repeal of anatomical gift provisions related to persons executed; and
 - the Secretary of Corrections shall select the type of substance or substances to be administered in carrying out a sentence of death with the Secretary of Health and Environment to certify that such substance or substances will result in death in a swift and humane manner (rather the current panel of experts to assist the Secretary of Corrections in such selection.
- A bill related to numerous juvenile justice issues. The bill allows a juvenile community corrections officer, in addition to the court services officer, to take a juvenile into custody when a warrant is issued or probable cause to believe a warrant was issued or juvenile has violated probation. Further, the bill draft allows the court, after consultation with the county attorney or district attorney and the intake and assessment worker, the ability to place the juvenile in a juvenile detention facility absent the statutory findings, if the juvenile detention facility would be the most appropriate placement. The Commissioner, by rules and regulations, could allow local intake and assessment programs to create a risk assessment tool, as long as the tool meets the requirements established by the Commissioner. The bill also allows the juvenile intake and assessment worker to deliver the juvenile to an emergency foster care facility or juvenile detention facility in addition to the current statutory provisions allowing the worker to deliver the juvenile to a shelter facility or a licensed attendant care center. Repeals the provisions of the juvenile justice code which provide for such code to control over a juvenile who is both a juvenile offender and a Child in Need of Care and would allow the court the flexibility necessary to deal with each child on an individual basis, thus the court would decide which code to use. The bill draft provides that the Commissioner will review each juvenile offender release from a juvenile correction facility or discharge from commitment to determine if aftercare services are needed for such juvenile offender. The bill draft clarifies that the

placement matrix is discretionary with the court, not mandatory. In establishing the appropriate sentence, the court may also evaluate the individual treatment needs of the juvenile offender. The bill draft further defines "custody" and "significant part of a school." The bill draft allows parents, guard-

ians, and juveniles to access the juvenile intake and assessment program on a voluntary basis. Finally, the bill draft extends the Joint Committee on Corrections and Juvenile Justice Oversight for four years. This includes most, but not all, provisions in this bill draft.

APPENDIX A: STATUTORY CHARGE

The statutory duties of the Joint Committee are contained in Chapters 156, 179, and 192 of the *1997 Session Laws of Kansas*.

Section 114 of Chapter 156 of the *1997 Session Laws of Kansas* established the Joint Committee on Corrections and Juvenile Justice Oversight. The duties of the Joint Committee include:

- Monitor the inmate population and review and study the programs, activities, and plans regarding the duties of the Department of Corrections prescribed by statute, including:
 - implementation of expansion projects;
 - operation of correctional food services and other programs for inmates;
 - community corrections;
 - parole; and
 - the condition and operation of the correctional institutions and other facilities under the control and supervision of the Department of Corrections.

- Monitor the establishment of the Juvenile Justice Authority (JJA) and review and study the programs, activities, and plans regarding the duties of the JJA prescribed by statute, including:
 - responsibility for the care, custody, control, and rehabilitation of juvenile offenders; and
 - operation of the state juvenile correctional facilities.

- Review and study adult correctional programs, activities, and facilities of counties, cities, and local governmental entities, including:
 - private entities operating community correctional programs and facilities; and
 - operation of jails and other local government facilities for the incarceration of adult offenders.

- Review and study juvenile offender programs, activities, and facilities of counties, cities, and local governmental entities, including:
 - programs for the reduction and prevention of juvenile crime and delinquency;
 - private entities operating community juvenile programs and facilities; and
 - operation of local governmental residential and custodial facilities for the care, treatment, or training of juvenile offenders.

- Study the progress and results of the transition of power, duties, and functions from the Department of Social and Rehabilitation Services, the Office of Judicial Administration, and the Department of Corrections to the JJA.

Chapter 179, Section 4 (15) expands the duties and responsibilities of the Kansas Sentencing Commission regarding inmate population projections and specific options related to the prison population. The Joint Committee and the Governor will receive the evaluation of the population projections and recommended options to address overpopulation. The Joint Committee or the Governor may also initiate an analysis of other sentencing policy adjustments.

Chapter 156 contains three additional items for the Commissioner of the JJA to present to the Joint Committee.

- The Commissioner must create an action plan to guide implementation of community planning including schedules and desired outcomes in the development of community-based programs, placements, and services for juvenile offenders. The action plan must be submitted to the Joint Committee for review and the Commissioner shall provide regular progress reports.
- The Commissioner must submit to the Joint Committee a recommendation to provide for the financial viability of the Kansas juvenile justice system on or before December 1, 1997. Formulas for state fund allocations to community programs and rationales for the formulas must be offered. Additionally, the Commissioner must submit a five-year capital improvement plan, approved by the Kansas Youth Authority. The capital improvements plan shall avoid construction or expansion of institutional capacity when alternatives are justified and shall include consideration of funding subsequent to the expansion of enhanced community-based capacity. Revenue sources for capital improvements shall be included in the report.
- The Commissioner is required to review with the Joint Committee any contracts or memorandums of agreement with other state agencies prior to the termination of such agreements or contracts.

Section 1 of Chapter 179 requires the Joint Committee to develop and adopt a ten-year master plan to guide the development and expansion of correctional programs and facilities. The Omnibus Appropriations Bill (Chapter 192) appropriated \$80,000 from the Correctional Institutions Building Fund (CIBF) to hire experts and consultants. The Joint Committee may request the expertise of the Secretary of Corrections to assist the Joint Committee to write the master plan. The master plan shall address and develop:

"(1) Enhanced or expanded community corrections programs, the plan shall address how such programs may slow the growth of the need for new prison beds or reduce the need for new prison beds. Review of community correction programs may include, but not be limited to, intensive supervision, short-term jail sentences, halfway houses and community-based work;

"(2) any future expansion of state correctional facilities;

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- "(3) alternatives to incarceration consistent with public safety;
- "(4) allowing the court to revoke a defendant's probation, assignment to community corrections or conditional release, order the offender committed to the custody of the secretary of corrections and retain jurisdiction for 120 days to modify the sentence or order for revocation;
- "(5) a guide for community-based facilities;
- "(6) consolidation or centralization of field services;
- "(7) private expansion with specific recommendations on criteria to guide the determination of any program appropriate for privatization, to assist in determining the placement of any such facility and to guide in the selection of any private provider;
- "(8) specific programs to deal with specific populations within the existing state facilities that could be served in the community to ease capacity demands on the existing state institutions and the cost basis and effectiveness of such programs;
- "(9) contracts with profit or nonprofit corporations which would serve to reduce the demands on the state facilities;
- "(10) projected costs of any such plans developed or recommended; and
- "(11) identify any revenue source sufficient to appropriately fund any plans developed or recommended."

The Omnibus Appropriations Bill (Chapter 202) of the *1998 Session Laws of Kansas* designated the Joint Committee review of a local neighborhood impact report regarding a female conservation camp.

The Omnibus Appropriations Bill (Chapter 202, sec. 20 (b)) of the *1998 Session Laws of Kansas* declared that no expenditures can be appropriated for the purpose of juvenile accountability and incentive grants until the Joint Committee reviews a plan for distributing juvenile accountability and incentive grants.

APPENDIX B: COMMITTEE MEETING TABLE

1998 Interim Committee Meetings and Agenda Topics

<u>Meeting Date</u>	<u>Location</u>	<u>Topics</u>
May 26	Topeka	<ul style="list-style-type: none"> ▸ JJA Update incl. facilities masterplan ▸ KDOC Update
June 30-July 1	Topeka	<ul style="list-style-type: none"> ▸ KDOC Update ▸ Parole Board-release planning ▸ JJA Facilities Master plan and update ▸ Kelley Detention Services ▸ JJA Case Management
July 31	Lansing	<ul style="list-style-type: none"> ▸ KDOC Death Penalty Proposals ▸ Death Chamber Tour ▸ Staff Salaries ▸ Outside Connections Visitors' Center ▸ JJA Update incl. Community Planning Teams
August 12	Topeka	<ul style="list-style-type: none"> ▸ KDOC Update ▸ JJA Update, masterplan review, community planning overview
August 26	Topeka	<ul style="list-style-type: none"> ▸ Sentencing Commission Inmate population projections ▸ KDOC Community Corrections Advisory Group ▸ KDOC Educational Programs ▸ JJA Update incl. Community Planning Teams ▸ Review Committee Bills
September 17	Topeka	<ul style="list-style-type: none"> ▸ JJA Update incl. Community Planning Teams ▸ Youthtrack ▸ Juvenile Aftercare Review ▸ JJA Management Information System ▸ KDOC Update ▸ Koch Crime Institute Report ▸ Riley County Truancy Program Report ▸ OC Spray in JDF Report
October 8	Salina	<ul style="list-style-type: none"> ▸ JJA Community Planning Teams ▸ Outside Connections Halfway House ▸ Focus on the Future
October 13	Norton and WaKeeney	<ul style="list-style-type: none"> ▸ Tour Norton Correctional Facility ▸ KDOC Community Work ▸ KDOC Staff Salaries ▸ Tour Greater Western Kansas Regional Juvenile Detention Facility ▸ JJA Community Planning Teams

October 29-30

Kansas City,
Oswego, Pittsburg

- ▶ KDOC Parole Issues
- ▶ Project SOLVE
- ▶ JJA Update incl. community planning teams
- ▶ Tour Labette Correctional Conservation Camp
- ▶ Southeast Kansas Truancy Programs

November 24-25

Wichita and
Winfield

- ▶ KDOC Update
- ▶ Sentencing Commission Inmate Classification Projections
- ▶ KDOC Parolees in Sedgwick County
- ▶ JJA Update incl. community planning teams
- ▶ Tour Wichita Work Release
- ▶ Tour Winfield Correctional Facility
- ▶ Therapeutic Community

December 3

Topeka

- ▶ JJA Update incl. community planning teams
- ▶ Insurance Coverage
- ▶ Sanction House Regulations
- ▶ Substance Abuse Audit
- ▶ Parole Board Issue Update
- ▶ Review committee bills and report

December 14

Topeka

- ▶ Review and approve final committee report

Juvenile Justice Funding Issues
Differences Between the Governor, House, and Senate Recommendations
 (Based on Senate Ways and Means and House Appropriations Committee Recommendations)

Senate Ways and Means Committee
 Date 4/22/99
 Attachment # 18-1

Item:	Gov. Rec.	House Rec.	Senate Rec.
A. Community Funding			
1. Purchase of services - Contracted services with providers for day reporting, detention, out-of-home placements, transportation costs	\$14,377,237 Revised JJA request - \$23,226,125 (GBA - FY 00: \$2,000,000 (SGF) for caseload increases; \$1,310,143 (SGF) for rate increases; FY 99: \$800,000 to cover shortage of funds)	Concur with Governor (GBA not considered yet)	Concur with Gov., but add \$3,361,980 (SGF)--\$1,361,980 to increase detention and out of home placement rates; \$2.0 million for increased caseloads
2. Community planning and prevention grants - Prevention grants distributed through by formula based on number high school dropouts in each judicial district	\$4,000,000	Concur with Gov., reduce prevention by \$1.0 million; add \$2.9 million (SGF) going to administration districts for community programs	Concur with Gov., reduce prevention by \$1.0 million
3. Community management information system projects - Linking communities to central office for increased sharing of "juvenile information folders"	\$230,000 Revised JJA request - \$400,000	Concur with Gov., but add \$170,000 for MIS projects in communities	Concur with Governor
4. Intervention and graduated sanctions grants - Case management, intake assessment, community corrections, and requested new programs	\$17,284,416 Revised JJA request - \$21,784,416 (GBA - \$2,000,000 for new programs funded with tobacco money)	Concur with Gov., but add \$2,262,584 (\$360,000 of it SGF) for new programs (\$881,292 more than Senate) (GBA not considered yet)	Concur with Gov., add \$1,381,292 for new programs (GBA not considered yet)
5. Kansas Endowment for Youth grants - Support current initiatives and new pilot prevention programs	\$200,000	Concur with Gov., but add \$1.0 million	Concur with Governor
B. Juvenile Correctional Facility Operating Costs			
6. Juvenile correctional facility operating budgets - Total operating expenditures for 4 facilities	\$26,481,883 (GBA - \$459,090 SGF to reopen Grandview Cottage at Beloit JCF)	Concur with Governor (GBA not considered yet)	Concur with Governor (GBA not considered yet)
C. Juvenile Justice Authority Operating Costs			
7. JJA central office operating budget - Total expenditures for operating central office	\$4,584,305	Concur with Gov., but add 1.0 FTE Architect I and \$5,973 in FY 99 and \$35,833 in FY 00	Concur with Governor
D. Facility Construction and Building Costs			
8. Capital Improvements - Agreement on facility rehabilitation and repair. Difference is regarding type and scale of maximum facility expansion	\$2,185,297 planning for single 225-bed maximum custody facility; shift \$6.0 million SIBF without expenditure authority for future construction use	Delete planning funds and \$6.0 million shift; add \$5.0 million SIBF (\$1.0 in FY 99 and \$4.0 in FY 00) to plan for age and gender specific maximum custody bed expansion at existing facilities	Concur with Governor

Juvenile Justice Funding - Position Comparisons

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

18-2

FY 2000

Expenditure	Revised Agency Req. FY 2000	Revised Gov. Rec. FY 2000	Difference Between Agency and Gov. Rec.	House Position FY 2000	Difference Between Gov. and House Rec.	Senate Position FY 2000	Difference Between Gov. and Senate Rec.
All Funds:							
State Operations	\$4,729,692	\$4,584,305	(\$145,387)	\$4,620,138	\$35,833	\$4,584,305	\$0
Aid to Local Units	\$54,141,899	\$45,933,154	(\$8,208,745)	\$45,955,595	\$22,441	\$44,366,283	(\$1,566,871)
Other Assistance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Operating	\$58,871,591	\$50,517,459	(\$8,354,132)	\$50,575,733	\$58,274	\$48,950,588	(\$1,566,871)
Capital Improvements	\$6,575,272	\$3,492,420	(\$3,082,852)	\$5,307,123	\$1,814,703	\$3,492,420	\$0
TOTAL	\$65,446,863	\$54,009,879	(\$11,436,984)	\$55,882,856	\$1,872,977	\$52,443,008	(\$1,566,871)
State General Fund:							
State Operations	\$4,416,864	\$4,271,477	(\$145,387)	\$4,307,310	\$35,833	\$4,271,477	\$0
Aid to Local Units	\$44,850,153	\$30,641,408	(\$14,208,745)	\$31,591,265	\$949,857	\$30,074,537	(\$566,871)
Other Assistance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Operating	\$49,267,017	\$34,912,885	(\$14,354,132)	\$35,898,575	\$985,690	\$34,346,014	(\$566,871)
Capital Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$49,267,017	\$34,912,885	(\$14,354,132)	\$35,898,575	\$985,690	\$34,346,014	(\$566,871)
Other Funds:							
State Operations	\$312,828	\$312,828	\$0	\$312,828	\$0	\$312,828	\$0
Aid to Local Units	\$9,291,746	\$15,291,746	\$6,000,000	\$14,364,330	(\$927,416)	\$14,291,746	(\$1,000,000)
Other Assistance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Operating	\$9,604,574	\$15,604,574	\$6,000,000	\$14,677,158	(\$927,416)	\$14,604,574	(\$1,000,000)
Capital Improvements	\$6,575,272	\$3,492,420	(\$3,082,852)	\$5,307,123	\$1,814,703	\$3,492,420	\$0
TOTAL	\$16,179,846	\$19,096,994	\$2,917,148	\$19,984,281	\$887,287	\$18,096,994	(\$1,000,000)
Juv. Corr. Facilities - Oper. Exp.							
All Funds	\$26,994,177	\$26,940,973	(\$53,204)	\$26,481,883	(\$459,090)	\$26,481,883	(\$459,090)
State General Fund	\$25,950,758	\$25,897,554	(\$53,204)	\$25,438,464	(\$459,090)	\$25,438,464	(\$459,090)
Other Funds	\$1,043,419	\$1,043,419	\$0	\$1,043,419	\$0	\$1,043,419	\$0
GRAND TOTAL	\$92,441,040	\$80,950,852	(\$11,490,188)	\$82,364,739	\$1,413,887	\$78,924,891	(\$2,025,961)
State General Fund	\$75,217,775	\$60,810,439	(\$14,407,336)	\$61,337,039	\$526,600	\$59,784,478	(\$1,025,961)
Other Funds	\$17,223,265	\$20,140,413	\$2,917,148	\$21,027,700	\$887,287	\$19,140,413	(\$1,000,000)
FTE Positions:							
	609.0	609.0	0.0	598.0	(11.0)	597.0	(12.0)
JJA	35.0	35.0	0.0	36.0	1.0	35.0	0.0
Juv. Corr. Facilities	574.0	574.0	0.0	562.0	(12.0)	562.0	(12.0)
Unclass. Temp. Positions	11.0	12.0	1.0	12.0	0.0	12.0	0.0
JJA	5.0	6.0	1.0	6.0	0.0	6.0	0.0
Juv. Corr. Facilities	6.0	6.0	0.0	6.0	0.0	6.0	0.0
Total	620.0	621.0	1.0	610.0	(11.0)	609.0	(12.0)

Juvenile Justice Funding

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

House Version

15-3

All Funds

Note: Revised Gov. Rec. includes recent GBA's

	Actual FY 1998	Agency Estimate FY 1999	Revised Gov. Rec. FY 1999	House Rec. FY 1999	Diff. Between Gov. Rec. & House Rec. FY 1999	Agency Request FY 2000	Revised Gov. Rec. FY 2000	Revised Agency Request FY 2000	Diff. Between Gov. Rec. & JJA Req. FY 2000	House Rec. FY 2000	Diff. Between Gov. Rec. & House Rec. FY 2000
Community Funding (Aid to Local Units):											
Federal Funds and Grants	424,581	4,531,748	5,331,748	4,531,748	(800,000)	4,531,358	4,531,358	4,531,358	0	4,531,358	0
Purchase of Services:	0	14,377,237	14,377,237	14,377,237	0	15,328,688	17,687,380	23,226,125	5,538,745	14,377,237	(3,310,143)
In-Home	0	1,275,391	1,275,391	1,275,391	0	1,275,391	1,275,391	1,755,391	480,000	1,275,391	0
Day Reporting	0	1,203,094	1,203,094	1,203,094	0	1,203,094	1,203,094	1,243,094	40,000	1,203,094	0
Detention	0	3,240,161	3,240,161	3,240,161	0	3,240,161	4,240,161	6,240,161	2,000,000	3,240,161	(1,000,000)
Out-of-Home	0	7,928,929	7,928,929	7,928,929	0	8,880,380	10,239,072	13,092,817	2,853,745	7,928,929	(2,310,143)
Transportation	0	525,000	525,000	525,000	0	525,000	525,000	610,000	85,000	525,000	0
Other	0	204,662	204,662	204,662	0	204,662	204,662	284,662	80,000	204,662	0
Community Planning Total:	3,889,418	1,913,720	1,913,720	1,913,720	0	0	4,000,000	4,000,000	0	5,900,000	1,900,000
Community Initiatives	2,489,500	625,000	625,000	625,000	0	0	0	0	0	0	0
Community Planning/Administration Grants	1,399,918	1,288,720	1,288,720	1,288,720	0	0	0	0	0	2,900,000	2,900,000
Prevention Grants	0	0	0	0	0	0	4,000,000	4,000,000	0	3,000,000	(1,000,000)
Management Information System	0	230,000	230,000	230,000	0	400,000	230,000	400,000	170,000	400,000	170,000
Intervention & Grad. Sanctions Grants:	10,322,379	13,642,325	13,642,325	13,642,325	0	13,971,765	19,284,416	21,784,416	2,500,000	19,547,000	262,584
Case Management Operations	1,380,000	4,700,000	4,700,000	4,700,000	0	4,700,000	5,500,000	5,500,000	0	5,500,000	0
Intake and Assessment	4,707,051	4,707,051	4,707,051	4,707,051	0	4,824,727	5,000,000	5,000,000	0	5,000,000	0
New Programs	0	0	0	0	0	0	3,737,416	6,237,416	2,500,000	4,000,000	262,584
Community Corrections	4,235,328	4,235,274	4,235,274	4,235,274	0	4,447,038	5,047,000	5,047,000	0	5,047,000	0
KEY Grants	25,000	2,450,000	2,450,000	2,450,000	0	200,000	200,000	200,000	0	1,200,000	1,000,000
Subtotal	\$14,661,378	\$37,145,030	\$37,945,030	\$37,145,030	(800,000)	\$34,431,811	\$45,933,154	\$54,141,899	8,208,745	\$45,955,595	22,441
JCF Operating Costs:											
Atchison Juv. Correctional Facility	\$5,877,180	5,778,071	5,778,071	5,778,071	0	5,983,286	6,008,305	5,983,286	(25,019)	6,008,305	0
Topeka Juv. Correctional Facility	\$10,973,977	10,908,127	10,814,485	10,814,485	0	11,277,138	11,186,590	11,277,138	90,548	11,186,590	0
Beloit Juv. Correctional Facility	\$4,736,387	4,932,098	4,932,098	4,932,098	0	5,005,228	5,488,321	5,464,318	(24,003)	5,029,231	(459,090)
Larned Juv. Correctional Facility*	\$3,947,997	4,187,717	4,142,198	4,142,198	0	4,269,435	4,257,757	4,269,435	11,678	4,257,757	0
Subtotal	25,535,541	25,806,013	25,666,852	25,666,852	0	26,535,087	26,940,973	26,994,177	53,204	26,481,883	(459,090)
Facility Construction/Building Costs (Capital Improvements):											
Rehabilitation and Repair:	110,000	1,147,075	1,147,075	1,147,075	0	4,389,975	1,307,123	4,389,975	3,082,852	1,307,123	0
Atchison Juv. Correctional Facility	0	334,895	334,895	334,895	0	1,058,045	370,367	1,058,045	687,678	370,367	0
Topeka Juv. Correctional Facility	0	532,565	532,565	532,565	0	2,299,559	626,523	2,299,559	1,673,036	626,523	0
Beloit Juv. Correctional Facility	0	279,615	279,615	279,615	0	1,032,371	310,233	1,032,371	722,138	310,233	0
Larned Juv. Correctional Facility*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Design of Prop. Max. Security Facility	0	0	0	1,000,000	1,000,000	0	2,185,297	2,185,297	0	4,000,000	1,814,703
New Facility Construction	0	0	0	0	0	0	[6000000]	0	0	0	0
Subtotal	\$110,000	\$1,147,075	\$1,147,075	\$2,147,075	1,000,000	\$4,389,975	\$3,492,420	\$6,575,272	3,082,852	\$5,307,123	1,814,703
JJA Operating Costs (State Operations):											
Administration***	1,100,277	1,100,277	1,100,277	1,106,250	5,973	1,166,066	1,094,589	1,166,066	71,477	1,130,422	35,833
Operations**	1,261,671	442,614	1,190,927	1,190,927	0	751,464	747,568	751,464	3,896	747,568	0
Research and Prevention	1,313,477	3,100,069	3,100,069	3,100,069	0	2,291,928	2,227,923	2,291,928	64,005	2,227,923	0
Contracts and Audits	13,962,078	554,231	554,231	554,231	0	520,234	514,225	520,234	6,009	514,225	0
Subtotal	17,637,503	5,197,191	5,945,504	5,951,477	5,973	4,729,692	4,584,305	4,729,692	145,387	4,620,138	35,833
Total JJA Budget	\$32,408,881	\$43,489,296	\$45,037,609	\$45,243,582	205,973	\$43,551,478	\$54,009,879	\$65,446,863	11,436,984	\$55,882,856	1,872,977
Grand Total All Funds - JJA Funding	\$57,944,422	\$69,295,309	\$70,704,461	\$70,910,434	\$205,973	\$70,086,565	\$80,950,852	\$92,441,040		\$82,364,739	\$1,413,887
Dollar Change:	0	11,350,887	1,409,152	12,966,012		791,256	10,246,391	22,354,475		1,413,887	
Percentage Change:	0.00%	19.59%	2.03%	22.38%		1.14%	15.50%	31.90%		1.75%	

* Rehabilitation and Repair projects for Larned JCF are included in the Larned State Hospital Request

**Includes in Gov. Rec. FY 99 \$748,313 for 4.0 FTE to operate 57 beds at Topeka JCF, and \$459,090 in FY 2000 for re-opening Grandview Cottage at Beloit JCF

***Includes the Committee Rec. in FY 00 for 1.0 FTE Architect I position

Juvenile Justice Funding

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

Senate Version

18-4
18-1

II Funds

Note: Revised Gov. Rec. includes recent GBA's

	Actual FY 1998	Agency Estimate FY 1999	Revised Gov. Rec. FY 1999	Senate Rec. FY 1999	Diff. Between Gov. Rec. & Senate Rec. FY 1999	Agency Request FY 2000	Revised Gov. Rec. FY 2000	Revised Agency Request FY 2000	Diff. Between Gov. Rec. & JJA Reg. FY 00	Senate Rec. FY 2000	Diff. Between Gov. Rec. & Senate Rec. FY 2000
Community Funding (Aid to Local Units):											
Federal Funds and Grants	424,581	4,531,748	5,331,748	4,531,748	(800,000)	4,531,358	4,531,358	4,531,358	0	4,531,358	0
Purchase of Services:	0	14,377,237	14,377,237	14,377,237	0	15,328,688	17,687,380	23,226,125	5,538,745	17,739,217	51,837
In-Home	0	1,275,391	1,275,391	1,275,391	0	1,275,391	1,275,391	1,755,391	480,000	1,275,391	0
Day Reporting	0	1,203,094	1,203,094	1,203,094	0	1,203,094	1,203,094	1,243,094	40,000	1,203,094	0
Detention	0	3,240,161	3,240,161	3,240,161	0	3,240,161	4,240,161	6,240,161	2,000,000	4,240,161	0
Out-of-Home	0	7,928,929	7,928,929	7,928,929	0	8,880,380	10,239,072	13,092,817	2,853,745	10,290,909	51,837
Transportation	0	525,000	525,000	525,000	0	525,000	525,000	610,000	85,000	525,000	0
Other	0	204,662	204,662	204,662	0	204,662	204,662	284,662	80,000	204,662	0
Community Planning Total:	3,889,418	1,913,720	1,913,720	1,913,720	0	0	4,000,000	4,000,000	0	3,000,000	(1,000,000)
Community Initiatives	2,489,500	625,000	625,000	625,000	0	0	0	0	0	0	0
Community Planning/Administration	1,399,918	1,288,720	1,288,720	1,288,720	0	0	0	0	0	0	0
Prevention Grants	0	0	0	0	0	0	4,000,000	4,000,000	0	3,000,000	(1,000,000)
Management Information System	0	230,000	230,000	230,000	0	400,000	230,000	400,000	170,000	230,000	0
Intervention & Grad. Sanctions Grants:	10,322,379	13,642,325	13,642,325	13,642,325	0	13,971,765	19,284,416	21,784,416	2,500,000	18,665,708	(618,708)
Case Management Operations	1,380,000	4,700,000	4,700,000	4,700,000	0	4,700,000	5,500,000	5,500,000	0	5,500,000	0
Intake and Assessment	4,707,051	4,707,051	4,707,051	4,707,051	0	4,824,727	5,000,000	5,000,000	0	5,000,000	0
New Programs	0	0	0	0	0	0	3,737,416	6,237,416	2,500,000	3,118,708	(618,708)
Community Corrections	4,235,328	4,235,274	4,235,274	4,235,274	0	4,447,038	5,047,000	5,047,000	0	5,047,000	0
KEY Grants	25,000	2,450,000	2,450,000	2,450,000	0	200,000	200,000	200,000	0	200,000	0
Subtotal	\$14,661,378	\$37,145,030	\$37,945,030	\$37,145,030	(800,000)	\$34,431,811	\$45,933,154	\$54,141,899	8,208,745	\$44,366,283	(1,566,871)
JCF Operating Costs:											
Atchison Juv. Correctional Facility	\$5,877,180	5,778,071	5,778,071	5,778,071	0	5,983,286	6,008,305	5,983,286	(25,019)	6,008,305	0
Topeka Juv. Correctional Facility	\$10,973,977	10,908,127	10,814,485	10,814,485	0	11,277,138	11,186,590	11,277,138	90,548	11,186,590	0
Beloit Juv. Correctional Facility	\$4,736,387	4,932,098	4,932,098	4,932,098	0	5,005,228	5,488,321	5,464,318	(24,003)	5,029,231	(459,090)
Larned Juv. Correctional Facility*	\$3,947,997	4,187,717	4,142,198	4,142,198	0	4,269,435	4,257,757	4,269,435	11,678	4,257,757	0
Subtotal	25,535,541	25,806,013	25,666,852	25,666,852	0	26,535,087	26,940,973	26,994,177	53,204	26,481,883	(459,090)
Facility Construction/Building Costs (Capital Improvements):											
Rehabilitation and Repair:	110,000	1,147,075	1,147,075	1,147,075	0	4,389,975	1,307,123	4,389,975	3,082,852	1,307,123	0
Atchison Juv. Correctional Facility	0	334,895	334,895	334,895	0	1,058,045	370,367	1,058,045	687,678	370,367	0
Topeka Juv. Correctional Facility	0	532,565	532,565	532,565	0	2,299,559	626,523	2,299,559	1,673,036	626,523	0
Beloit Juv. Correctional Facility	0	279,615	279,615	279,615	0	1,032,371	310,233	1,032,371	722,138	310,233	0
Larned Juv. Correctional Facility*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Design of Prop. Max Security Facility	0	0	0	1,000,000	1,000,000	0	2,185,297	2,185,297	0	2,185,297	0
New Facility Construction	0	0	0	0	0	0	[6000000]	0	0	[6000000]	0
Subtotal	\$110,000	\$1,147,075	\$1,147,075	\$2,147,075	1,000,000	\$4,389,975	\$3,492,420	\$6,575,272	3,082,852	\$3,492,420	0
JJA Operating Costs (State Operations):											
Administration	1,100,277	1,100,277	1,100,277	1,106,250	5,973	1,166,066	1,094,589	1,166,066	71,477	1,094,589	0
Operations**	1,261,671	442,614	1,190,927	1,190,927	0	751,464	747,568	751,464	3,896	747,568	0
Research and Prevention	1,313,477	3,100,069	3,100,069	3,100,069	0	2,291,928	2,227,923	2,291,928	64,005	2,227,923	0
Contracts and Audits	13,962,078	554,231	554,231	554,231	0	520,234	514,225	520,234	6,009	514,225	0
Subtotal	17,637,503	5,197,191	5,945,504	5,951,477	5,973	4,729,692	4,584,305	4,729,692	145,387	4,584,305	0
Total JJA Budget	\$32,408,881	\$43,489,296	\$45,037,609	\$45,243,582	205,973	\$43,551,478	\$54,009,879	\$65,446,863	11,436,984	\$52,443,008	(1,566,871)
Grand Total All Funds - JJA Funding	\$57,944,422	\$69,295,309	\$70,704,461	\$70,910,434	\$205,973	\$70,086,565	\$80,950,852	\$92,441,040		\$78,924,891	(\$2,025,961)
Dollar Change:	0	11,350,887	1,409,152	12,966,012		791,256	10,246,391	22,354,475		(2,025,961)	
Percentage Change:	0.00%	19.59%	2.03%	22.38%		1.14%	15.50%	31.90%		-2.50%	

Rehabilitation and Repair projects for Larned JCF are included in the Larned State Hospital Request

*includes in Gov. Rec. FY 99 \$748,313 for 4.0 FTE to operate 57 beds at Topeka JCF, and \$459,090 in FY 2000 for re-opening Grandview Cottage at Beloit JCF

Juvenile Justice Authority

Funding Issues

Senate Ways and Means Committee

Date 4/22/99

Attachment # 19-1

Funding of Juvenile Justice in Kansas can be divided into four areas:

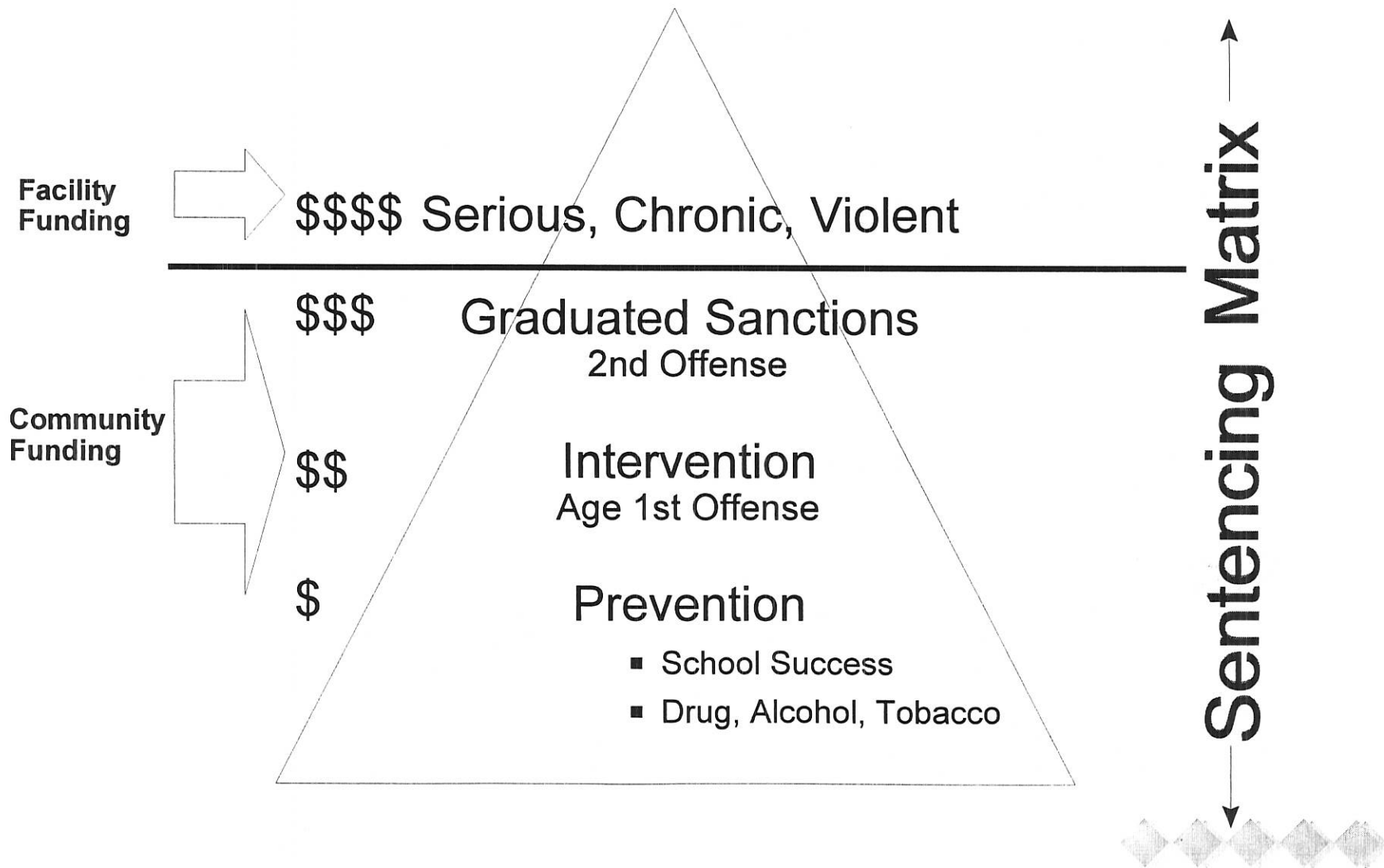
- A. Community Funding**
- B. Juvenile Correctional Facility Operating Costs**
- C. JJA Operating Costs**
- D. Facility Construction and Building Costs**

The first two areas deal with operational costs—that is, funding the existing agency structures and bureaucracy. The remaining two areas deal with solving the juvenile justice problem in Kansas. Community Funding can be divided into (1) purchase of services, (2) community planning and prevention grants, (3) intervention and graduated sanctions grants, and (4) federal grants to communities.

The Juvenile Sentencing Matrix, which is the heart of juvenile justice reform (see page 2), will take effect on July 1, 1999. After that, juveniles who commit violent crimes will become the state's responsibility. Nonviolent offenders will become the responsibility of a state-community partnership for prevention, graduated sanctions, and aftercare.



Juvenile Justice Objectives



Juvenile Justice Funding

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

Summary

Expenditure	Actual FY 1998	Agency Est. FY 1999	Revised Gov. Rec. FY 1999	Agency Req. FY 2000	Revised Gov. Rec. FY 2000	Revised Agency Req. FY 2000	House Adjustment FY 2000	Senate Adjustment FY 2000	Legislative Approved FY 2000	Omnibus Adjustment FY 2000	Final Legislative Approved FY 2000
All Funds:											
State Operations	\$17,637,503	\$5,197,191	\$5,945,504	\$4,729,692	\$4,584,305	\$4,729,692	\$4,620,138	\$4,584,305	\$0		
Aid to Local Units	\$14,636,378	\$37,145,030	\$37,945,030	\$34,431,811	\$45,933,154	\$54,141,899	\$45,955,595	\$44,366,283	\$0		
Other Assistance	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Subtotal - Operating	\$32,298,881	\$42,342,221	\$43,890,534	\$39,161,503	\$50,517,459	\$58,871,591	\$50,575,733	\$48,950,588	\$0		
Capital Improvements	\$110,000	\$1,147,075	\$1,147,075	\$4,389,975	\$3,492,420	\$6,575,272	\$5,307,123	\$3,492,420	\$0		
TOTAL	\$32,408,881	\$43,489,296	\$45,037,609	\$43,551,478	\$54,009,879	\$65,446,863	\$55,882,856	\$52,443,008	\$0		
State General Fund:											
State Operations	\$8,208,836	\$4,349,157	\$5,097,470	\$4,416,864	\$4,271,477	\$4,416,864	\$4,307,310	\$4,271,477	\$0		
Aid to Local Units	\$14,011,817	\$25,776,825	\$25,776,825	\$25,140,065	\$30,641,408	\$44,850,153	\$31,591,265	\$30,074,537	\$0		
Other Assistance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Subtotal - Operating	\$22,220,653	\$30,125,982	\$30,874,295	\$29,556,929	\$34,912,885	\$49,267,017	\$35,898,575	\$34,346,014	\$0		
Capital Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
TOTAL	\$22,220,653	\$30,125,982	\$30,874,295	\$29,556,929	\$34,912,885	\$49,267,017	\$35,898,575	\$34,346,014	\$0		
Other Funds:											
State Operations	\$9,428,667	\$848,034	\$848,034	\$312,828	\$312,828	\$312,828	\$312,828	\$312,828	\$0		
Aid to Local Units	\$624,561	\$11,368,205	\$12,168,205	\$9,291,746	\$15,291,746	\$9,291,746	\$14,364,330	\$14,291,746	\$0		
Other Assistance	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Subtotal - Operating	\$10,078,228	\$12,216,239	\$13,016,239	\$9,604,574	\$15,604,574	\$9,604,574	\$14,677,158	\$14,604,574	\$0		
Capital Improvements	\$110,000	\$1,147,075	\$1,147,075	\$4,389,975	\$3,492,420	\$6,575,272	\$5,307,123	\$3,492,420	\$0		
TOTAL	\$10,188,228	\$13,363,314	\$14,163,314	\$13,994,549	\$19,096,994	\$16,179,846	\$19,984,281	\$18,096,994	\$0		
Juvenile Correctional Facilities											
Operating Expenditures											
All Funds	\$25,535,541	\$25,806,013	\$25,666,852	\$26,535,087	\$26,940,973	\$26,994,177	\$26,481,883	\$26,481,883	\$0		
State General Fund	\$23,525,381	\$24,702,294	\$24,563,133	\$25,491,668	\$25,897,554	\$25,950,758	\$25,438,464	\$25,438,464	0		
Other Funds	\$2,010,160	\$1,103,719	\$1,103,719	\$1,043,419	\$1,043,419	\$1,043,419	\$1,043,419	\$1,043,419	0		
GRAND TOTAL	\$57,944,422	\$69,295,309	\$70,704,461	\$70,086,565	\$80,950,852	\$92,441,040	\$82,364,739	\$78,924,891	\$0		
State General Fund	\$45,746,034	\$54,828,276	\$55,437,428	\$55,048,597	\$60,810,439	\$75,217,775	\$61,337,039	\$59,784,478	\$0		
Other Funds	\$12,198,388	\$14,467,033	\$15,267,033	\$15,037,968	\$20,140,413	\$17,223,265	\$21,027,700	\$19,140,413	\$0		
Percentage Change: (Operating Expenditures)											
All Funds	n/a	19.6%	22.0%	1.1%	14.5%	14.2%	1.7%	-2.5%			
State General Fund	n/a	19.9%	21.2%	0.4%	9.7%	23.7%	0.9%	-1.7%			
Positions:											
FTE Positions:	590.0	593.0	597.0	597.0	609.0	609.0	598.0	597.0	0.0		
JJA	30.0	31.0	35.0	35.0	35.0	35.0	36.0	35.0	0.0		
Juv. Corr. Facilities	560.0	562.0	562.0	562.0	574.0	574.0	562.0	562.0	0.0		
Unclass. Temp. Positions	12.0	11.0	11.0	11.0	12.0	11.0	12.0	12.0	0.0		
JJA	6.0	5.0	5.0	5.0	6.0	5.0	6.0	6.0	0.0		
Juv. Corr. Facilities	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0		
TOTAL	602.0	604.0	608.0	608.0	621.0	620.0	610.0	609.0	0.0		

19-3

1. Community Funding serves this many juveniles...

Type of Custody	Actual FY 1996 SRS Custody	Actual FY 1997 SRS Custody	Actual FY 1998 JJA Custody	Proj. FY 1999 JJA Custody* (Gov. Rec. Funding)	Proj. FY 2000 JJA Custody* (JJA Req. Funding)
A. Intervention and Graduated Sanctions Funding:					
Intake and Assess. Prgms - # Assessments	26,000	27,000	28,000	29,856	30,200
Intake and Assessment Funding	\$4,650,000	\$4,700,000	\$4,707,051	\$4,707,051	\$5,000,000
Unit Cost for Intake and Assessment	\$179	\$174	\$168	\$158	\$166
Community Corrections Avg. Daily Pop.	1100	1150	1200	1300	1300
Community Corrections Funding	\$4,150,000	\$4,200,000	\$4,235,328	\$4,235,274	\$5,047,000
Unit Cost for Community Corrections	\$3,773	\$3,652	\$3,529	\$3,258	\$3,882
Total Interv. & Grad. Sanct. Funding:	\$12,800,000	\$12,900,000	\$12,942,379	\$13,642,325	\$21,784,416
Cost per Juvenile In These Programs:	\$472	\$458	\$443	\$438	\$692
B. Purchase of Services:					
Detention Centers	141	184	165	192	232
Emergency Shelter	0	0	76	88	107
Foster Care	135	154	173	201	243
Group Home	419	402	271	338	427
Home/Relative	754	754	738	851	1,000
Hospital	46	47	13	15	18
Individual Living	0	0	38	44	53
Other	0	0	122	142	171
Total in Custody	1,495	1,541	1,596	1,871	2,251
*Numbers for these years are based on suppositions of how the JJA projects overall figures.					
Total Purchase of Services Funding:	\$14,000,000	\$14,150,000	\$14,200,000	\$14,377,237	\$23,226,125
Average Cost per Juvenile:	\$9,365	\$9,182	\$8,897	\$7,684	\$10,318
C. Prevention Community Programs:					
Number of Juv. Served	200,000	200,000	225,000	230,000	235,000
Prevention Program Funding	\$0	\$0	\$3,889,418	\$4,363,720	\$4,200,000
Cost for Prevention Programs Per Juv.	\$0	\$0	\$17	\$19	\$18
Total Community Funding:	\$26,800,000	\$27,050,000	\$31,456,378	\$37,145,030	\$54,141,899
Average Cost per Juvenile:	\$117	\$118	\$123	\$141	\$201

2. Juvenile Correctional Facility Operations Funding serves this many juveniles...

Average Daily Census	Actual FY 1996	Actual FY 1997	Actual FY 1998	Projected FY 1999**	Projected FY 2000**
Atchison Juv. Correctional Facility	109	97	102	115	105
Topeka Juv. Correctional Facility	219	215	199	235	203
Beloit Juv. Correctional Facility	81	80	82	91	87
Larned Juv. Correctional Facility	120	120	124	130	122
Total	529	512	507	571	517

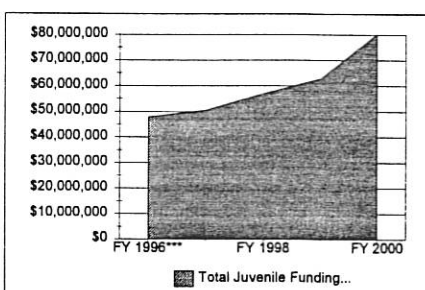
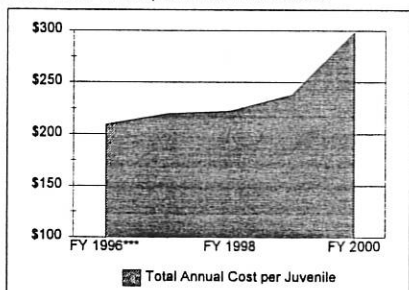
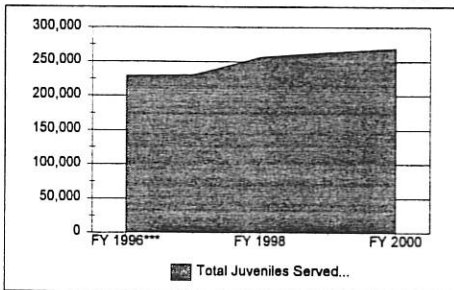
**Approximate figures based on Sentencing Commission's projected numbers.

Total Facility Funding	\$21,137,301	\$23,532,007	\$25,535,541	\$25,666,852	\$26,258,186
Annual Facility Cost per Juvenile	\$39,957	\$45,961	\$50,366	\$44,951	\$50,790

3. Total JJA Operations Funding employs 598.0 FTEs, costs this much, and serves this many juveniles...

	FY 1996***	FY 1997***	FY 1998	FY 1999	FY 2000
Total Juveniles Served...	229,124	230,203	256,303	263,598	269,268
Total Juvenile Funding...	\$47,937,301	\$50,582,007	\$56,991,919	\$62,811,882	\$80,400,085
Total Annual Cost per Juvenile	\$209	\$220	\$222	\$238	\$299

***Numbers for these years are based on suppositions of what SRS spent and who served.



19-4

A. Community Funding



Community Planning Team Funding

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

Community Planning Team/Judicial District			Estimated Requested Funding			
Jud. Dist.	Counties	1996 Juvenile Pop.*	Prevention	Intervention	Graduated Sanctions	TOTAL Requested to JJA
1	Atchison, Leavenworth	21,862	\$154,667	\$443,090	\$646,680	\$1,244,437
2	Pottawatomie, Jackson, Wabunsee, Jefferson	14,180	\$143,334	\$221,800	\$2,696,940	\$3,062,074
3	Shawnee	41,693	\$236,421	\$651,180	\$2,185,369	\$3,072,970
4	Osage, Franklin, Coffey, Anderson	14,621	\$185,000	\$153,027	\$793,450	\$1,131,477
5	Lyon, Chase	9,800	\$83,750	\$168,959	\$653,514	\$906,223
6	Miami, Linn, Bourbon	12,506	\$48,500	\$168,673	\$517,373	\$734,546
7	Douglas	16,769	\$29,531	\$1,617,450	\$1,040,896	\$2,687,877
8	Dickinson, Geary, Morris, Marion	18,505	\$312,500	\$646,250	\$1,035,650	\$1,994,400
9	McPherson, Harvey	15,278	\$219,200	\$309,643	\$1,578,330	\$2,107,173
10	Johnson	95,155	\$246,667	\$3,562,731	\$2,244,208	\$6,053,606
11	Crawford, Cherokee, Labette	20,232	\$220,000	\$1,072,422	\$1,057,292	\$2,349,714
12	Jewell, Republic, Washington, Mitchell, Cloud, Lincoln	8,940	\$685,000	\$161,940	\$1,002,150	\$1,849,090
13	Butler, Greenwood, Elk	17,205	\$0	\$374,200	\$870,315	\$1,244,515
14	Chautauqua, Montgomery	11,046	\$235,000	\$422,389	\$1,048,388	\$1,705,777
15, 17, 23	Cheyenne, Rawlins, Sherman, Thomas, Wallace, Logan, Sheridan; Decatur, Norton, Phillips, Smith, Osborne, Graham; Gove, Trego, Ellis, Rooks	18,000	\$134,750	\$333,536	\$1,056,683	\$1,524,969
16	Gray, Ford, Meade, Clark, Kiowa, Comanche	12,968	\$37,500	\$136,655	\$4,657,142	\$4,831,297
18	Sedgwick	111,814	\$780,000	\$738,023	\$8,360,908	\$9,878,931
19	Cowley	9,783	\$97,500	\$175,292	\$316,129	\$588,921
20	Barton, Russell, Ellsworth, Rice, Stafford	15,475	\$515,400	\$562,178	\$650,772	\$1,728,350
21	Clay, Riley	18,300	\$50,000	\$436,000	\$623,000	\$1,109,000
22	Marshall, Nemaha, Brown, Doniphan	10,874	\$461,325	\$314,500	\$454,250	\$1,230,075
24	Lane, Ness, Rush, Hodgeman, Pawnee, Edwards	6,109	\$46,820	\$119,000	\$726,788	\$892,608
25	Greeley, Wichita, Scott, Hamilton, Kearny, Finney	16,219	\$115,400	\$755,228	\$1,557,361	\$2,427,989
26	Stanton, Grant, Haskell, Morton, Stevens, Seward	12,978	\$36,667	\$263,364	\$1,733,877	\$2,033,908
27	Reno	15,910	\$453,000	\$749,000	\$2,013,058	\$3,215,058
28	Ottawa, Saline	16,600	\$79,150	\$456,000	\$845,687	\$1,380,837
29	Wyandotte	46,007	\$83,333	\$3,663,933	\$5,549,617	\$9,296,883
30	Pratt, Kingman, Barber, Harper, Sumner	15,664	\$63,100	\$290,000	\$2,112,060	\$2,465,160
31	Woodson, Allen, Wilson, Neosho	11,946	\$182,000	\$372,224	\$613,946	\$1,168,170
TOTALS		656,439	\$5,935,515	\$19,338,687	\$48,641,833	\$73,916,035

*Juvenile Population means those persons under the age of 18.

Note: This \$73.9 million includes existing programs and purchase of services, as well as new funding for new programs and new construction. Existing programs and purchase of services account for \$47.0 million of the total, while new programs account for \$26.9 million of the total requested. New requested funding can be broken down into \$5.9 million for prevention programs (the Governor recommends using \$4.0 million of tobacco money to fund these prevention programs), \$12.3 million for new construction projects (the JJA does not request this), and \$8.7 million for intervention and graduated sanctions programs.

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JJA's Community Planning Team Proposal

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

* Existing and new programs fit into the Intervention and Graduated Sanctions categories.

Judicial District	FY 99 Level of Aid to Existing Programs*	Gov. Rec. FY 2000 Aid to Existing Programs	FY 00 Level of Aid to Existing & New Programs*	FY 00 Level of Aid to New Prevention Programs	FY 00 Total Level of Aid to Judicial Districts
1	266,789	494,655	620,949	80,450	701,399
2	241,152	197,862	248,380	60,678	309,058
3	800,177	722,196	906,586	93,404	999,990
4	183,980	321,526	403,617	70,905	474,522
5	299,077	558,960	701,673	78,405	780,078
6	239,339	336,365	422,246	74,996	497,242
7	401,271	549,067	689,254	108,403	797,657
8	423,091	677,677	850,701	113,175	963,876
9	361,622	336,365	422,246	59,315	481,561
10	1,386,427	1,386,427	1,386,427	279,530	1,665,957
11	346,118	469,922	589,902	115,221	705,123
12	139,988	217,648	273,218	31,362	304,580
13	299,259	299,259	299,259	99,540	398,799
14	196,973	331,419	416,036	115,903	531,939
15	116,214	150,000	150,000	17,044	167,044
16	317,273	534,227	670,625	89,995	760,620
17	131,396	148,396	186,285	13,636	199,921
18	2,282,406	2,977,822	3,738,115	1,011,079	4,749,194
19	209,827	242,381	304,265	96,131	400,396
20	307,418	672,731	844,491	101,585	946,076
21	288,506	311,633	391,198	53,179	444,377
22	196,040	227,541	285,637	40,907	326,544
23	150,750	173,129	217,332	34,771	252,103
24	137,945	150,000	150,000	29,317	179,317
25	528,676	460,029	577,483	163,627	741,110
26	256,173	405,617	509,178	102,949	612,127
27	564,523	554,013	695,463	93,404	788,867
28	282,294	282,294	282,294	108,403	390,697
29	1,344,254	2,958,036	3,713,277	528,379	4,241,656
30	313,048	331,419	416,036	65,451	481,487
31	251,660	336,365	422,246	68,860	491,106
Total for Programs \$	13,642,325	17,284,416	21,784,416	4,000,000	25,784,416
		3,642,091	4,500,000		
Total Purch. of Serv.	14,377,237	14,377,237			23,226,125
TOTAL	28,019,562	35,661,653			49,010,541
Percentage Change	17.81%	27.27%			37.43%
Dollar Change	4,235,105	7,642,091			13,348,888

Note: The Gov. Rec. numbers are for illustrative purposes only.

Facts: Judicial Districts (Community Planning Teams) in FY 1999 received a total of \$28,019,562, including \$13,642,325 for existing programs and \$14,377,237 for purchase-of-services. The Governor's FY 2000 recommendation for aid to Judicial Districts totals \$35,661,653 and includes \$4,000,000 for prevention grants, \$15,547,000 for existing programs, \$1,737,416 for new programs, and \$14,377,237 for purchase-of-services (the same amount as FY 1999). JJA is requesting for FY 2000 a total of \$49,010,541 which includes \$4,000,000 for prevention, \$15,547,000 for existing programs, \$6,237,416 for new programs, and \$23,226,125 for purchase-of-services.

Summary of the Finance Allocation Model:

For the most recent year of available data, a judicial district's number of felony category and immature category juvenile offenders sentenced, divided by the total number of sentenced for the state, will determine the judicial district's percent of the state's total. That percent will determine the district's share of the available funds for graduated sanctions and immediate interventions programs.

GRADUATED Sanctions and Intervention money

Formula for Aid to Local Communities
(graduated sanctions and early intervention programs)

$$\frac{\text{\# of juvenile offenders convicted of felonies}^{\ast} + \text{\# of "escalating juvenile offenders"}}{\text{Total \# of juvenile offenders in Kansas}} = \% \text{ of judicial district's share of available JJA funds}$$

Likewise, the district's number of high school graduation failures, divided by the state's number of high school graduation failures, will result in the community's equitable percent of the agency's available prevention funds.

Prevention Money Allocation

Formula for JJA Prevention Funds

$$\frac{\text{Judicial District's number of high school graduation failures}}{\text{Number of high school graduation failures in Kansas}} = \text{percentage of JJA available prevention funds}$$

Amount of money each District receives for prevention program

Conclusion:

The outcome of the formula will change depending on the level of appropriation and current data on the formula factors. As the juvenile justice information system improves the state's ability to measure juvenile crime and more is learned about the cost of services, improvements in the means of sharing state aid will be made. Although adjustments will be made, the basic rationale and factors that drive the funding mechanism provide a measure of predictability.

The funding strategy is consistent with the reform principles. It stresses public safety. It is community based and allows for the exercise of community norms, values and priorities. It promotes collaboration, resource management and efficiency. Additionally, it equitably shares public funds to address public needs.

PREVENTION SERVICES AND PROGRAMS

A major initiative of the Juvenile Justice Reform Act is the development of prevention programs as a part of the continuum of juvenile justice services. Historically, in the state of Kansas, this has not been a focus of the juvenile justice system. However, research at the national level indicates that prevention programming for at-risk youth and first-time offenders can be highly effective in reducing juvenile crime and preventing the increasing long term cost of repeat offending.

The prevention programs funded by JJA would be expected to reflect a history of research based effectiveness and demonstrate how the programs will address community risk factors as well as community protective factors that will help reduce juvenile crime. JJA will encourage and assist communities to develop successful programs that will help reduce risk factors and enhance protective factors. Communities will be encouraged to create partnerships with other agencies that have a key interest in prevention focused services (schools, regional prevention centers, community mentoring programs) in order to maximize both funding and program capabilities. Prevention programs cover a wide range of service needs at the community level.

Specific programs in the communities will vary depending on the risk factors needing addressed. The general categories of programs will consist of:

Mentoring Programs

These programs target youth that are in need of prosocial adult role models to address adolescent behavior problems. Programs use college students, community volunteers, business community, school personnel who provide positive social and material reinforcement to youth. It allows youth to be connected to adults who promote healthy beliefs and clear standards. Such programs address the risk factors: Early and Persistent Antisocial Behavior, Lack of Commitment to School, Rebelliousness.

After School Recreation

The programs provided opportunities for youth that are at risk for inappropriate after school behavior to include violation of the laws and/or youth who need structured after school activities. After school programs can offer opportunities for youth to interact with prosocial adults and peers and learn new skills in a safe, supportive environment. Risk factors to be addressed include: Early and Persistent Antisocial Behavior, Friends Who Engage in Problem Behavior, Rebelliousness.

Youth Employment with Education

Programs are primarily intended to increase youth employment as well as improve young people's social and educational functioning. They address youth with risk factors involving Lack of Commitment to School, Academic Failure. Extreme Economic Deprivation.

Parent Training

Parent training provides information and skill to help parents be more effective in raising their children. Parent training programs focus on specific ages and specific risk factors. All programs are to help parents set clear standards for behavior and promote bonding by increasing opportunities for children to be involved in the family, skills for involvement and recognition for involvement. These programs address risk factors such as: Family Management Problems, Family Conflict, Early and Persistent Antisocial Behavior.

Family Therapy

Family Therapy approaches are used to motivate families to make enduring positive changes in negative family patterns. Research indicates that juvenile delinquency, drug abuse, self-destructive and antisocial behaviors occur in families that demonstrate these negative patterns. Risk factor addressed in these programs includes Family Management Problems, Family Conflict, Early and Persistent Antisocial Behavior.

Other Prevention Services

These target other risk factors as well as focus on coordination and collaboration with agencies concerned with at risk behavior. Some of these programs address community and school related policies and procedures. Example of such services include:

- Community Mobilization
- Community/School Polices
- School Organization Strategies
- School Behavior Management Strategies

INTERVENTION PROGRAMS

Programs in this category are the "front end" of the formal juvenile justice system. Introduction to these services is the result of criminal behavior or problem behavior that, at minimum, requires a level of formal review, assessment and a decision that will determine the extent to which further processing through the juvenile justice system will need to occur.

The Intervention Core Programs consist of:

Intake and Assessment

This service is the first formal step in the juvenile justice system. Juveniles that are apprehended by local law enforcement for violation of city, county, state or federal laws are to be taken to a district's intake and assessment program. The official law enforcement reports are received, the legal guardian notified and a determination is made as to the juvenile's safety/security risk to him/herself, the community and to others. The seriousness of the offense committed and other mitigating circumstances are assessed in determining the next level of referral into the juvenile justice system. The reports are forwarded to the local prosecuting attorney's office for determination of further legal action. The intake program operates in accordance with the statutory mandates and JJA standards.

Detention Services

Detention services would be for those juvenile offenders for which a preliminary decision has made that for public safety reasons or in the best interest of the juvenile offender, the offender can not return home but needs placed in a highly secure environment until further judicial review. A detention center is both staff and hardware secure. Such services must be provided by a facility that meets the Standards for Detention as established by the Kansas Department of Health and Environment.

Attendant Care

Attendant Care services will be provided to those juvenile offenders who a determination is made that for public safety reasons or in the best interest of the juvenile offender, immediate return to their home is not feasible. Attendant care provides a level of residential supervision that is staff and facility secure but not to the extent of detention services. Attendant care programs must meet license standards for Residential Care as established by the Kansas Department of Health and Environment.

Diversion Services

Diversion services are for a juvenile offender cases that a local determination has been made formal juvenile court action is not necessary. In lieu of pursuing official juvenile court adjudication and disposition, the cases are diverted to informal short-term supervision programs to insure the juvenile offenders are going to maintain law-abiding behavior. Formal court action is held in abeyance until completion of the diversion

agreement conditions. Programs usually operate in conjunction with the local prosecuting attorney's office and/or the community based juvenile corrections agency.

Other Intervention Services

These consist of other programs that operate to divert first time offenders from further penetration into the juvenile justice system. The services provided are an attempt to get juvenile offenders attention to the seriousness of their criminal behavior and in doing so alleviate the need to use more judicial resources and juvenile corrections sanctions. The goal of these services is to stop the criminal behavior and it is done with less expense to the juvenile justice system. Some examples of programs include:

- Shoplifting intervention programs
- Teen Court
- After-School Reporting Program
- Truancy Diversion

GRADUATED SANCTIONS

Services at this level consist of a continuum of structured community based program options. Juvenile offenders access the programs as result of a formal juvenile court sentencing/ disposition decision or a formal community based case management decision making process. Programs will provide a range of supervision and structure that will promote public safety, hold juvenile offenders accountable and enhance the ability for them to become productive community members.

The Graduated Sanctions Core Programs consist of:

Juvenile Intensive Supervision Program (JISP)

This is a highly structured/supervised community based program. The agency with operational responsibility of JISP will develop and maintain the program in accordance with the JISP standards as set forth by JJA. Juvenile offenders have a high degree of contact with their supervision officer. There is the ability to access other levels of graduated sanctions services such as drug testing, electronic monitoring, day reporting to insure they are in compliance with the conditions of their supervision contract. These are often juvenile offenders who have previously failed on traditional court service probation or have committed a serious offense but do not yet need an out-of-home placement or juvenile correctional facility placement.

Case Management Services

These are programs and community support services for juvenile offenders who are not in need of the high correctional structure and supervision level of JISP but do require supervision and in need of additional community support services. The agency responsible for case management operations would adhere to the case management standards as set forth by JJA. Juvenile offenders receive ongoing supervision but are also participating in other community based counseling/treatment services to assist them in dealing with problems that resulted in juvenile offender behavior.

Out –Of –Home Placements

These consist of residential facilities for juvenile offenders needing out-of-home placement. Juvenile offenders needing placed results from failure to adhere to the terms and conditions of their community supervision and demonstrate behavioral problems that require a higher level of structured treatment than what can be received while living in their home environment. Some of the general categories of placements consist of:

- Foster Home – Family environment setting with parents trained to provide a greater degree of support and supervision than what a juvenile received in their own home. The juvenile is also participating in additional counseling services.
- Group Home-A residential facility that manages a number of juvenile offenders. The juvenile is closely supervised and receives additional counseling support services. It provides a higher structure than foster homes. Some group homes are structured to meet a diverse juvenile offender population while others are structured to meet

specific juvenile offender population needs (ex. Maternity care for pregnant female juvenile offenders).

- Treatment Facilities-Although the above-mentioned placements provide treatment, these facilities are geared to providing highly intensive services to meet specific identified treatment needs of the juvenile offenders. This would include such areas as sex offender treatment, drug/alcohol treatment, aggressive behavior treatment, etc. There is a high level of structure and treatment.
- Independent Living/Transition Living-The facilities are designed to work with the older age juvenile offender (16 years and up) who have a high likelihood that upon release will need to support themselves. Juvenile offenders are taught skills that will help them fulfill educational goals, obtain and retain employment, and basic living skills. The level of structure allows juveniles to come and go from the facility in accordance with set rules and regulations.

Aftercare Services

This consists of programs and services for juvenile offenders upon return to the community from a juvenile correctional facility. It transitions the juvenile offender from a juvenile correctional facility back into a community environment. Depending on the needs of the juvenile offender, the services may be the same as those identified for Juvenile Intensive Supervision (drug testing, electronic monitoring) or may consist of additional support services such as a transitional living facility.

Other Graduated Sanction Programs

These are generally programs operating in the community and are offered in conjunction with previously mentioned supervision services or provide a unique opportunity to juvenile offenders to participate in a program to teach them specific behavior skills. Some examples of these programs include:

- Gang Intervention Programs
- Community Service Programs
- Restitution Programs

As noted, graduated sanctions programs reflect a continuum of services. Juvenile offenders may be placed in a program dependent of the level of supervision, structure and services needed at that time. There may be the need for a juvenile offender to reenter a program. EXAMPLE: A juvenile offender on Juvenile Intensive Supervision commits a new crime and as a result gets committed to a state juvenile correctional facility. Upon release from the facility, the juvenile offender could be back on Juvenile Intensive Supervision for monitoring and supervision during reintegration to the community. Attached is a diagram that outlines some of the primary steps in a graduated sanctions system.

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5/16/15

D. Facility Construction

& Building Costs - Capital Improvements



Juvenile Justice Authority - Capital Improvements

Capital Budget Page No. 186

Project	Agency Request FY 1999	Governor's Rec. FY 1999	Agency Request FY 2000	Governor's Rec. FY 2000
Juvenile Correctional Facility Projects:				
Atchison Juvenile Correctional Facility	\$ 334,895	\$ 334,895	\$ 1,058,045	\$ 370,367
Topeka Juvenile Correctional Facility	532,565	532,565	2,299,559	626,523
Beloit Juvenile Correctional Facility	279,615	279,615	1,032,371	310,233
Larned Juvenile Correctional Facility*	n/a	n/a	n/a	n/a
Subtotal	<u>\$ 1,147,075</u>	<u>\$ 1,147,075</u>	<u>\$ 4,389,975</u>	<u>\$ 1,307,123</u>
New Facility Planning:				
Design of Proposed New Maximum Security Facility	0	0	2,185,297	2,185,297
SIBF Transfer for Building Costs of Maximum Security Facility	0	0	0	[6,000,000]
TOTAL	<u>\$ 1,147,075</u>	<u>\$ 1,147,075</u>	<u>\$ 6,575,272</u>	<u>\$ 3,492,420</u>
Financing:				
State General Fund	\$ 0	\$ 0	\$ 218,530	\$ 0
State Institution Building Fund	1,147,075	1,147,075	4,389,975	3,492,420
Federal Violent Offender Incarceration/Truth-in-Sentencing Fund	0	0	1,966,767	0
TOTAL	<u>\$ 1,147,075</u>	<u>\$ 1,147,075</u>	<u>\$ 6,575,272</u>	<u>\$ 3,492,420</u>

*The Rehabilitation and Repair projects for Larned Juvenile Correctional Facility are included in the Larned State Hospital Request.

FY 1999. The agency's current year estimate of \$1,147,075 for rehabilitation and repair projects reflects the approved budget. **The Governor concurs.**

FY 2000. The agency's request totals \$4,319,976 for rehabilitation and repair projects, and also includes a request of \$2,185,297 (comprised of \$218,530 SGF and \$1,966,767 of Federal Violent Offender Incarceration/Truth-in-Sentencing funds) for the architectural design funding of the proposed maximum security facility, and a request of \$1,544,625 (SGF) for the design of the proposed Larned replacement facility. **The Governor recommends** \$1,307,123 for rehabilitation and repair projects and \$2,185,297 (SIBF) for the architectural design funding of the proposed maximum security facility.

House Recommendation.

FY 1999. The House concurs with the Governor's recommendation, with the following adjustment:

- Add \$1,000,000 (SIBF) for preliminary facility and design of juvenile facilities

FY 2000. The House concurs with the Governor's recommendation, with the following adjustment:

- Add \$4,000,000 (SIBF) for preliminary facility and design of juvenile facilities
- Delete \$6.0 million transfer only for building costs associated with max facility
- Delete \$2,185,297 for architectural design of proposed max facility

Senate Recommendation.

The Senate concurs with the Governor's recommendation.

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Juvenile Facility Construction Plan Comparisons

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

1. Bed Capacity vs. Projected Bed Needs...

Year	Projected Bed Needs*	JJA Master Plan		House Plan		Gov. Rec.	
		Total Bed Capacity	Est. Yearly Cost (\$ millions)	Total Bed Capacity	Est. Yearly Cost (\$ millions)	Total Bed Capacity**	Est. Yearly Cost (\$ millions)***
FY 2000	517	533	5.3	533	5.0	576	8.9
FY 2001	574	583	9.2	583	43.2	576	--
FY 2002	578	808	19.5	737	31.8	--	--
FY 2003	661	835	24.2	805	0.0	--	--
FY 2004	727	922	25.7	901	0.0	--	--
FY 2005	801	926	24.5	901	0.0	--	--
FY 2006	822	926	17.9	901	0.0	--	--
FY 2007	829	976	0.0	901	0.0	--	--
			126.3		80		8.9

*Based on Average Daily Population projections submitted by the Kansas Sentencing Commission, March 1999.

**Governor anticipates proceeding with additional construction projects when juvenile pop. settles after placement matrix implementation.

***This breaks down into \$0.7 million for bed expansion at Topeka, \$2.2 million for design costs, and \$6.0 million to be transferred only for max-facility building costs.

2. History of Sentencing Commission's Juvenile Bed Projections...

Year	Old Projections (Nov 1998)	New Projections (Mar 1999)	Corrected Projections (Mar 1999)
FY 2000	534	389	517
FY 2001	612	491	574
FY 2002	690	578	578
FY 2003	770	661	661
FY 2004	841	727	727
FY 2005	893	801	801
FY 2006	910	822	822
FY 2007	927	829	829
FY 2008	932	843	843

Juvenile Facility Construction Plan Comparisons

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

3. Facility Construction Details...

<i>JJA Master Plan</i>			<i>House Plan</i>			House Plan \$ Difference
Project Details	Total Beds	Cost (\$ millions)	Project Details	Total Beds	Cost (\$ millions)	
1. State review, approval, and authorization	519		1. State review, approval, and authorization	519		same
2. Design facilities - 7.5% of total construction estimate	519	8.8	2. Design facilities	519	5.0	\$3.8 million less
3. Rehabilitate Grandview building at Beloit facility and expand by 14 minimum-security beds; also, upgrade Morning View building into new 18 maximum-security beds and six special program beds (would bring total bed capacity from 90 to 104; net change of 14 new beds)	533	0.8	3. Rehabilitate Grandview building at Beloit facility and expand by 14 minimum-security beds; also, upgrade Morning View building into 18 maximum-security beds and six special program beds (would bring total bed capacity from 90 to 104; net change of 14 new beds)	533	0.8	same
4. Add 50 new minimum-security at Atchison during the first phase, completed Nov. 2001; (beds increase from 108 to 158)	583	7.5	4. Add 50 new minimum-security beds at Atchison during the first phase, completed Nov. 2001; (beds increase from 108 to 158)	583	4.0	\$3.5 million less
5. Construct new maximum-security juvenile detention center with space for 150 beds plus a 15 bed medical unit; combine it with a diagnostic/classification center with 60 beds to sort out juvenile offenders into custody classes (cost of building center apart from max-facility would be \$12 million) (total new beds equal 225)	808	38.3	5. Construct at Topeka 75 new maximum-security beds (cost of \$10.9 million and \$145,000 per bed), plus 15 medical beds (cost: \$1.5 million); also, construct a new diagnostic/classification center with 60 beds (\$5.9 million) to sort out juvenile offenders into custody classes (total new beds equal 150)	733	18.3	\$20.3 million less
6. Construct at Larned a new, self-contained facility which includes space for an expanded 90-bed Residential Substance Abuse Treatment program and a 30-bed Special Behavior Management Unit (total of 120 beds); specifically, decommission the Allen, Meyer East/West, and Sellers buildings and return them to the State Hospital (current total bed capacity at Larned is 116; net change would be 4)	835	27.2	6. Construct at Larned a new, self-contained facility which includes space for an expanded 90-bed Residential Substance Abuse Treatment program and a 30-bed Special Behavior Management Unit (total of 120 beds); specifically, decommission the Allen, Meyer East/West, and Sellers buildings and return them to the State Hospital (current total bed capacity at Larned is 116; net change would be 4)	737	21.5	\$5.7 million less
7. Construct new 45-bed medium-security facility at Beloit with perimeter security fence; dorm rooms in Sunnyside and Skylark would be reduced from 10 to 4 girls each (total beds increases from 104 to 131, net change of 27)	922	10.0	7. Construct new 45-bed medium-security facility at Beloit with perimeter security fence; dorm rooms in Sunnyside and Skylark would be reduced from 10 to 4 girls each (total beds increases from 104 to 131, net change of 27)	764	5.0	\$5.0 million less
8. Expand Topeka facility to include renovated housing and new construction that would increase medium-security bed space from 219 to 306 (net change of 87 beds); specifically, 63 beds in Arapaho/Cheyenne/Chippewa/Jayhawk would be decommissioned and 150 new beds would be constructed	926	26.2	8. Expand Topeka facility to include renovated housing and new construction that would increase medium-security bed space from 219 to 306 (net change of 87 beds); specifically, 63 beds in Arapaho/Cheyenne/Chippewa/Jayhawk would be decommissioned and 150 new beds would be constructed	851	20.5	\$5.7 million less
9. Add second phase of 50 more minimum-security beds to Atchison by 2007 (beds increase from 158 to 208)	976	7.5	9. Add 50 new maximum-security beds to Atchison by 2004 (beds increase from 158 to 208)	901	4.9	\$2.6 million less
Total cost impact to the State will be amortized across a 8.5 year planning and construction period	Total New Beds: 457	126.3	Total cost would be financed with \$75 million in bonds amortized across a 25 year period; authorize \$5 million for planning and design in FY 2000, and then authorize the \$75 million in FY 2001 for construction	Total New Beds: 382	80.0	\$46.3 million less and 75 beds less

Facility Planning and Construction - House Plan

Add a total of \$5,000,000 (SIBF) (\$1,000,000 in FY 1999, and \$4,000,000 in FY 2000) for facility planning to meet monthly high capacity needs as targeted by the end of FY 2004. The House recommends that the \$4.0 million go toward the preliminary architectural planning of the space expansion priorities identified by the agency. The agency should present those preliminary plans to the Joint Committee on State Building Construction and then may expend the remaining money for final construction plans for the agency's highest priorities. The agency may need to request additional planning money for FY 2000 during the 2000 Legislature to meet expected construction needs. The House further recommends that:

- a. the facility plan expand juvenile correctional facilities at the four existing locations;
- b. that the planning include no new facility site;
- c. that the facility expansion be age and gender specific rather than security based; and,
- d. that the plan include replacing any existing inappropriate facilities, such as the entire Larned Juvenile Correctional Facility and four buildings at the Topeka Juvenile Correctional Facility—Arapahoe, Cheyenne, Chippewa, and Jayhawk.

The House notes that the agency's cost models for the proposed facilities may not be entirely reflective of local building costs. The House expects that plans developed with initial planning money meet the existing population crisis and follow already established population housing patterns found in the existing facilities, such as:

- housing female offenders at Beloit Juvenile Correctional Facility;
- younger-age offenders male at Atchison Juvenile Correctional Facility;
- older male offenders at the Topeka Juvenile Correctional Facility, and offenders with mental health; and
- male offenders with substance abuse problems at the Larned Juvenile Correctional Facility.

The House's recommendation includes no funds for construction. The House recommends that the communities in which the institutions are situated consider creating public building commissions to assist with the construction of the facilities and then lease them back to the state. This commitment is not to exceed \$75 million. Notwithstanding this concept, the state will have no choice but to issue a significant amount of bonds on its own to meet the past due needs of our facilities and the violent youth of our state.

Joint Committee on State Building Construction Recommendations

At its meeting of April 21, 1999, the Joint Committee on State Building Construction recommended that the following items be considered for inclusion in the Omnibus bill. All amounts listed are in addition to the approved budgets.

Kansas Veterans' Home Roof Replacement

The Joint Committee recommends the addition of \$52,000 from the State Institutions Building Fund in FY 1999 for replacement of the roof on the Treatment Building.

Emporia State University

The Joint Committee recommends that ESU be authorized to spend \$135,000 in FY 2000 from restricted fees for preliminary and final planning for a new student recreation center. The planning and construction of the new facility would be supported by student fees.

State Historical Society

The Joint Committee recommends the addition of language which would permit the reappropriation of funds for three projects from FY 1999 to FY 2000.

Department of Administration

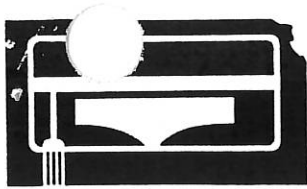
The Joint Committee recommends the following items for the Department of Administration:

- proviso* Addition of a proviso for FY 2000 which would permit the agency to use any funds available to the agency for emergency repairs to facilities under the control of the Department of Administration, subject to consultation with the Joint Committee or, if time does not permit, a report to the Joint Committee;
- Addition of \$986,627 from the State General Fund in FY 1999 to address cost increases in the renovation of Cedar Crest;
- Addition of \$175,000 from the State General Fund in FY 2000 for renovation of Dillon House;
- Addition of \$64,000 from the State General Fund in FY 2000 for phase 3 of 4 for carpet replacement in the Judicial Center;
- Addition of \$95,000 from the State General Fund in FY 2000 for planning costs for the remodeling of the Judicial Center space currently occupied by the Attorney General;
- Addition of \$425,000 from the State General Fund in FY 2000 for projects in the Statehouse in anticipation of future relocations and renovation work.

Kansas Bureau of Investigation

The Joint Committee recommends the addition of \$445,000 from the State General Fund in FY 2000 for the establishment of a regional laboratory facility in Wyandotte County. Additional costs would be supported by federal grants and local contributions. The Joint

Committee also recommends the addition of \$769,000 for planning funds for a new headquarters building for the agency.



KANSAS BOARD OF REGENTS

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<http://www.ukans.edu/~kbor>

MEMORANDUM

TO: Duane Goossen
Director of the Budget

FROM: Tom W. Bryant *TWB*
Interim Executive Director

RE: **FISCAL NOTE ON SENATE BILL 345**

DATE: April 22, 1999

The Board of Regents has structured its fiscal note on Senate Bill 345 in three parts: the direct fiscal impact associated with (1) the transfer of community college and vocational education responsibilities and (2) the addition of coordination responsibilities and the development of a statewide data base; and (3) other fiscal implications associated with the new Board responsibilities discussed in parts 1 and 2. Separate fiscal notes are attached and a table is attached which summarizes the fiscal note in total.

cc: Transition Team
Board of Regents
Legislative Research Staff

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Senate Ways and Means Committee

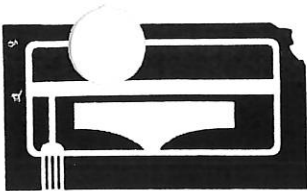
Date *4/23/99*

Attachment # *21-1*

**Fiscal Note on SB 345 (As Amended by HCW)
Estimated Additional Operating Expenditure Requirements
Of the Kansas Board of Regents**

	FTE	SGF Annual	SGF One-time	Other Funds
Dept. of Education Funding and Staff*	8.0	\$264,401		\$312,329
Fiscal Impact Associated with Transfer of Dept. of Education Functions				
Education Consultants - Community Colleges	2.0	\$100,000		
Office Space		\$23,525		
Additional Computers, Office Furniture, Files			\$49,250	
Subtotal	2.0	\$123,525	\$49,250	
Fiscal Impact Associated with Higher Education Coordination:				
Institutional Researcher/Planner	1.0	\$75,000		
Data Administrator	1.0	\$68,750		
Programmer/Analyst	1.0	\$56,250		
Communications Coordinator/ Web Administrator	1.0	\$50,000	\$250,000	
Secretary	1.0	\$25,000		
Office Space		\$8,500		
OOE - Travel, Training, Communications, Supplies		\$25,000		
Additional Computers, Office Furniture, Files			\$24,500	
Recruiting Expenses			\$15,000	
Student Tracking System - Development/Software			\$300,000	
Subtotal	5.0	\$308,500	\$339,500	
Other Fiscal Impact Associated with Addition of Responsibilities and Staff				
Additional Board Pier Diem and Subsistence		\$20,000		
OOE - Travel, Communications, Supplies, Etc.		\$25,000		
Secretarial Support	2.0	\$50,000		
Additional Computers, Office Furniture, Files			\$9,000	
Salary Adjustments for Existing Staff		\$50,000		
Office Space		\$38,750		
Remodeling New Space			\$56,000	
Moving Existing Tenants			\$44,800	
Telephone System			\$30,000	
Subtotal	2.0	\$183,750	\$139,800	
Grand Total	17.0	\$880,176	\$528,550	\$312,329
Transfer from Department of Education*	8.0	\$214,363		\$362,367
Net Increase to State Budget	9.0	\$665,813	\$528,550	(\$50,038)

* reflects replacement of \$50,038 of federal funds with state funds.



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MEMORANDUM

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TO: Duane Goossen, Director of the Budget
FROM: Tom W. Bryant, Interim Executive Director *TWB*
RE: **FISCAL NOTE ON SENATE BILL 345:
IMPACT OF TRANSFER OF COMMUNITY COLLEGE
AND VOCATIONAL EDUCATION FUNCTIONS**
DATE: April 22, 1999

Attachment 1 is a summary of the expenditures and FTE proposed to be transferred by the Department of Education for administration of community college and AVTS programs. (Please note that approximately \$50,000 of federal funds would be need to be replaced with state funds.) The DOE proposed to transfer 8.0 FTE, including 6.5 professional and 1.5 secretarial staff. In discussions with DOE officials, it was their opinion that two additional education consultants should be added to the staff, for which we request \$100,000 for salaries and benefits. Additional space, computers and office equipment and furniture will be needed for these 10 additional staff, as follows:

Office Space:

Professional Staff	8.5 @ 145 sq. ft. @ \$12.50	\$15,400
Secretarial Staff	1.5 @ 100 sq. ft. @ \$12.50	1,875
Storage/Workroom	500 sq. ft. @ \$12.50	<u>6,250</u>
		\$ 23,525

Computers, Office Furniture and Equipment*

Professional Staff	8.5 @ \$5,000 per office	\$ 42,500
Secretarial Staff	1.5 @ \$4,500 per workstation	<u>6,750</u>
		\$ 49,250

In summary, the fiscal note related to the transfer of staff from the Department of Education would be:

Annual Expenditures:

Salaries and benefits for 2 additional staff	\$100,000
Office space	<u>23,525</u>
	\$123,525

One-time Expenditures:

Computers, office furniture and equipment	\$ 49,250
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* Does not account for equipment which may be transferred from the DOE.

cc: Transition Team
Board of Regents
Legislative Research Staff
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COMMUNITY COLLEGES/AVTS

	<u>FTE</u>	<u>State General Funds</u>	<u>State Fee Funds</u>	<u>Federal Funds</u>
SALARIES				
Chief Administrative Officer	1.0	\$ 67,811		\$*34,452
Fiscal	1.0	44,397		
Education Consultant	1.0	48,354		
Secretary III	1.0	23,801		*12,086
OTHER OPERATING COSTS		30,000		*3,500
SUBTOTAL	4.0	\$ 214,363		\$ 50,038

ADULT BASIC EDUCATION
GED

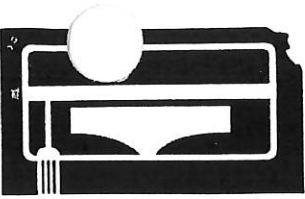
	<u>FTE</u>	<u>State General Funds</u>	<u>State Fee Funds</u>	<u>Federal Funds</u>
SALARIES				
Education Consultant	2.0			\$ 105,645
Office Assistant III	1.0		\$ 30,594	
OTHER OPERATING COSTS (Includes statewide training activities)			11,255	114,378
SUBTOTAL	3.0		\$ 41,849	\$ 220,023

PROPRIETARY SCHOOLS

	<u>FTE</u>	<u>State General Funds</u>	<u>State Fee Funds</u>	<u>Federal Funds</u>
SALARIES				
Education Consultant	.5		\$ 24,932	
Secretary I	.5		14,953	
OTHER OPERATING COSTS			10,572	
SUBTOTAL	1.0		\$ 50,457	
TOTAL	8.0	\$ 214,363	\$ 92,306	\$ 270,061
GRAND TOTAL (All Funds)	8.0	\$ 576,730		

Amount to be transferred to the State Board of Regents--Excludes Carl Perkins Vocational Education Funding

*This program has been partially funded by a federal grant. Therefore, it may require additional state general funds when transferred to the State Board of Regents. In addition, as a result of this federal grant, additional positions may be needed by the State Board of Regents in order to provide adequate program approval/technical assistance to community colleges, area vocational-technical schools, and technical colleges.



KANSAS BOARD OF REGENTS

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MEMORANDUM

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TO: Duane Goossen
Director of the Budget

FROM: Tom W. Bryant *TWB*
Interim Executive Director

RE: **FISCAL NOTE ON SENATE BILL 345:
IMPACT OF ADDITIONAL RESPONSIBILITIES
FOR HIGHER EDUCATION COORDINATION**

DATE: April 22, 1999

A major addition to the Board of Regents' responsibilities is provided in SB 345 through the creation of the commission for higher education coordination. Among the duties of this commission are to develop a comprehensive, statewide data base, which would include a student tracking system to show degree completion progress and migration trends between and among Kansas postsecondary institutions. Development of such a data base represents a major undertaking which will require a significant investment in additional staff and computing resources, which we have estimated as follows:

Annual Expenditures:

Additional Staffing (FTE, Salaries and Benefits):

Institutional Researcher\Planner	1.0	\$ 75,000
Data Administrator	1.0	68,750
Programmer\Analyst	1.0	56,250
Communications Coordinator\ Web Administrator	1.0	50,000
Secretary	<u>1.0</u>	<u>25,000</u>
	5.0	\$275,000

Office Space:

Professional Staff	4.0 @ 145 sq. ft. @ \$12.50	\$ 7,250
Secretary	1.0 @ 100 sq. Ft. @ \$12.50	<u>1,250</u>
		\$ 8,500

OOE - Travel, Training, Communications, Supplies \$ 25,000

Total Annual Expenditures \$308,500

One-Time Expenditures:

Computers, Office Furniture and Equipment:

Professional Staff	4.0 @ \$5,000 per office	\$ 20,000
Secretary	1.0 @ \$4,500 per office	<u>4,500</u>
		\$ 24,500

Recruiting Expenses \$ 15,000

Acquisition\Development of Software

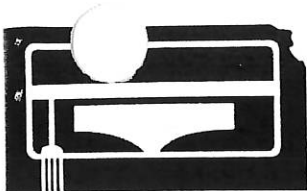
Software	\$250,000
Consultant	<u>50,000</u>
	\$300,000

Total One-Time Expenditures \$339,500

I hope you appreciate the extreme difficulty in estimating the costs associated with development of a student tracking system, given that no specifications exist, and there are apparently no clear choices for software tracking systems. Costs for such software could be in the range of \$250,000 to \$500,000.

cc: Transition Team
Board of Regents
Legislative Research Staff

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GENERAL ADMINISTRATION • 785-296-3421
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FAX • 785-296-0983
<http://www.ukans.edu/~kbor>

TO: Duane Goossen
Director of the Budget

FROM: Tom W. Bryant *TWB*
Interim Executive Director

RE: **FISCAL NOTE ON SENATE BILL 345:
IMPACT ASSOCIATED WITH ADDITION OF
RESPONSIBILITIES AND STAFF**

DATE: April 22, 1999

Senate Bill 345 holds fiscal implications for the Board of Regents budget, in addition to the direct fiscal impact associated with the transfer of community college and vocational education responsibilities, and the addition of coordination responsibilities and the development of a statewide data base. These additional fiscal implications are described below:

Additional Board Compensation:

Section 3 (d) of the bill provides that the Board of Regents shall be compensated in the same manner as members of the legislature. Currently, the budget for Board compensation is about \$8,000, reflecting a daily compensation of \$35 for 11 regular 2-day meetings. Currently, the legislature is compensated at the rate of \$72 per day, which would essentially mean doubling the current Board compensation budget, assuming the same meeting schedule. At this point, we do not know how often the commissions will meet; whether they will meet separately from the full Board; and how many additional meetings or subcommittee meetings would require Board compensation. To accommodate these possible scenarios, we projected that it will require \$20,000 in additional Board compensation.

Additional OOE Support

We believe it would require an additional \$25,000 in OOE, beyond the amount transferred from the Department of Education and the amount estimated for coordination. The additional responsibilities given to the Board will certainly require additional Board and staff travel, communications costs and printing\duplicating costs.

Additional Secretarial Support

With the addition of community college\vocational education functions and coordination responsibilities, we are projecting the addition of 12.5 professional staff, accompanied by 2.5 secretarial staff. The Board office currently has one secretarial position for each three non-secretarial positions. In order to maintain that ratio and thereby not overburden existing secretarial staff, we would request 2 additional secretarial staff:

Salaries and Benefits	\$50,000
Office Space 2 @100 sq. ft. @ \$12.50	2,500
Computers and Office Furniture 2 @ \$4,500	<u>9,000</u>
	\$61,500

Salary Adjustments for Existing Professional Staff

We believe the restructured Board would best be served by an administrative structure that is organized by function and not by institution type. Accordingly, such a structure would have the four basic functions of academic, fiscal, facilities and legal affairs serving all three commissions and the full board, rather than having distinct (and more costly) staff groupings for the commissions and the board. The desired organizational structure would require several existing staff members to take on significantly increased responsibilities, and they should be compensated appropriately. We would request \$50,000 to make these necessary salary adjustments.

Additional Office Space

Through the addition of community college\vocational education functions and coordination responsibilities, we are projecting a need for approximately 2,700 square feet of space for offices, workstations and storage\workroom areas. With the addition of these functions and staff, we believe it would be necessary to include 600 sq. ft. of space for two additional conference rooms at an annual cost of \$7,500. This would bring the total need for additional square footage to 3,300.

Currently, the Board occupies about 6,100 square feet on the 14th floor of the Security Benefit Tower at a lease rate of \$12.50 per sq. ft. The remaining space on that floor amounts to about 5,600 sq. ft. (about 3,400 sq. ft. of which is vacant office or corridor space). If the Board were to occupy the entire floor, that would yield additional space of about 2,300 square feet not otherwise accounted for in our fiscal notes on SB 345. That space could be used by the Board if it were found necessary to enlarge the Board's main meeting room, or to be able to adapt to other unforeseen space needs. The annual cost of that space would be \$28,750. In addition, and not otherwise accounted for in our other fiscal notes on SB 345, would be estimated costs of remodeling the space and moving current tenants. The estimated cost of remodeling 5,600 sq. ft. of space at \$10 per sq. ft. is \$56,000. The estimated cost of moving the other remaining tenant from the 14th floor is \$44,800, based on 2,240 sq. ft. at \$20 per sq. ft.

Telephone System

The Board's current telephone system is outdated and inadequate. The addition of staff projected in our fiscal notes would serve to further underscore that fact. We would request an additional \$30,000 to acquire a new telephone system.

The following summarizes the items addressed in this fiscal note which were not addressed in the fiscal notes related to (1) transfer of functions from the Department of Education and (2) new responsibilities for coordination and the development of a statewide data base:

Annual Expenditures:

Additional Board Compensation	\$ 20,000
Additional OOE Support	25,000
Additional Secretarial Support	52,500
Salary Adjustments for Existing Staff	50,000
Additional Office Space 2,900 sq. ft.	<u>36,250</u>
	\$183,750

One-Time Expenditures

Computers and Office Furniture	\$ 9,000
Remodeling 5,600 Sq. Ft. of Space	56,000
Moving Existing Tenants	44,800
New Telephone System	<u>30,000</u>
	\$139,800

cc: Transition Team
Board of Regents
Legislative Research Staff

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Kansas State Fair
 Domestic Arts Building
 Cost Estimates

Landmark Architects and Engineers
 1020 North Main, Hutchinson, Kansas
 February 15, 1999 revised March 1, 1999

1) New Exterior Entry Doors and Window Replacement		
Exterior doors with panic hardware and power assist	\$41,700	
New windows	<u>32,350</u>	\$74,050
2) Repair/Replace Concrete Floor Slab		64,900
3) Reroof Building		
New shingle roof with flashing, gutters and downspouts	\$39,405	
Parapet wall cap	18,290	
Reroof flat portions and parapet wall flashing	43,300	
New scuppers and downspouts	<u>5,550</u>	106,545
4) New Suspended ACT Ceiling		0
5) Masonry Restoration		77,000
6) Interior Painting and Finishes		35,500
7) New Kitchen		43,500
8) Mechanical/Electrical		
Electrical power, transformer	\$20,000	
Outlets, lights, etc.	110,625	
Mechanical	<u>110,625</u>	<u>241,250</u>
Items #1 through #8		\$642,745
9) Restrooms		<u>138,720</u>
Subtotal		\$781,465
ADA and Fire Safety with Fire Sprinkler System	\$78,175	
Asbestos Removal	23,625	
Lead-based paint abatement	<u>99,880</u>	<u>201,680</u>
Subtotal		\$983,145
Contingency of 10%		98,314
Maximum Architectural and Engineering Fee of 11%		108,145
Printing and DOAS 1%		<u>9,831</u>
Project Costs (February, 1999)		\$1,199,436

Senate Ways and Means Committee

Date 4/23/99

Attachment # 22-1

Current Status Comparison

<u>Expenditure Summary</u>	<u>Governor Recommendation FY 2000</u>	<u>Legislative Adjustments FY 2000</u>	<u>Legislative Approved FY 2000</u>
All Funds:			
State Operations	\$ 3,567,146	\$ 35,000	\$ 3,602,146
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 3,567,146	\$ 35,000	\$ 3,602,146
Capital Improvements	804,450	261,650	1,066,100
TOTAL	<u>\$ 4,371,596</u>	<u>\$ 296,650</u>	<u>\$ 4,688,246</u>
State General Fund:			
State Operations	\$ 125,000	\$ 0	\$ 125,000
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 125,000	\$ 0	\$ 125,000
Capital Improvements	600,000	200,000	800,000
TOTAL	<u>\$ 725,000</u>	<u>\$ 200,000</u>	<u>\$ 925,000</u>
FTE Positions			
FTE Positions	21.0	0.0	21.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u>21.0</u>	<u>0.0</u>	<u>21.0</u>

OUTLINE OF WATER PLAN GBA ITEM 51, APRIL 22

A. Watershed Dam Construction (\$49,562)

The Watershed Dam Construction Program provides cost share assistance to watershed or other special districts in the construction of watershed dams to provide flood reduction benefits. The program assists in watershed planning and develops non-structural, flood damage reduction projects.

B. Water Resources Cost-Share (\$3,088)

The Water Resources Cost-Share program provides financial assistance to private landowners for the construction of enduring water conservation structures and provides technical assistance to the state's conservation districts to supplement the technical assistance provided by the Natural Resources Conservation Service (NRCS) of the U.S. Department of Agriculture.

The cost-share program has two main objectives: (1) to reduce sedimentation, nutrient and pesticide loading in targeted public water supply reservoirs, and (2) to assist landowners in the prevention cropland soil erosion. Current targeted areas draining into public water supply sources and areas identified in the Governor's Water Quality Plan are the Kansas-Lower Republican River Basin (including Perry and Tuttle Creek Reservoirs), and the areas above Cheney, Hillsdale, and Melvern Reservoirs.

C. Riparian and Wetlands (\$21,350)

This program promotes the voluntary protection and restoration of riparian and wetland areas by providing planning assistance to conservation districts in development of protection plans and by conducting project demonstrations.

Types of demonstration projects include: soil bio-engineered stream bank stabilization, riparian restoration, riparian protection through fencing and alternative water supply for livestock, and wetland restorations.

\$\$\$ to go to Water Office in FY 2000

1. \$40,000 for a coordinator for the water resource education programs administered at the local level and coordinated by the Water Office. Adopt a stream program for civic groups. May work with Department of Commerce and Housing to create program analogous to Adopt A highway.
2. \$10,000 for education, more specifically for a booth at the Kansas State Fair
3. \$15,000 to provide additional resources in the evaluation of the effects of water conservation, wellhead protection, and non-point source pollution prevention on the quality and quantity of water in the High Plains aquifer.

Senate Ways and Means Committee

Date 4/23/99

Attachment #23-1

STATE WATER PLAN FUND EXPENDITURES FY 1999

	GOV. REC. FY 1999	LEG. ADJ. FY 1999	LEG. APPR. FY 1999
Agency/Program			
State Conservation Commission			
Buffer Initiative	\$80,000	\$0	\$80,000
Conservation District Aid	1,023,250	0	1,023,250
Multipurpose Small Lakes	231,000	0	231,000
Nonpoint Source Pollution Asst.	3,001,461	0	3,001,461
Riparian and Wetland Program*	98,606	0	110,956
Water Resources Cost Share*	4,446,912	0	4,450,000
Water Rights Purchase	0	0	0
Watershed Dam Construction*	779,438	0	829,000
Total--State Conservation Commission	\$9,660,667	\$0	\$9,725,667
Kansas Water Office			
Basin Assessment	\$25,000	\$0	\$25,000
Cheney Agricultural Nonpoint Source	0	0	0
Feedlot Water Quality	70,000	0	70,000
GIS Data Access and Support Ctr.	139,000	0	139,000
GIS Manager, Data Base, and Support	316,026	0	316,026
Groundwater Condition Evaluation	25,000	0	25,000
Milford and Perry Storage Acquisition Costs	0	0	0
MOU Operation and Maintenance	446,091	0	446,091
Neosho Sub-basin Study	50,000	0	50,000
PMIB Loan	252,000	0	252,000
Public Information	40,000	0	40,000
Salt Water Intrusion Studies	25,000	0	25,000
State Water Plan Direction and Evaluation	0	0	0
Stream Gauging Program	364,000	0	364,000
Tech. Assist. to Water Users	440,000	0	440,000
Walnut Creek Study	40,000	0	40,000
Water Resource Education	70,000	0	70,000
Water Quality Initiative	0	0	0
Water Quality in Upper Arkansas River	75,000	0	75,000
Water Quality Planning Assist.	20,000	0	20,000
Weather Modification	390,000	0	390,000
Total--Kansas Water Office	\$2,787,117	\$0	\$2,787,117
Wildlife and Parks			
Stream Monitoring	\$50,000	\$0	\$50,000
River Recreation	0	0	0
Total--Wildlife and Parks	\$50,000	\$0	\$50,000
KSU--Western Kansas Irrigation Project	\$91,000	\$0	\$91,000
Department of Agriculture			
Floodplain Management	\$107,969	\$0	\$107,969
Interstate Water Issues	203,550	0	203,550
Subbasin Management Plan	660,899	0	660,899
Total--Department of Agriculture	\$972,418	\$0	\$972,418
Health and Environment			
Assessment of Sediment: Cheney and Perry	\$90,000	\$0	\$90,000
Contamination Remediation	1,420,128	0	1,420,128
Local Environmental Protection Program	1,900,000	0	1,900,000
Nonpoint Source Program	910,000	0	910,000
Total--Health and Environment	\$4,320,128	\$0	\$4,320,128
KCC--Well Plugging	\$400,000	\$0	\$400,000
		0	0
Total Water Plan Expenditures	\$18,281,330	\$0	\$18,346,330
State Water Plan Resource Est.			
	GOV. REC. FY 99	LEG. ADJ. FY 99	LEG. APPR. FY 99
Beginning Balance	\$923,324	\$0	\$923,324
Revenues			
State General Fund Transfer	\$6,000,000	\$0	\$6,000,000
Economic Development Fund Transfer	2,000,000	0	2,000,000
Municipal Water Fees	3,375,000	0	3,375,000
Industrial Water Fees	1,110,000	0	1,110,000
Stock Water Fees	300,000	0	300,000
Pesticide Registration Fees	778,600	0	778,600
Fertilizer Registration Fees	2,901,728	0	2,901,728
Fines	20,000	0	20,000
Sand Royalty Receipts	322,226	0	322,226
Returned Funds/Transfers In	2,091,277	0	2,091,277
Total Receipts	\$18,898,831	\$0	\$18,898,831
		0	0
Total Available	\$19,822,155	\$0	\$19,822,155
Less Expenditures	18,281,330	0	18,346,330
Ending Balance	\$1,540,825	\$0	\$1,475,825

*Items included in GBA No. 2, Item 51.

STATE WATER PLAN FUND EXPENDITURES FY 2000

	GOV. REC. FY 2000	LEG. ADJ. FY 2000	LEG. APPR. FY 2000
Agency/Program			
State Conservation Commission			
Buffer Initiative	\$80,000	\$0	\$80,000
Conservation District Aid	1,023,250	9,500	1,032,750
Multipurpose Small Lakes	231,000	0	231,000
Nonpoint Source Pollution Asst.	3,000,000	0	3,000,000
Riparian and Wetland Program	125,000	0	125,000
Water Resources Cost Share	4,450,000	0	4,450,000
Water Rights Purchase	0	0	0
Watershed Dam Construction	804,000	0	804,000
Total—State Conservation Commission	\$9,713,250	\$9,500	\$9,722,750
Kansas Water Office			
Basin Assessment	\$25,000	\$0	\$25,000
Cheney Agricultural Nonpoint Source	25,000	0	25,000
Feedlot Water Quality	0	0	0
GIS Data Access and Support Ctr.	145,000	0	145,000
GIS Manager, Data Base, and Support	267,800	0	267,800
Groundwater Condition Evaluation*	90,000	0	75,000
Milford and Perry Storage Acquisition Costs	0	0	0
MOU Operation and Maintenance	446,224	0	446,224
Neosho Sub-basin Study	0	0	0
PMIB Loan	267,394	0	267,394
Public Information*	40,000	0	30,000
Salt Water Intrusion Studies	0	0	0
State Water Plan Direction and Evaluation	0	0	0
Stream Gauging Program	400,000	0	400,000
Tech. Assist. to Water Users	440,000	0	440,000
Walnut Creek Study	0	0	0
Water Resource Education*	110,000	0	70,000
Water Quality Initiative	0	0	0
Water Quality in Upper Arkansas River	75,000	0	75,000
Water Quality Planning Assist.	0	0	0
Weather Modification	360,000	0	360,000
Total—Kansas Water Office	\$2,691,418	\$0	\$2,626,418
Wildlife and Parks			
Stream Monitoring	\$50,000	\$0	\$50,000
River Recreation	0	0	0
Total—Wildlife and Parks	\$50,000	\$0	\$50,000
KSU—Western Kansas Irrigation Project	\$0	\$0	\$0
Department of Agriculture			
Floodplain Management	\$110,619	\$0	\$110,619
Interstate Water Issues	193,157	0	193,157
Subbasin Management Plan	685,000	0	685,000
Total—Department of Agriculture	\$988,776	\$0	\$988,776
Health and Environment			
Assessment of Sediment: Cheney and Perry	\$125,000	\$0	\$125,000
Contamination Remediation	1,390,000	0	1,390,000
Local Environmental Protection Program	1,800,000	0	1,800,000
Nonpoint Source Program	925,000	0	925,000
Total—Health and Environment	\$4,240,000	\$0	\$4,240,000
KCC—Well Plugging	\$400,000	\$0	\$400,000
Total Water Plan Expenditures	\$18,083,444	\$9,500	\$18,027,944

State Water Plan Resource Est.	GOV. REC. FY 2000	CONF. ADJ. FY 2000	LEG. APPR. FY 2000
Beginning Balance	\$1,540,825	\$0	\$1,475,825
Revenues			
State General Fund Transfer	\$6,000,000	\$0	\$6,000,000
Economic Development Fund Transfer	2,000,000	0	2,000,000
Municipal Water Fees	3,390,000	0	3,390,000
Industrial Water Fees	1,115,000	0	1,115,000
Stock Water Fees	290,000	0	290,000
Pesticide Registration Fees	660,000	0	660,000
Fertilizer Registration Fees	2,750,000	0	2,750,000
Fines	20,000	0	20,000
Sand Royalty Receipts	320,726	0	320,726
Returned Funds/Transfers In	0	0	0
Total Receipts	\$16,545,726	\$0	\$16,545,726
Total Available	\$18,086,551	\$0	\$18,021,551
Less Expenditures	18,083,444	9,500	18,027,944
Ending Balance	\$3,107	(\$9,500)	(\$6,393)

*Items included in GBA No. 2, Item 51.

24-2

Kansas Soldiers' Home
Request for Additional SIBF Funding: FY 1990

Building/Project	Year Originally Scheduled	Cost	FCIP Savings	SIBF
Eisenhower				
Air conditioning	FY2000	\$ 39,500		
Night Setback, Eisenhower Hall	ST ARCH	\$ 250		
Roof Replacement	FY2000	\$ 81,953		
Subtotal		\$ 121,703	\$ 26,630	\$ 95,073
Lincoln				
Air conditioning/heating	FY2001	\$ 175,000		
Heating System Control: Lincoln	ST ARCH	\$ 11,250		
Window Replacement: Lincoln	FY2000-2003	\$ 140,150		
Lighting Upgrade	ST ARCH	\$ 7,229		
Subtotal		\$ 333,629	\$ 38,528	\$ 295,101
Grant				
Air conditioning/heating	FY2002	\$ 175,000		
Heating System Control	ST ARCH	\$ 11,250		
Lighting Upgrades	ST ARCH	\$ 7,229		
Window Replacement	FY2000-2003	\$ 140,150		
Subtotal		\$ 333,629	\$ 38,528	\$ 295,101
Nimitz				
Air conditioning/heating	FY2003	\$ 165,000		
Heating System Control	ST ARCH	\$ 1,500		
Lighting Upgrades	ST ARCH	\$ 5,422		
Subtotal		\$ 171,922	\$ 9,556	\$ 162,366
Halsey Hall				
Air conditioning	FY2005	\$ 135,000		
Roof Replacement	FY2003	\$ 89,200		
Lighting Upgrades	ST ARCH	\$ 16,265		
Subtotal		\$ 240,465	\$ 167,577	\$ 72,888
Storage Building				
Subtotal	FY2001	\$ 362,375	\$ 320,794	\$ 41,581
Cottage Renovation				
Subtotal	FY2000-2004	40,000	\$ 9,600	\$ 30,400
Total		\$ 1,603,723	\$ 611,213	\$ 992,510

ST ARCH: Recommended by State Architect and Engineer

Table #2

Senate Ways and Means Committee

Date 4/23/99

Attachment # 25

**KPERS
DEATH AND DISABILITY
BENEFITS PROGRAM**

**Annual Report and Actuarial Valuation
June 30, 1998**

Senate Ways and Means Committee

Date 4/23/99

Attachment # 26 -1



MILLIMAN & ROBERTSON, INC.

Actuaries & Consultants

Internationally WOODROW MILLIMAN

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Telephone: 402/393-9400

Fax: 402/393-1037

March 10, 1999

Board of Trustees
Kansas Public Employees Retirement System
611 S. Kansas Ave. Ste. 100
Topeka, KS 66603

Dear Trustees:

We are pleased to submit this report on the experience of the Kansas Public Employees' Retirement System (KPERs) Death and Disability Benefits Program during the fiscal year ended June 30, 1998.

The report reviews the history of the KPERs Death and Disability Benefits Program, presents statistical data on fiscal 1998 benefit payments, and reviews financial experience during fiscal year 1998.

This report also incorporates an actuarial valuation of the Program's liabilities and contribution rates.

In preparing this report we relied, without audit, on data provided by the Security Benefit Life Insurance Company and on data provided by the Retirement System.

Please let us know if there are any questions regarding our report.

Sincerely,

MILLIMAN & ROBERTSON, INC.

David P. Hayes, F.S.A.
Consulting Actuary

Patrice A. Beckham, F.S.A.
Consulting Actuary

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<i>Section III</i> Actuarial Valuation	10
<i>Section IV</i> Incurred Claims	16

Appendices

- Appendix A - Benefits Provided under the Programs
- Appendix B - Actuarial Assumptions and Methods
- Appendix C - Statistical Information on Benefit Payments

SECTION I - EXECUTIVE SUMMARY

Overview

This report develops the calculation of an unfunded "reserve" for the KPERS disability benefits. (There is no reserve needed for the death benefits, since these benefits are fully insured and the insurance company is responsible for reserves). This unfunded reserve calculation is similar to the determination of the unfunded actuarial liability for the KPERS retirement benefits. However, there are some differences in methodology that will be discussed below.

In addition, the report determines an actuarially sound long-term employer contribution rate for the basic death and disability benefits provided by KPERS.

Background

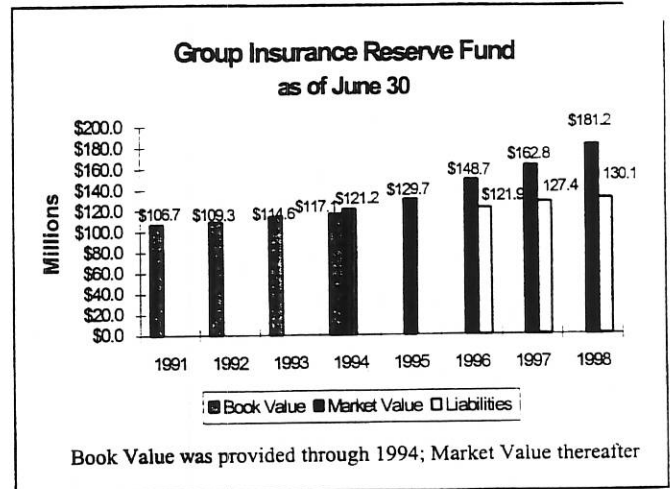
The KPERS Death and Disability Benefits Program provides two primary benefits to active members (excluding police and fire):

1. Group life insurance equal to 150% of annual compensation; and
2. A long-term disability benefit equal to 66-2/3% of annual compensation (offset by other benefits). Members on long-term disability also receive service credit under KPERS (which does not affect calculations for the Death and Disability Program) and have their group life insurance coverage continued under the waiver of premium provision.

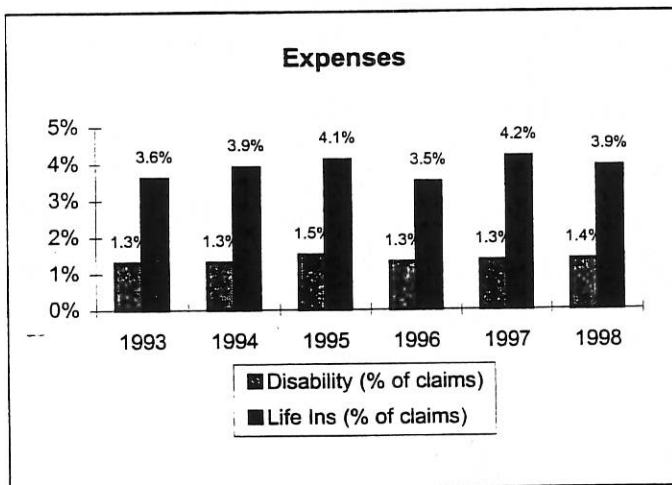
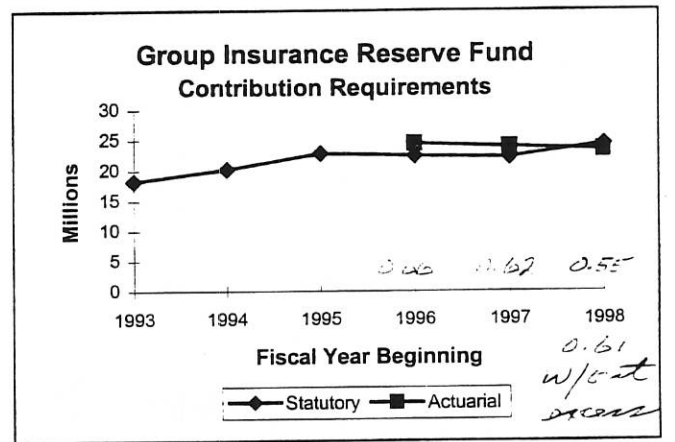
The Program is financed by employer contributions of 0.6% (0.4% for Judges) of members' compensation. Assets, called the Group Insurance Reserves, are held by KPERS primarily to cover disability claims incurred but not paid.

Comments and Trends

As of June 30, 1998, the Group Insurance Reserve Fund is more than the current liabilities. The disability recovery experience has improved slightly. This has reduced the actuarially determined liability increasing the excess reserve. The reserve assets now exceed the liability by over \$50 million.

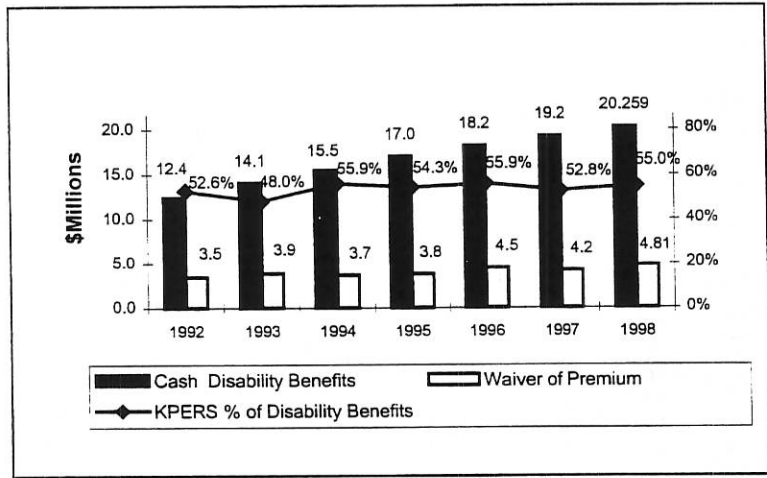
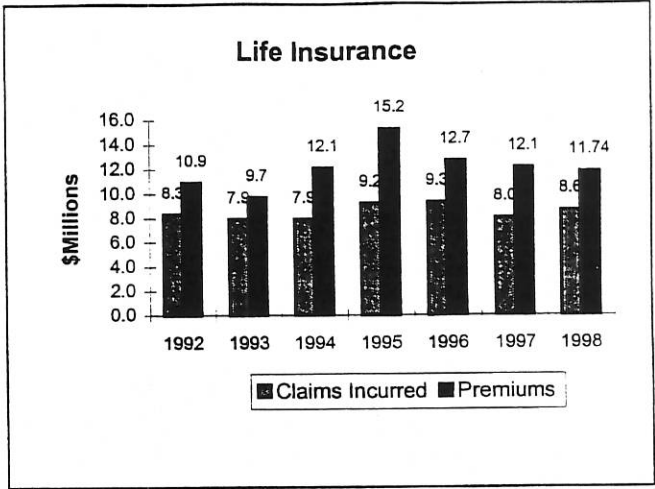


As a result of the recent KPERS experience study, the assumed disability rates were changed. The assumed rates for school employees decreased, while the rates for state employees increased. On the average, the assumed rates have decreased. This reduced the plan's normal cost and the actuarial contribution is now slightly less than the .6% statutory rate.



Expense levels have been fairly steady. Disability expenses have been 1.5% of claims paid or lower over the past five years.

Life insurance claims increased by 8.5% in 1998, but are still lower per amount of coverage than the recent 5-year average. The premium was reduced significantly in 1996 due to new contract provisions with SBL. Favorable experience is shared with KPERS through dividends paid by SBL.



KPERS provides two types of disability benefits. The first, cash benefits, has increased rapidly over the past five years. The second, waiver of life insurance premium, has been relatively stable.

KPERS provides just over 50% of the total cash disability benefits provided to individuals. Social Security and Workers' Compensation pick up the remainder.

SECTION II - FINANCIAL INFORMATION

The Group Insurance Reserve is part of the assets of the Kansas Public Employees' Retirement System (KPERs). Employers contribute 0.6% of compensation (0.4% for Judges) into the fund annually. Assets of the fund are used to pay life insurance premiums, disability benefits, and administrative expenses.

Reserves

The current net balance of the Group Insurance Reserve (Reserve plus Benefit Fund Balance) is \$181.2 million. As of June 30, 1998, the actuarial value of these liabilities is \$130.1 million. The difference of \$51.1 million provides a margin for years where the experience of the fund is worse than expected or for years where the 0.6% contribution is insufficient to cover the true cost of coverage.

The difference between the balance in the Group Insurance Reserve and the outstanding liabilities has increased over the past year. At the beginning of the year it was \$35.4 million (\$162.8 million in assets less \$127.4 million in liabilities). Benefits paid were greater than contributions for the 1997-98 fiscal year. However, this was offset by investments outperforming the assumed discount rate.

Table 1 summarizes the income and disbursements of the KPERs Group Insurance Reserve during the fiscal year ended June 30, 1998, as provided by KPERs. During fiscal 1998 the KPERs Group Insurance Reserve increased about \$18.1 million -- from \$163.0 million as of July 1, 1997 to \$181.1 million on June 30, 1998. The increase in the fund was due to investments which returned \$27.0 million, a return of about 17%. As in recent years, the fund experienced negative cash flow with benefits (\$33.0 million) exceeding contributions (\$24.2 million) by \$8.8 million.

As shown in **Table 2**, KPERs paid Security Benefit Life (SBL) approximately \$10.4 million in net life insurance premiums (on an accrued basis) during fiscal 1998. The total accrued premiums of \$11.7 million were reduced by a dividend credit of \$1.3 million, resulting in net premium payments of \$10.4 million. KPERs paid \$25.4 million to the fund to cover self-insured benefits plus another \$0.3 million for expenses. During fiscal 1997 total KPERs payments to SBL amounted to about \$36.2 million.

Life Insurance

Table 3 summarizes the financial experience of the group life insurance plan for the fiscal year ended June 30, 1998.

During fiscal 1998 total accrued premiums exceeded incurred claims by approximately \$3.1 million. This amount was reduced by net retention charges of \$121,715. The end result of fiscal 1998 experience was a Contingency Reserve balance of \$2,949,465 as of June 30, 1998.

Self-Insured Benefits

Since July 1, 1981, disability benefits and waiver of premium death benefits have been provided through a self-insured plan administered by Security Benefit Life (SBL). Under the Administrative Services Agreement, KPERS makes deposits to the Benefit Fund that are sufficient to pay the self-insured disability and waiver of premium benefits. A small balance is usually held in this fund to ensure enough cash is available to pay benefits in a timely manner. The Benefit Fund balance is credited with interest at the rate in effect on 91-day Treasury Bills on the first Monday of each month.

Table 4 summarizes the fiscal 1998 experience of the Benefit Fund maintained by SBL under the Administrative Services Agreement. During the year ended June 30, 1998, KPERS' deposits and the interest credits exceeded total benefits paid from the Fund by \$0.4 million. As a result, the Benefit Fund balance increased from (\$210,761) as of June 30, 1997 to \$165,558 as of June 30, 1998.

Table 1

**KPERS Group Insurance Reserve (at Market Value)
Summary Statement of Income and Disbursements
July 1, 1997 to June 30, 1998**

Group Insurance Reserve as of July 1, 1997		\$ 162,997,919
Employer Contributions	24,173,871	
Investment Income	<u>27,045,986</u>	
Total Income		51,219,857
Payments to SBL	(33,045,006)	
Retirant Dividends	(107,736)	
KPERS administrative expenses and adjustments	<u>0</u>	
Total disbursements		<u>(33,152,742)</u>
Group Insurance Reserve as of June 30, 1998		<u>\$ 181,065,034</u>

Table 2

**KPERS Payments to Security Benefit Life
July 1, 1997 to June 30, 1998**

Life Insurance Premiums

Total accrued premiums	\$ 11,739,641	
Less: Dividend credit from prior years contingency reserve	<u>(1,315,366)</u>	
Net premiums paid by KPERS		\$ 10,424,275

Self-Insured Benefits

KPERS deposits to Benefit Fund	\$ 25,400,000	
Administrative Services Fees	<u>341,949</u>	
Total self-insured		<u>25,741,949</u>

Total KPERS Payments to SBL \$ 36,166,224

Table 3

**Group Life Insurance Experience
Year Ended June 30, 1998**

Contingency Reserve as of June 30, 1997		\$ 1,315,365
Total accrued premiums	\$ 11,739,641	
Inurred Claims	<u>(8,668,460)</u>	
Excess of accrued premiums over inurred claims		\$ 3,071,181
Retention charges	(338,749)	
Interest credited	<u>217,034</u>	
Net retention charges		(121,715)
Dividends Paid		<u>(1,315,366)</u>
Contingency Reserve as of June 30, 1998		<u>\$ 2,949,465</u>

Table 4

**Self-Insured Benefit (ASO) Fund Experience
Year Ended June 30, 1998**

Benefit Fund balance, July 1, 1997		\$ (210,761)
Additions to Fund:		
KPERS deposits	25,400,000	
Interest credited	<u>47,106</u>	
Total for fiscal 1998		25,447,106
Less Benefits Paid:		
Disability	(20,259,180)	
Waiver of premium	<u>(4,811,607)</u>	
Total for fiscal 1998		<u>(25,070,787)</u>
Benefit Fund balance, June 30, 1998		\$ <u><u>165,558</u></u>

SECTION III - ACTUARIAL VALUATION

Reserves

The reserve for disability benefits is intended to represent the present value of future benefits (including the waiver of life insurance premium benefits) to members who have already become disabled by the valuation date. This is different from the calculation of the actuarial liability for the retirement benefits, which does include liabilities for actively employed members. There are two important distinctions that cause this difference in calculation:

- 1) Retirement benefits "accrue" throughout an employee's career. If the member terminates employment prior to retiring, he is entitled to a portion of the benefit he could have had if he continued working to retirement. The longer the member works, the larger the benefit. Disability benefits do not accrue. If a member terminates employment, he is not entitled to a fractional disability benefit.
- 2) All members (or their beneficiaries) will receive a form of retirement benefit, (even though it may only be a refund of contributions). Most members will not receive a disability benefit.

No reserves are calculated for the basic death benefits. Typically there is little need for death benefit reserves (since the entire benefit is paid out soon after death, leaving no residual liability). Since KPERS death benefits are fully insured, the insurance company is responsible for any reserve needed.

There are five classifications of reserves:

- 1) ***Reserve for Future Benefits on Approved Claims - Disability Payment.***
This represents the present value of expected future disability benefits for members who are currently in pay status.
- 2) ***Reserve for Future Benefits on Approved Claims - Waiver of Premium Benefit.***
This reserve represents the present value of future life insurance premiums for disabled members currently in pay status.
- 3) ***Reserve for Future Benefits for IBNR Claims - Disability Payment.***
The reserve for future disability benefits to be paid to members who are currently disabled, but have not yet begun receiving payments.

4) ***Reserve for Future Benefits for IBNR Claims - Waiver of Premium Benefit.***

The reserve for future life insurance premiums for members who are currently disabled, but have not yet begun receiving payments.

5) ***Reserve for Prior Payments for IBNR Claims - Disability Payment.***

The reserve for prior disability benefits to be paid to members who are currently disabled and have not yet begun receiving payments, but will be entitled to retroactive payments back to the end of their waiting period.

SBL has estimated the value of each of these five reserves. Their estimates are based primarily on industry averages. None of their estimates are based directly on KPERS experience. In prior years, we have reported the SBL estimates in our annual KPERS Death and Disability Fund Report. **Table 5** shows the reserve calculation using the SBL figures, along with our actuarial calculations based on the KPERS experience described above.

Table 5
Disability Benefits
June 30, 1998 Unfunded Reserves

	<u>SBL</u> <u>Estimate</u>	<u>Actuarial</u> <u>Calculation</u>
<i>Reserves</i>		
Reserve for Future Benefits on Approved Claims -		
Disability Payments	\$98,189,606	\$96,864,227
Waiver of Premium Benefits	25,235,590	17,405,586
Reserve for Future Benefits for IBNR Claims -		
Disability Payments	11,196,138	12,653,673
Waiver of Premium Benefits	3,230,784	2,603,552
Reserve for Prior Payments for IBNR Claims	<u>527,877</u>	<u>559,550</u>
 Total Reserves	 \$138,379,995	 \$130,086,558
<i>Assets</i>		
Assets in KPERS Group Insurance Fund	\$181,065,034	\$181,065,034
Balance in ASO Fund maintained by SBL	<u>165,558</u>	<u>165,558</u>
Total Assets	\$181,230,592	\$181,230,592
 <i>Unfunded/(Overfunded) Reserve</i>	 \$(42,850,597)	 \$(51,144,034)

Contributions

The normal cost rate represents the present value of the emerging reserves for members who are expected to become disabled during the year. The normal cost rate calculation uses three of the four primary assumptions used in the reserve calculation (there is no IBNR), along with an assumption as to the rate active members become disabled.

The most recent KPERS experience study analyzed historical disability rate experience. We have used this experience to develop the contribution rate for the disability benefit program.

Table 6 shows the development of the normal cost rate.

As shown in Table 5, the funded reserve is more than actuarially required (creating a negative unfunded actuarial liability), but the current statutory contribution rate is less than the long-term actuarial rate. The calculation of the recommended actuarial contribution rate for KPERS retirement benefits assumes a 40-year amortization of unfunded liabilities as a level percent of payroll.

Table 7 shows the calculation of the recommended actuarial contribution rate for the Death and Disability Program using the same 40-year amortization method. As shown, the actuarial contribution rate is 0.55%, as compared to the current statutory rate of 0.60%. The actuarial rate has decreased primarily due to a reduction in the assumed disability rate for school employees (as a result of the 1998 Experience Study). In addition, the investment return and disability recovery rates have been better than expected.

Table 6

Determination of Employer Normal Cost
as of June 30, 1998

	<u>Annual Term Cost</u>	<u>% of Payroll*</u>
<i>Life Insurance Benefit Normal Cost</i>		
Required Premium to SBL	\$12,936,036	0.32%
Expected Experience Refund	<u>(3,027,032)</u>	<u>(0.07)</u>
Net Normal Cost for Life Insurance Benefits	\$ 9,909,004	0.25%
<i>Disability Benefit Normal Cost</i>		
Disability Payment Benefit	\$11,240,808	0.28%
Waiver of Premium Benefits	<u>3,383,700</u>	<u>0.08%</u>
Total Normal Cost for Disability Benefits	\$14,624,508	0.36%
<i>Total Employer Normal Cost for Death and Disability Benefits</i>	\$24,533,512	0.61%

*Based on June 30, 1998 projected payroll of \$4,042,511,363.

Table 7

**Determination of Long-Term
Actuarial Contribution Rate as of June 30, 1998**

	<u>Annual Term Cost</u>	<u>% of Payroll</u>
<i>Normal Cost</i>		
Life Insurance	\$ 9,909,004	0.25%
Disability Benefit	<u>14,624,508</u>	<u>0.36%</u>
Total Normal Cost	\$24,533,512	0.61%
40-Year Amortization of Unfunded/(Overfunded) Reserve	(2,431,595)	(0.06)
<i>Actuarial Contribution Rate</i>	\$22,159,230	0.55%
<i>Current Statutory Rate</i>	\$24,218,167	0.60%
<i>Long-Term Funding Deficiency</i>	(2,058,937)	0.05%

SECTION IV - INCURRED CLAIMS

Life Insurance

During fiscal 1998 the incurred claims under the life insurance policy totaled about \$8.7 million. As shown in **Table 8**, the total incurred claims are equal to paid claims plus increases in reserves. In the case of life insurance an additional amount is charged to incurred claims for conversions.

The conversion charge of \$106,721 resulted from the provision which allows KPERS members to convert their life insurance to an individual policy without medical examination upon termination of employment or attainment of age 65. When a member elects to convert his coverage, the life insurance program is charged \$65 per \$1,000 of insurance converted. During fiscal 1998 approximately \$1.6 million of life insurance coverage was converted to individual policies by KPERS members.

During the fiscal year ended June 30, 1998, the incurred claims under the life insurance policy represented approximately 74% of total accrued premiums.

Disability and Waiver of Premium

Table 9 shows the development of incurred claims for disability claims and waiver of premium benefits. Incurred claims are developed in the same manner as in the case of life insurance; i.e., incurred claims equals paid claims plus the change in reserves. However, there is no additional charge for conversions. Total incurred claims for disability totaled \$29.4 million in fiscal 1998.

Table 8

Development of Incurred Claims - Life Insurance Year Ended June 30, 1998

Paid Claims		\$ 8,661,687
Conversion charges		
as of June 30, 1998	1,050,205	
as of June 30, 1997	<u>(943,484)</u>	
Charges for fiscal 1998		<u>106,721</u>
Reserve for pending and unrevealed claims:		
as of June 30, 1998	2,445,758	
as of June 30, 1997	<u>(2,545,706)</u>	
Increase for fiscal 1998		<u>(99,948)</u>
Incurred Claims		\$ <u><u>8,668,460</u></u>

Table 9

**Development of Incurred Claims-
Disability and Waiver of Premium
Year Ended June 30, 1998**

Paid Claims		\$ 25,070,787
Reserve for pending and unrevealed claims (SBL calculation):		
as of June 30, 1998	138,379,995	
as of June 30, 1997	<u>(134,089,362)</u>	
Increase for fiscal 1998		<u>4,290,633</u>
Incurred Claims		\$ <u><u>29,361,420</u></u>

APPENDIX A - Summary of Benefit Provisions

Present Benefits

Death benefits for active members are provided through a group insurance policy underwritten by Security Benefit Life Insurance Company (SBL). Disability benefits and waiver of premium death benefits are provided through a self-insured plan administered by SBL in accordance with the provisions of an administrative service agreement.

The benefits presently provided under the KPERS Death and Disability Benefits Program are:

1. Insured death benefit (group life insurance) for active members equal to 150% of the member's annual compensation on the date of death.
2. Long-term disability benefit equal to 66-2/3% of the member's annual compensation on the date disability commences, reduced by Social Security disability or retirement benefits, 50% of Workers' Compensation benefits, and other employment-related benefits, provided that the KPERS disability benefit may not be less than \$100 a month.

Benefit payments to a totally disabled member start after 180 days of continuous and total disability and are continued for the shorter of:

- (a) the remaining period of total disability;
- (b) the period remaining to the date the member withdraws contributions and terminates KPERS membership;
- (c) the period remaining to the member's date of retirement;
- (d) if disablement occurs before age 60, for the period remaining to the member's 65th birthday;
- (e) if disablement occurs at or after age 60 and before age 70, for the shorter of a period of five years or the period remaining to the member's 70th birthday;
- (f) if disablement occurs at or after age 70 and before age 75, for a period of twelve months; or
- (g) if disablement occurs at or after age 75, for a period of six months.

Disabled members continue to receive service credit under KPERS. If a disabled member retires after receiving disability benefits for at least 5 years immediately preceding retirement, the member's final average salary is adjusted for the period of disability.

In addition, disabled members have their death benefit coverage continued under the waiver of premium provision. If a disabled member dies after receiving disability benefits for at least 5 years immediately preceding death, the member's current annual rate of compensation is adjusted for the period of disability.

Historical Benefits

Since the beginning of the Program, the KPERS Board of Trustees has increased the death benefit from 50% to 150% of annual compensation and the disability benefit percentage from 42% to 66-2/3% of annual compensation.

KPERS Death and Disability Benefits as a Percentage of Current Annual Compensation		
<u>Year</u>	<u>Death</u>	<u>Disability</u>
1966	50%	42%
1972	--	50%
1973	60%	--
1975	65%	--
1980	100%	--
1983	--	55%
1985	--	60%
1988	--	65%
1991	150%	66-2/3%

The major changes in the KPERS Death and Disability Benefits Program since it was established on January 1, 1966 are summarized below:

- Jan. 1968 - Improved salary basis used to compute insured death and disability benefits from "final average salary" to "current annual rate of compensation" (referred to as "compensation" in this report).
- Jan. 1970 - Provided that disability benefits would not be reduced as a result of any increases in Social Security benefits after benefit payments commenced.
- Sept. 1972 - Effective October 1, 1972: (1) eliminated the graded reduction in insured death benefits that previously applied to members between ages 60 and 65, and (2) increased disability benefit percentage from 42% to 50% of compensation.

- April 1973 - KPERS Act amended to provide that certain faculty members and other employees of educational institutions under the management of the State Board of Regents will be covered under the KPERS Death and Disability Benefits Program effective July 1, 1973.
- May 1973 - Death benefit increased from 50% to 60% of compensation, effective July 1, 1973. (Legislation enacted in 1973 increased the statutory limit on death benefits from 50% to 65% of compensation.)
- Dec. 1974 - Death benefit increased from 60% to 65% of compensation, effective January 1, 1975.
- July 1975- KPERS Act amended to:
- (1) Establish a minimum disability benefit of \$50 a month.
 - (2) Provide that disability benefits may not be reduced by more than 50% of Workers' Compensation benefits.
 - (3) Increase the employer contribution rate for insured benefits from .5% to .6% of members' compensation.
- (This legislation also eliminated KPERS service-connected disability benefits and reinstated the Workers' Compensation offset to service-connected death benefits.)
- April 1979 - KPERS Act amended to provide for first day coverage of State employees under the KPERS Death and Disability Benefits Program (i.e., for coverage of State employees fulfilling one-year service requirement for KPERS membership.)
- April 1980 - KPERS Act amended to:
- (1) Increase statutory maximum on death benefit from 65% to 100% of compensation.
 - (2) Extend death benefit coverage from age 65 to age 70.
 - (3) Provide for 5 years of benefit payments to disabled members who become disabled at or after age 60.
 - (4) Allow the use of Social Security retirement benefits, as well as Social Security disability benefits, as an offset to the KPERS insured disability benefit.
- June 1980 - Death benefit increased from 65% to 100% of compensation, effective July 1, 1980 (and insurance contract amended to implement provisions of 1980 legislation).

- April 1981- KPERS Act amended to authorize the Board to provide death and/or disability benefits on an insured or self-insured basis, and to contract with insurance companies to administer and/or underwrite death or disability benefits or both such benefits.
- Sept. 1981- Disability benefits and waiver of premium death benefits provided through a self-insured plan effective July 1, 1981.
- May 1982 - KPERS Act amended to:
- (1) Eliminate statutory maximum on death benefit.
 - (2) Increase statutory maximum on disability benefit from 50% to 60% of compensation.
- Sept. 1982 - Disability benefit percentage increased from 50% to 55% of compensation, effective January 1, 1983.
- May 1984 - KPERS Act amended to provide that a KPERS member who receives disability benefits for at least 5 years immediately preceding retirement will have his or her final average salary adjusted for the period of disability.
- Oct. 1984 - Disability benefit percentage increased from 55% to 60% of compensation, effective January 1, 1985.
- May 1986 - KPERS Act amended to provide that a disabled KPERS member who dies after receiving disability benefits for at least 5 years immediately preceding death will have his or her current annual rate of compensation adjusted for the period of disability. (This legislation also provided that individuals who become KPERS members after the attainment of age 59 are eligible for benefits under the KPERS Death and Disability Benefits Program.)
- May 1987 - KPERS Act amended to:
- (1) Increase statutory maximum on disability benefit from 60% to 65% of compensation.
 - (2) Allow local employers to elect to provide coverage under the KPERS Death and Disability Benefits Program for nonschool employees fulfilling one-year service requirement for KPERS membership.
 - (3) Extend coverage under the KPERS Death and Disability Benefits Program to members age 70 or over who die or become disabled on or after January 1, 1987.
- Oct. 1987 - Disability benefit percentage increased from 60% to 65% of compensation, and minimum KPERS disability benefit increased from \$50 to \$100 a month, effective January 1, 1988.

May 1990 - KPERS Act amended to increase statutory maximum on disability benefit from 65% to 66-2/3% of compensation.

Oct. 1990 - KPERS Board of Trustees increased death and disability benefits effective January 1, 1991, as follows:

- (1) Death benefit increased from 100% to 150% of compensation.
- (2) Disability benefit percentage increased from 65% to 66-2/3% of compensation. The increase applied to all KPERS members receiving disability benefits on the effective date and to those who begin receiving disability benefits on and after January 1, 1991.

APPENDIX B - Actuarial Assumptions and Methods

A. Actuarial Assumptions

1. Rate of Investment Return 8.0%

2. Rate of Mortality for Death Benefits 1983 Group Annuity Mortality Table (without margin) except (with margin) for KPERS School.

3. Rates of Disability at Selected Ages		<u>Age</u>	<u>School</u>	<u>State</u>	<u>Local</u>
		22	.025%	.036%	.03%
		27	.025%	.086%	.046%
		32	.025%	.180%	.028%
		37	.035%	.262%	.110%
		42	.060%	.333%	.150%
		47	.120%	.420%	.230%
		52	.275%	.640%	.395%
		57	.570%	1.164%	.790%

4. Sample Recovery Rates

<u>Age at Disablement</u>	<u>Duration from Disability</u>			
	<u>6 months*</u>	<u>18 months*</u>	<u>5 years**</u>	<u>10 years**</u>
22	.0690	.0290	.0857	.0216
27	.0625	.0247	.0759	.0226
32	.0534	.0225	.0635	.0240
37	.0466	.0201	.0514	.0258
42	.0419	.0170	.0428	.0288
47	.0355	.0147	.0390	.0292
52	.0289	.0125	.0393	.0296
57	.0222	.0099	.0408	.0355
62	.0169	.0053	.0395	.0453

* Monthly rates
 ** Annual rates

5. Disabled Life Mortality IRS Disabled Mortality Table from Revenue Ruling 96-7.

B. Actuarial Methods

Reserves

The "reserve" determined for the disability benefits represents the present value of future benefits to members who have already become disabled as of the valuation date. The reserve includes expected future payments to members who have become disabled but have not yet begun receiving disability benefits (because they are still in their waiting period, or because their disability has not yet been approved).

There are four sets of assumptions that need to be made to determine the reserve:

- 1) **The discount rate.** This is the interest rate used to discount future benefit payments to a current present value. This rate should represent the expected rate of investment return on the funds set aside to pay off these future benefits.
- 2) **The length of time the disability benefits are expected to last.** Disability benefits are paid until the earlier of a) recovery, b) death, c) retirement, or d) age 65 (or older if disability begins after age 60).
- 3) **The number of members who are currently disabled, but have not yet begun receiving payments** (defined as "Incurred but not Reported" (IBNR)).
- 4) **The mortality rate for disabled members.** This is needed to determine the value of the waiver of premium benefits.

We have performed an experience study to determine the appropriate assumptions for 2) and 3). The recovery assumption is based on the actual recovery experience by age and duration over the three last years, along with aggregate recovery amounts for the three years prior. The estimated IBNR reserve is projected based on the pre-July 1, 1997 disableds who had not been reported as of June 30, 1997, but are in the June 30, 1998 data.

Contribution Rates

The contribution rates for the death and disability benefits have been calculated using a "term cost" methodology. This means the annual contribution is intended to be equal to the value of benefits incurred by members who die or become disabled during the year. There is no additional contribution to develop additional funds for those who die or become disabled in future years. This methodology is consistent with the methodology used to calculate the reserve as described above.

As long as the average demographics for the members stay roughly the same, there should not be significant volatility in this contribution rate. The volatility in the death and disability contribution rate will be significantly less than the volatility in the retirement benefit contribution rate for a similar demographic change.

APPENDIX C - Statistical Information on Benefit Payments

KPERS members and their beneficiaries were paid a total of \$33.8 million in death and disability benefits during the fiscal year ended June 30, 1998, compared to a total of \$31.4 million in fiscal 1997. Benefits were paid in connection with a total of 772 claims made during fiscal 1998, of which 318 were for death benefits and 454 for disability benefits.

Death Benefits

Table C-1 shows the distribution of death benefits paid during the past two fiscal years, by benefit amount. The schedule below shows total death benefits, number of claims, and the average benefit for fiscal years 1997 and 1998:

	<u>1996-97</u>	<u>1997-98</u>
Total Death Benefits	\$12,173,269	\$13,473,294
Number of Claims	290	318
Average Benefit	\$41,977	\$42,369

In fiscal 1998 the number of death claims decreased from the previous fiscal year. The average death benefit increased 0.9% between fiscal 1997 and fiscal 1998, and total death benefits increased 10.7%, or by approximately \$1.3 million

Total death benefits are comprised of payments made under the group life contract and waiver of premium benefits paid under the administrative services agreement, as shown below:

	<u>1996-97</u>	<u>1997-98</u>
Insured Death Benefits	\$7,961,531	\$8,661,687
Waiver of Premium Benefits	<u>\$4,211,738</u>	<u>\$4,811,607</u>
Total Death Benefits	\$12,173,269	\$13,473,294

Disability Benefits

Disability benefits paid during fiscal 1998 totaled approximately \$20.3 million, compared to a total of \$19.2 million for the previous fiscal year.

A total of 454 claims for disability benefits were processed during fiscal 1998. Since the Program was established on January 1, 1966, a grand total of 10,184 claims for disability benefits have been processed by the insurance company.

At year end 399 of the 454 claims approved during the fiscal year were still outstanding. The difference of 55 claims represents the disability claims approved during fiscal 1997 which terminated before the end of the year.

Table C-2 shows the distribution of disability claims, by monthly benefit, that were approved during the past two fiscal years and still outstanding at year end.

The effect of offsetting disability benefits for other employment-related benefits is illustrated in **Table C-3**. Of the 399 claims approved during fiscal 1997 and still outstanding at year end, the average total monthly benefit was \$1,454 and the average monthly benefit paid by the KPERS Program was \$801. Thus, the disability benefits paid by the KPERS Program averaged 55.0% of the total monthly benefits including Social Security and half of Workers' Compensation benefits.

A total of 2,525 disability claims were outstanding as of June 30, 1998. The total number of claims outstanding increased by 71 during fiscal 1998, compared to an increase of 97 claims during the previous fiscal year. **Table C-4** shows the distribution of claims by monthly benefit.

Table C-5 compares the distribution of disability claims outstanding at the end of fiscal 1998 and 1997 by years to run. The term "years to run" is used to describe the number of years of potential liability remaining, usually to age 65. Note that the years to run does not reflect the likelihood of actually paying benefits for those years.

A total of 309 disability claims were closed during fiscal 1998. **Table C-6** presents a breakdown of the fiscal 1998 closed claims by duration and average amount. The benefits paid in connection with the closed claims totaled about \$10.7 million for an average benefit per closed claim of \$31,812.

Table C-1

Death Claims Paid, by Benefit Amount
for Years ended June 30, 1997 and June 30, 1998

<u>Benefit</u>		<u>Number of Claims</u>	<u>1997 Amount</u>	<u>% of Total Amount</u>	<u>Number of Claims</u>	<u>1998 Amount</u>	<u>% of Total Amount</u>
Less than	\$10,000	2	\$14,625	0.1 %	4	\$31,853	0.2 %
10,000 -	11,999	8	88,590	0.7	5	53,483	0.4
12,000 -	13,999	6	77,267	0.6	10	129,022	1.0
14,000 -	15,999	6	87,067	0.7	7	103,797	0.8
16,000 -	17,999	3	50,302	0.4	9	150,630	1.1
18,000 -	19,999	9	170,584	1.4	4	74,771	0.6
20,000 -	24,999	19	427,730	3.5	25	562,325	4.2
25,000 -	29,999	52	1,427,657	11.7	36	979,973	7.3
30,000 -	34,999	35	1,130,875	9.3	42	1,366,505	10.1
35,000 -	39,999	26	963,156	7.9	30	1,129,660	8.4
40,000 -	44,999	22	934,473	7.7	28	1,235,458	9.1
45,000 -	49,999	17	816,289	6.7	24	1,149,973	8.5
50,000 -	54,999	20	1,038,282	8.5	21	1,106,308	8.2
55,000 -	59,999	14	795,153	6.5	18	1,031,521	7.6
60,000 -	64,999	11	690,114	5.7	19	1,179,476	8.7
65,000 -	69,999	11	734,053	6.0	10	672,796	5.0
70,000 -	74,999	4	283,525	2.3	6	434,953	3.2
75,000	and over	25	2,443,527	20.1	20	2,120,679	15.7
Total		290	\$12,173,269	100.0 %	318	\$13,513,183	100.1 %
Average			\$41,977			\$42,494	

26.31

Table C-2

**Disability Claims, by Monthly Benefit,
Approved During Fiscal 1996 and 1997
and Still Outstanding at Year End**

<u>Monthly Benefit</u>	<u>1997</u>		<u>1998</u>	
	<u>Number of Claims</u>	<u>% of Total Amount</u>	<u>Number of Claims</u>	<u>% of Total Amount</u>
Up to \$100	53	12.6 %	46	11.1
100 - 149	9	2.1	5	1.3
150 - 199	12	2.8	15	3.8
200 - 249	14	3.3	6	1.5
250 - 299	10	2.4	12	3.0
300 - 349	13	3.1	15	3.8
350 - 399	12	2.8	13	3.3
400 - 449	15	3.6	19	4.8
450 - 499	21	5.0	14	3.5
500 - 549	20	4.7	19	4.8
550 - 599	24	5.7	15	3.8
600 - 649	8	1.9	18	4.5
650 - 699	16	3.8	19	4.8
700 - 749	6	1.4	9	2.3
750 - 799	13	3.1	14	3.5
800 - 899	23	5.5	17	4.3
900 - 999	18	4.3	16	4.0
1,000 - 1,099	20	4.7	26	6.5
1,100 - 1,199	27	6.4	18	4.5
1,200 - 1,299	15	3.6	17	4.3
1,300 - 1,399	10	2.4	9	2.3
1,400 - 1,499	10	2.4	8	2.0
1,500 - 1,699	14	3.3	16	4.0
1,700 - 1,899	10	2.4	8	2.0
1,900 - 2,099	11	2.6	8	2.0
2,100 - 2,299	4	0.9	8	2.0
2,300 - 2,499	7	1.7	3	0.8
2,500 - or more	7	1.7	6	1.5
Total	422	100.0 %	399	100.0

Table C-3

**Disability Benefits Paid by KPERS Program Compared with Total Benefits Payable
Claims Approved Between July 1, 1997 and June 30, 1998
Still Outstanding as of June 30, 1998**

KPERS Monthly Benefit - (including Social Security and Worker's Compensation Benefits)	Number of Claims	Total Monthly Benefits		Monthly Benefits Paid by KPERS Program		Percentage of Total Paid by KPERS Program
		Total Amount	Average Amount	Total Amount	Average Amount	
Up to \$100	46	\$48,378	\$1,052	\$4,600	\$100	10.0 %
100 - 149	5	3,780	756	590	118	16.0
150 - 199	15	12,535	836	2,611	174	21.0
200 - 249	6	5,074	846	1,338	223	26.0
250 - 299	12	13,459	1,122	3,343	279	25.0
300 - 349	15	14,295	953	4,852	323	34.0
350 - 399	13	14,773	1,136	4,876	375	33.0
400 - 449	19	21,956	1,156	8,027	422	37.0
450 - 499	14	15,655	1,118	6,709	479	43.0
500 - 549	19	22,156	1,166	9,999	526	45.0
550 - 599	15	16,538	1,103	8,550	570	52.0
600 - 649	18	24,857	1,381	11,277	626	45.0
650 - 699	19	27,230	1,433	12,870	677	47.0
700 - 749	9	13,163	1,463	6,487	721	49.0
750 - 799	14	22,600	1,614	10,918	780	48.0
800 - 899	17	26,785	1,576	14,382	846	54.0
900 - 999	16	26,858	1,679	15,275	955	57.0
1,000 - 1,099	26	44,660	1,718	27,088	1,042	61.0
1,100 - 1,199	18	28,342	1,575	20,695	1,150	73.0
1,200 - 1,299	17	30,449	1,791	21,346	1,256	70.0
1,300 - 1,399	9	16,545	1,838	12,192	1,355	74.0
1,400 - 1,499	8	14,023	1,753	11,573	1,447	83.0
1,500 - 1,699	16	33,427	2,089	25,614	1,601	77.0
1,700 - 1,899	8	15,745	1,968	14,681	1,835	93.0
1,900 - 2,099	8	18,553	2,319	16,070	2,009	87.0
2,100 - 2,299	8	18,756	2,344	17,561	2,195	94.0
2,300 - 2,499	3	7,100	2,367	7,041	2,347	99.0
2,500 - or more	6	22,625	3,771	18,989	3,165	84.0
Total	399	\$580,319	\$1,454	\$319,555	\$801	55.0 %

26-33

Table C-4

**Disability Claims Outstanding as of June 30, 1997
and June 30, 1998 by Monthly Benefit**

<u>Monthly Benefit</u>	<u>1997</u>		<u>1998</u>	
	<u>Number of Claims</u>	<u>% of Total Claims</u>	<u>Number of Claims</u>	<u>% of Total Claims</u>
Up To \$100	129	5.3 %	134	5.3 %
100 - 149	135	5.5	118	4.7
150 - 199	94	3.8	99	3.9
200 - 249	121	4.9	107	4.2
250 - 299	118	4.8	110	4.4
300 - 349	139	5.7	144	5.7
350 - 399	130	5.3	142	5.6
400 - 449	131	5.3	135	5.3
450 - 499	128	5.2	113	4.5
500 - 549	123	5.0	124	4.9
550 - 599	104	4.2	105	4.2
600 - 649	89	3.6	98	3.9
650 - 699	77	3.1	92	3.6
700 - 749	71	2.9	78	3.1
750 - 799	81	3.3	85	3.4
800 - 899	132	5.4	131	5.2
900 - 999	142	5.8	151	6.0
1,000 - 1,099	111	4.5	128	5.1
1,100 - 1,199	105	4.3	110	4.4
1,200 - 1,299	78	3.2	87	3.4
1,300 - 1,399	42	1.7	41	1.6
1,400 - 1,499	26	1.1	30	1.2
1,500 - 1,699	49	2.0	52	2.1
1,700 - 1,899	29	1.2	35	1.4
1,900 - 2,099	32	1.3	31	1.2
2,100 - 2,299	9	0.4	15	0.6
2,300 - 2,499	8	0.3	10	0.4
2,500 - or more	21	0.9	20	0.8
Total	2,454	100.0 %	2,525	100.0 %

Table C-5

**Disability Claims Outstanding as of June 30, 1997
and June 30, 1998 by Years to Run**

<u>Years to Run</u>	<u>1997</u>		<u>1998</u>	
	<u>Number of Claims</u>	<u>As % of Total</u>	<u>Number of Claims</u>	<u>As % of Total</u>
0 - 2	273	11.1 %	282	11.2 %
3 - 5	493	20.1	489	19.4
6 - 10	550	22.4	597	23.6
11 - 15	412	16.8	433	17.1
16 - 20	322	13.1	317	12.6
20 - or More	404	16.5	407	16.1
Total	2,454	100.0 %	2,525	100.0 %

Table C-6

**Duration of Disability Claims Closed
Between July 1, 1997 and June 30, 1998**

<u>Number of Claims</u>	<u>Duration of Claims (Months)</u>	<u>Total Amount of Claims</u>	<u>Average Amount Per Claim</u>
67	Less than 12	\$268,493	\$4,007
32	12 - 23	461,241	14,414
25	24 - 35	383,166	15,327
24	36 - 47	547,881	22,828
28	48 - 59	1,058,237	37,794
64	60 - 71	2,660,021	41,563
21	72 - 83	999,356	47,588
15	84 - 95	649,699	43,313
17	96 - 107	1,071,729	63,043
8	108 - 119	396,998	49,625
6	120 - 131	296,931	49,489
8	132 - 143	762,512	95,314
7	144 - 155	370,917	52,988
3	156 - 167	297,075	99,025
3	168 - 179	151,939	50,646
8	180 or more	312,564	39,070
336		\$10,688,758	\$31,812
Average Duration		57.7 months	
Benefit-weighted Average Duration		84.7 months	



Kansas Bureau of Investigation

Larry Welch
Director

Carla J. Stovall
Attorney General

April 21, 1999

Representative Phil Kline
Chairman
Joint Committee on State Building Construction
State Capitol, Room 171-W
Topeka, Kansas 66612

COPY

Dear Representative Kline:

I appreciated very much the opportunity to present testimony earlier today in support of H.B. 2418 - - a bill that would establish a KBI regional forensic laboratory on the campus of Kansas City, Kansas Community College. This laboratory would be a major step forward in helping analyze evidence from violent crimes committed in northeast Kansas, particularly Wyandotte County.

The purpose of this letter is to respond to a question from the Committee regarding a specific breakdown of the funding needs for this regional laboratory. The projected overall cost is \$964,000. However, this figure is reduced to \$445,000 when factoring in the following:

- (a) \$60,000 appropriated contribution from the Unified Government of Wyandotte County and Kansas City, Kansas (see attached letter);
- (b) the fact that personnel costs would be only for one-half year;
- (c) laboratory supply costs would be only for one-half year; and
- (d) instrument costs would be pursued through federal grants, thus reducing their cost from \$450,000 to approximately \$112,500 for the 25% match.

As Dr. Thomas Burke, president of the Kansas City, Kansas Community College (KCKCC) stated this morning, the space for the laboratory is being provided at no cost to the state of Kansas for 15 years. The Division of Architectural Services has reviewed the cost of converting the space at KCKCC into a forensic laboratory to house: (1) a DNA Section; (2) a Firearms Section; and (3) a secure evidence storage facility.

Senate Ways and Means Committee

Date 4/23/99

Attachment # 27-1

An *on-site inspection* was conducted this afternoon by Gary Reinheimer, chief engineer of the Design Section from Architectural Services. He determined the space meets ADA requirements, and could be adapted into a forensic laboratory. Items that need to be addressed in the renovation of the space include: (1) minor demolition, (2) add exterior canopy and driveway for evidence delivery, (3) construction of interior walls, (4) install lab cabinets, (5) modify HVAC system, (6) minor modification to lighting and electrical system, (7) install backup generator for the laboratory, and (7) install security system.

After consulting with Barbara Schilling, chief architect of the Design Section from Architectural Services, and Gary Reinheimer, the engineer who conducted the on-site inspection today, it was projected that the renovation costs of the space at KCKCC would be \$75 to \$80 per square foot (3,000 sqft) or a total of \$240,000.

Following renovation, the laboratory space at the KCKCC campus would be operational in January, 2000, pending training and certification of the new scientists.

The following is a breakdown of the total costs to the state of Kansas for the laboratory:

Remodeling costs	\$240,000 (one-time expenditure)
Cost for (4) forensic scientists	\$100,000 (half-year cost)
Cost for (1) evidence technician	\$15,000 (half-year cost)
DNA and Firearms instruments	\$50,000 (25% match for federal grants)
Supplies and lab commodities	\$40,000 (half-year cost)
TOTAL	\$445,000

On behalf the Kansas criminal justice system, I appreciate very much your continuing support of this critical issue. Thank you.

Sincerely,



Terry Knowles
Deputy Director

TLK/pja

Encl. 1 page



701 North 7th Street, Suite 945
Kansas City, Kansas 66101-3064

County Administrator's Office
Dennis M. Hays, County Administrator

Phone: (913) 573-5030
Fax: (913) 573-5540

April 21, 1999

Representative Phil Kline, Chairman
and Members of the Joint Committee on State Building Construction:

This letter shall serve as confirmation that \$60,000 has been identified within the Public Safety budget of the Unified Government to assist in the establishment of a KBI Crime Lab in Kansas City, Kansas. This lab would serve law enforcement officers throughout the northeast region of the state of Kansas.

Sincerely,


Dennis M. Hays
County Administrator

DMH/dko



LEGISLATURE OF KANSAS
LEGISLATIVE DIVISION OF POST AUDIT

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April 13, 1999

To: Members, Legislative Post Audit Committee

Representative Kenny Wilk, Chair
Representative Richard Alldritt
Representative John Ballou
Representative Lynn Jenkins
Representative Ed McKechnie

Senator Lana Oleen, Vice-Chair
Senator Anthony Hensley
Senator Pat Ranson
Senator Chris Steineger
Senator Ben Vidricksen

This report contains the findings, conclusions, and recommendations from our completed performance audit, *Reviewing Backlogs in the KBI Laboratory*.

The report contains an appendix which shows that the number of cases submitted to the lab grew by 32% between calendar years 1993 and 1998, while the number of cases closed by the lab grew by only 12% during the same period. Appendix B is the agency response and the Bureau's response includes the results of a recently completed salary survey conducted by the Division of Personnel Services.

The report includes several recommendations for addressing personnel issues facing the lab. We would be happy to discuss these recommendations or any other items in the report with any legislative committees, individual legislators, or other State officials.


Barbara J. Hinton
Legislative Post Auditor

Senate Ways and Means Committee

Date 4/23/99

Attachment # 28-1

EXECUTIVE SUMMARY
LEGISLATIVE DIVISION OF POST AUDIT

**Question 1: How Long Have Local Law Enforcement Agencies
Had to Wait for Lab Work to Be Processed by the Bureau, Why,
And What Has Been the Impact of Any Delays?**

On average, local law enforcement agencies have had to wait page 5
from two weeks to five months for lab test results. For the period we reviewed, the three lab sections that took the longest were Firearms, Biology, and Latent Prints. These sections averaged more than five months to complete their examinations, and each has a backlog of nearly a year's worth of unprocessed work. Conversely, the Toxicology, Chemistry, and Documents Sections processed their work within an average of 2-10 weeks, and their backlogs represent a maximum of about 100 days work.

One of the main reasons for these processing delays is that the page 8
Bureau's lab is operating with almost one of every four authorized positions vacant. *Some delays in completing lab tests are unavoidable because evidence sometimes must be tested by one section before it can be tested by another, and because some tests simply take a long time to perform. However, as of February 1999, the Bureau's lab had 12 of its 53 full-time-equivalent positions vacant. The three sections with the longest delays in testing evidence have some of the biggest problems with vacant positions.*

Bureau staff said the vacancies are occurring in part because it's difficult to retain staff at current wages, and in part because it's difficult to attract qualified people for certain positions. Salary surveys conducted by the Bureau and the Division of Personnel Services show that the salary ranges for Bureau forensic scientist positions are below those of many other governmental entities. Other factors cited by Bureau staff that contribute to delays include lab staff must take time to testify in court about the results of the tests they've performed, and the lack of sufficient space.

Local law enforcement officials told us that having to wait forpage 10
test results caused several problems, including delayed court proceedings and the release of arrested suspects. *To assess the impact lab delays were having, we surveyed 13 officials: 11 county prosecutors, one county sheriff, and a member of the Kansas Highway Patrol. These officials most often cited two lab sections that they'd experienced delays with: the Biology Section, which examines evidence for the presence of body fluids in cases of sexual assault, homicide, assault, and burglary, and the Chemistry Section, which conducts tests to identify specific chemical substances, including illegal drugs*

*All 13 officials told us the lab's delays caused delays in court proceedings. Some said that, in some cases, these delays prevented or hindered the prosecution of the suspect. Delayed lab results can **prevent** the*

prosecution of a suspect if the applicable statute of limitations runs out while the lab work is in process, or if the delayed lab work keeps a defendant from getting a constitutionally guaranteed speedy trial. Delayed lab results can **hinder** the prosecution of a suspect if other evidence gets old while the lab work is in process, or if there's not enough evidence without the lab results to hold or prosecute the suspect.

The Bureau's lab is far behind in entering the results of DNA samples and firearms tests into their computerized databases. page 12
Legislation passed in 1991 requires people who are convicted of certain violent crimes to submit blood and saliva samples to the Bureau to be processed into DNA profiles. The law also requires the Bureau to develop and maintain an automated Statewide database of these criminals' DNA profiles. Since 1991, about 6,500 samples have been collected, but fewer than 10% of them have been processed and entered into the DNA database. This represents a backlog of several years worth of work.

In 1996, the Bureau also began voluntarily participating with 13 midwestern states in a firearms database called DRUGFIRE. The purpose of this database is to help solve crimes by linking incidents where the same gun was used. The Firearms Section is nearly a year behind in entering data about firearms into the DRUGFIRE database.

Bureau officials told us a lack of staff was the primary reason why these databases haven't been kept current.

Conclusion: page 14

Recommendations: page 14

Appendix A: Bureau Lab Cases Submitted and Closed page 17
Calendar Years 1993 to 1996

Appendix B: Agency Response page 19

This audit was conducted by Joe Lawhon and Anthony Perez. Randy Tongier was the audit manager. If you need any additional information about the audit's findings, please contact Mr. Lawhon at the Division's offices. Our address is: Legislative Division of Post Audit, 800 SW Jackson Street, Suite 1200, Topeka, Kansas 66612. You also may call (785) 296-3792, or contact us via the Internet at: LPA@mail.ksleg.state.ks.us.

Reviewing Backlogs in the KBI Laboratory

The Kansas Bureau of Investigation's laboratory, as the State's crime lab, provides laboratory services for Kansas law enforcement agencies. Recently, law enforcement officials have complained that it sometimes takes too long to get results back from the Bureau's lab. Legislators have expressed concerns that extreme delays in processing lab work are seriously hindering the work of law enforcement agencies across the State. To address these concerns, the Legislative Post Audit Committee approved an audit that would answer the following questions:

1. **How long have local law enforcement agencies had to wait for lab work to be processed by the Kansas Bureau of Investigation, and why?**
2. **What has been the impact of the delays experienced by law enforcement agencies?**

To answer these questions, we reviewed applicable sections of Kansas law and administrative regulations. We also interviewed the Bureau's laboratory employees and a sample of local law enforcement officials—primarily staff from county and district attorney offices. We obtained and analyzed certain information from the Bureau's computer system about the number of cases submitted to the lab and the amount of time taken to process a sample of cases. We also analyzed data about the turnover of lab employees. For reporting purposes we've combined the two questions into one.

In conducting this audit, we followed all applicable government auditing standards set forth by the U. S. General Accounting Office, except that we didn't conduct tests of the lab's computerized data. The dates that lab staff complete examinations are self-reported, but based on our review of the lab's procedures for ensuring the accuracy of data entered into its computer system, we determined that the risk of having inaccurate data in the computer system was low. Because of this, and because of time constraints for this audit, we decided not to conduct tests of the lab's computerized data.

In addition, we relied on Bureau staff to write computer programs to retrieve certain information for us from the computer system. Before we used the information generated by these programs, we had lab staff review that information for reasonableness. Based on their knowledge of the data, they said the results appeared to be reasonable. However, because these data are crucial to the findings of this audit, any material errors in data reliability or the way the programs counted and sorted the data could affect the findings of this audit.

Our findings begin on page 5, after a brief overview of the Bureau and its laboratory operations.

Overview of the Kansas Bureau of Investigation's Laboratory

The Kansas Bureau of Investigation operates under the supervision of the Attorney General's Office, and the Director of the Bureau is appointed by the Attorney General. The Bureau has two principal duties: to conduct investigations at the direction of the Attorney General, and to establish and maintain criminal history records for use by criminal justice agencies, such as local police departments, district attorneys, and other organizations. The Bureau also operates a laboratory services program.

As the State Crime Lab, the Bureau's Lab Provides Services To Help Solve Crimes and Prosecute Criminals

The Bureau's lab uses scientists and sophisticated equipment to identify suspects, provide leads, substantiate evidence, and prove or disprove the involvement of individuals in specific crimes for most Kansas law enforcement agencies. (According to Bureau staff, Johnson and Sedgwick Counties have their own labs, which provide many services to law enforcement agencies within their counties. In addition, other counties sometimes may use private labs as well.)

Local prosecutors and lab staff told us that laboratory analyses are becoming increasingly more important, because some prosecutors are demanding substantiated evidence even before taking a case to court.

The lab's operation is divided into six sections, plus an administrative unit. The six sections that examine evidence are briefly described below:

- **Biology Section:** This section examines evidence for the presence of body fluids in cases of sexual assault, homicide, assault, and burglary. Through scientific analysis procedures, staff in this section attempt to include or exclude individuals who may have been involved in a crime. They also are responsible for maintaining a database of convicted violent offender data as required by Kansas law.
- **Chemistry Section:** This section conducts tests to identify specific chemical substances, including illegal drugs. Staff in this section have several responsibilities involving clandestine laboratory sites, including the examination of evidence. They also conduct arson, alcoholic beverage, paint, glass, and headlight examinations.
- **Toxicology Section:** This section examines human body fluids and tissues to determine the presence of foreign substances, such as drugs, alcohol, and poisons.

- Firearms Section: This section examines guns, bullets, cartridge cases, and related ammunition components to determine whether a bullet or cartridge case was fired by a particular firearm. Staff in this section also are responsible for entering bullet and cartridge case information into the DRUGFIRE database.
- Latent Prints Section: Staff in this section examine evidence to detect fingerprints, and then compare those fingerprints to known fingerprints contained in the Bureau's Automated Fingerprint Identification System (AFIS). They also examine evidence for the presence of footwear or tire tracks, and compare any tracks detected to known footwear or tires.
- Documents Section: Staff in this section examine documentary evidence to determine authorship, origin, or authenticity. In the past, the section has worked with the Kansas Lottery to ensure that game tickets are secure, but that involvement is being reduced.

In August 1998, the Bureau's laboratory was accredited by the American Society of Crime Laboratory Directors Laboratory Accreditation Board. With this accreditation, the Bureau's lab becomes one of only 22 state labs to achieve this national recognition.

The Bureau's main lab is located in Topeka and smaller labs are located in Pittsburg and Great Bend. As of the writing of this report, the House Appropriations Committee had endorsed a proposal to move the Topeka lab to the grounds of the former Topeka State Hospital.

Salaries have accounted for 65%-70% of the total cost of operating the Bureau's laboratory. The following table summarizes the lab's expenditures for the past three fiscal years.

<u>Fiscal Year</u>	<u>Salaries</u>	<u>% of Total</u>	<u>Operating Costs</u>	<u>% of Total</u>	<u>Total</u>
1996	\$1.8 million (45 FTE)	65%	\$1.0 million	35%	\$2.8 million
1997	2.0 million (47 FTE)	70%	.8 million	30%	2.8 million
1998	2.2 million (52 FTE)	67%	1.1 million	33%	3.3 million

Source: Bureau fiscal records

As the table shows, the number of authorized full-time-equivalent positions has increased slightly each year. These figures include 2 unclassified temporary positions for fiscal year 1997, and 7 such positions for fiscal year 1998.

How Long Have Local Law Enforcement Agencies Had To Wait for Lab Work To Be Processed by the Bureau, Why, And What Has Been the Impact of Any Delays?

On average, local law enforcement agencies have had to wait from two weeks to five months to receive test results back from the Bureau's lab, depending on the type of test. In the last half of calendar year 1998, examinations by the Bureau's Biology, Firearms, and Latent Prints Sections generally weren't completed until about 150 days after the evidence had been submitted. Many factors can contribute to these delays, but two stood out during our review. First, the Bureau hasn't been able to keep up with the number of new cases submitted for testing, despite an increase of eight authorized positions (18%) over the past three years. Second, the Bureau's lab is operating with almost one of every four authorized positions vacant. Bureau staff told us that, when vacancies have occurred, low wages have made it difficult for them to fill those positions.

Local law enforcement agencies we contacted told us that delays in getting test results back on a timely basis have held up court proceedings and have caused other problems, such as the release of arrested suspects. In addition, the Bureau's lab is far behind in entering the results of DNA samples and firearms tests into their computerized databases. The information in such databases can offer critical links to solving unsolved or seemingly unrelated crimes. These and other findings are discussed in more detail in the sections that follow.

On Average, Local Law Enforcement Agencies Have Had To Wait From Two Weeks to Five Months for Lab Test Results

Local law enforcement agencies submit all types of evidence (guns, chemicals, clothing, tires, and documents, to name just a few) to the Bureau's lab for analysis. Once this evidence is receipted and logged in, it's placed in the evidence storage room and is available for examination by lab staff. Depending on the availability of staff and the priority of the case, the evidence may be pulled by lab staff for examination the next day, or it may remain in the evidence room, unexamined, for weeks or months. In addition, some evidence may need to be examined by more than one of the lab's sections.

To determine how long local law enforcement agencies have had to wait for lab results, the Bureau's computer staff worked with us to develop information from the Bureau's computerized database about how long it took from the date evidence was submitted to the date each section finished its test or examinations of that evidence. The information we analyzed covered examinations completed during the last six months of calendar year 1998. We then shared that information with the chief of each section. All of them agreed it was a fair and reasonable presentation of the work accomplished by his or her section. The results of our reviews and analyses are summarized in the following table.

**Examinations Completed by Lab Units
July 1, 1998 through December 31, 1998**

<u>Unit</u>	<u>Number of Examinations Completed Within This Many Days</u>			<u>Total</u>	<u>Avg. # of Days to Complete</u>
	<u>1 to 30</u>	<u>31 to 90</u>	<u>90 or more</u>		
Toxicology	1,905 88%	231 11%	26 1%	2,162 100%	16
Chemistry	1,541 43%	1,455 41%	595 17%	3,591 100%	54
Documents	27 23%	52 45%	36 31%	115 100%	70
Firearms	31 22%	17 12%	92 66%	140 100%	153
Biology	105 28%	82 22%	182 49%	369 100%	155
Latent prints	155 29%	115 22%	258 49%	528 100%	161
Total	3,764 55%	1,952 28%	1,189 17%	6,905 100%	

Source: Developed from lab case data

As the table above shows, the results of tests for toxic and chemical substances—the two sections performing the most examinations—were available to law enforcement agencies within an average of 2-8 weeks, respectively. However, on average it took about 5 months for lab staff to complete their test work on evidence related to bodily fluids, fingerprints, and firearms. These sections are shown in bold-face type in the rest of the tables provided in this report. (Each section has established a priority system for determining which examinations to perform first. In general, those with the closest court date get top priority. Other influencing factors include crime severity and crimes against persons.)

Based on our reviews and interviews with the chiefs of each lab section, we identified several major factors that have contributed to these delays: unavoidable delays caused by testing “sequences” or timetables, a backlog of case evidence that needs to be examined, and staff vacancies. These and other factors are described in the sections that follow.

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Some delays in completing lab tests are unavoidable because evidence must be tested by one section before it can be tested by another, and because some tests simply take a long time to perform. For example, the Chemistry Section might examine a gun for chemical traces, then the Latent Prints Section may examine that gun for fingerprints, and finally the Firearms Sections may run tests to determine whether that gun fired a certain bullet. In these instances, one lab section can't begin its examination of the gun until another section has completed its tests.

The chief of the Biology Section also told us that, for complex cases with a lot of evidence, examinations can take months. Further, any DNA analysis would take at least one month to complete, and DNA analyses aren't started until traditional biology examinations of evidence are completed. (In contrast, the chief of the Firearms Section told us most tests of firearms can be completed within three days after they are started.)

The three lab sections with the greatest delays have nearly a year's backlog of case evidence that needs to be examined. In 1993, the Bureau's lab received evidence for about 9,000 cases from law enforcement officials; by 1998, that number had grown to about 12,000 cases. Although the lab's staffing levels increased from 45 to 52 between fiscal years 1996 and 1999, those staff haven't been able to keep up with this increase in new cases—the number of open cases has grown from about 1,600 cases at the end of 1993 to about 3,400 cases at the end of 1998. (This information is summarized in more detail in Appendix A. In addition, many of the Bureau staff and local law enforcement officials we interviewed during this audit cited an increase in methamphetamine labs in Kansas as contributing to delays. We didn't look specifically at this increase, but the profile box above provides some information about those illegal labs.)

To get an estimate of how much work is backlogged in each lab section, the Bureau's computer staff wrote a computer program to identify how many examinations for each section were pending at the end of February 1999. In all, nearly 4,200 examinations were pending. Using the number of examinations completed in the last six

Methamphetamine Labs Are on the Increase in Kansas

Bureau officials told us that methamphetamine crimes are the fastest growing crimes in the State. They said the "national experts" place Kansas in the top 5 states in the manufacture of methamphetamine, and in the top 10 states in methamphetamine smuggling.

Bureau statistics shows that the number of illegal methamphetamine labs seized has increased dramatically since 1994, as shown in the table below.

<u>Year</u>	<u>Number Meth Labs Seized</u>
1994	4
1995	7
1996	71
1997	99
1998	>180

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months of 1998 as the measure of what each lab section could continue to accomplish, we estimated the backlogs for each section as follows:

**Estimate of Examinations Pending (Backlog)
As of February 28, 1999**

<u>Section</u>	<u>Examinations Pending</u>	<u>Estimated Days To Complete Pending Examinations</u> (a)
Biology	681	332
Latent Prints	950	324
Firearms	235	302
Documents	64	100
Chemistry	1,975	99
Toxicology	151	13
Unassigned	<u>128</u>	n/a
Total pending	4,184	

(a) Assumes that each section's productivity will remain the same as it was for the last six months of 1998.

Source: Developed from Bureau computerized examination records.

As the table shows, the Biology, Latent Prints, and Firearms Sections have nearly a year's worth of backlogs of unprocessed work. Not surprisingly, these are the same three sections with the longest delays.

The Bureau's lab is operating with almost one of every four authorized positions vacant, in part because it's difficult to retain staff at current wages, and in part because it's difficult to attract qualified people for certain positions. The following table shows that, as of February 1999, the Bureau's lab had 53 full-time-equivalent positions (including eight unclassified temporary positions), but only 41 were filled.

**KBI Lab Positions Authorized and Filled
As of February 1999**

<u>Section</u>	<u># of Authorized Positions</u>	<u># of Positions Not Filled</u>	<u>% of Authorized Positions Not Filled</u>
Firearms	2	1	50%
Biology	14	6.5	46%
Toxicology	4	1	25%
Latent Prints	8	1.5	19%
Administration	12	2	17%
Chemistry	11	0	0%
Documents	<u>2</u>	<u>0</u>	0%
Total	53	12	23%

Source: Bureau fiscal records

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As the table shows, the three sections with the largest delays in testing evidence (shown in bold) have some of the biggest problems with vacancies. And these vacancies aren't necessarily recent. As of March 1, 1999, none of the six employees who left the lab in 1998 had been replaced. Five of these six employees had been in the Biology Section.

Having unfilled positions also places greater stress on the employees that remain because the section's workload must be shared between fewer employees. For example, the Firearms Section currently has only one employee, who must perform all tests, do all court testifying, and the like. He told us he just goes from one rush job to the next, and can't possibly get caught up. Staff in the Biology Section expressed similar concerns.

Bureau staff told us that at least five of the 16 employees who left the lab since 1996 left for higher-paying jobs. They also said they're having difficulty getting qualified people to apply for certain vacant positions because the wages offered aren't competitive in the marketplace. A salary survey the Bureau conducted as of January 1999 showed that Kansas ranked 6th of 8 for starting pay for a Forensic Scientist II position, and about the same for maximum pay. The table below summarizes those salary comparisons.

<u>Agency</u>	<u>Starting Salary</u>	<u>Maximum Salary</u>
Colorado Bureau of Investigation	\$ 48,240	\$ 69,960
Johnson County Crime Lab	44,907	64,230
Colorado Springs Police Dept.	43,000	51,000
Iowa Division of Criminal invest	39,062	53,206
Oklahoma State Bureau of Investigation	37,250	varies
Kansas Bureau of Investigation	32,868	46,236
Nebraska State Patrol	29,319	41,046
Missouri State Highway Patrol	27,744	42,732

Source: KBI Survey

In addition, the Division of Personnel Services recently completed a comprehensive salary survey for lab positions. The results of that survey are shown in the Bureau's response, beginning on page 22.

Finally, in four of its last five budget requests (fiscal years 1996 through 2000), the Bureau has requested funding for at least seven new permanent positions for the lab. Bureau fiscal staff told us that none of the positions have been included in the Governor's Budget.

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Lab staff must take time to testify in court about the results of the tests they've performed. Lab staff told us they often are asked to testify because prosecutors believe that judges and jurors prefer to see and hear a witness in person, as opposed to having a written report be read into the record. Because lab staff must appear in courts located throughout the State, this causes lots of travel time, which takes away from scientific analysis time. In addition, one prosecutor we interviewed told us it was difficult to get lab analysts to come to court to testify because they often are needed in other courts as well.

Bureau staff told us they thought the lack of sufficient space had contributed to delays in testing evidence. We didn't review space needs in this audit, but the 1999 Legislature is considering relocating the lab to new space at the former Topeka State Hospital.

Local Law Enforcement Officials Told Us That Having to Wait for Test Results Caused Several Problems, Including Delayed Court Proceedings and the Release of Arrested Suspects

During this audit, we surveyed 13 officials: 11 county prosecutors, one county sheriff, and a member of the Kansas Highway Patrol. All 13 told us they'd experienced some delays in getting the results of tests being performed by the Bureau's lab. We asked each respondent to name all the sections with which he or she had experienced delays. Their responses were as follows:

Lab Sections That Respondents Said Had Delays

<u>Section</u>	<u>Number of Times Cited</u>	<u>Percent</u>
Chemistry	11	85%
Biology	7	54%
Toxicology	5	38%
Latent Prints	5	38%
Documents	3	23%
Firearms	2	15%

As this table shows, delays in the Chemistry and Biology Sections were cited most often. In our analyses we found that the Chemistry Section actually had among the quickest test turnaround times of any of the six lab sections (an average of 54 days). Most of the exams performed in this section involve illegal drugs. It may be that local law enforcement officials are more sensitive to delays caused by this section because the exam results are the primary evidence that a crime has been committed.

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We also asked these 13 officials about the impacts lab processing delays were having on their work. All 13 told us the lab's delays caused delays in court proceedings. Some respondents said the lab's delays caused additional problems, but two respondents said the delays didn't have a detrimental impact on the final disposition of the case.

The table below lists the problems cited by survey respondents and indicates the number of times each problem was cited.

<u>Type of Problem</u>	<u># of Times Cited</u>	<u>Percent</u>
Delays in court proceedings	13	100%
Release of arrested suspect	8	62%
Other evidence languishes	6	46%
Dismissal of case	5	38%
Other problems (such as frustrated judges)	5	38%
Speedy trial	3	23%
Statute of limitations	1	7%

These problems can be grouped into two categories: preventing the prosecution of the suspect, and hindering the prosecution of the suspect. These categories are briefly described below.

Preventing the Prosecution of the Suspect

- (a) **Statute of Limitations:** State law gives prosecutors a certain amount of time to file charges against defendants. When that statutory time period expires, charges for that crime can no longer be filed. Because some prosecutors might wait to file charges against a defendant until they have a lab report, it's possible that lab delays could result in a defendant never being prosecuted for a particular crime.
- (b) **Speedy Trial Issues:** Defendants have a constitutional right to a speedy trial. The statutorily prescribed time frame to begin a trial is 90 days after arraignment if the defendant is in custody, 180 days if the defendant is out on bond. If lab reports aren't available in the designated time frame, the court could grant a continuance or the suspect could be released from being tried for that crime.

Hindering the Prosecution of the Suspect

- (c) **Other Evidence Languishes:** As prosecutors wait for lab reports to be completed, other evidence can get old and less valuable. Examples include witnesses leaving the jurisdiction, memories fading, and the like. This may detract from the strength of the prosecution's case.

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Examples of the Types of Problems That Lab Delays Have Caused Local Prosecutors

During our telephone survey of county prosecutors, a county sheriff, and a highway patrolman, we asked people if they could provide specific examples of the types of problems that lab delays have caused them. A few respondents provided specific examples, as follows:

Example 1: delay of proceedings and release of suspect / dismissal of case. A defendant was charged with four felonies stemming from possession of drugs with the intent to sell. Charges were filed and the preliminary hearing date was set. The preliminary hearing was continued because the lab report analyzing the drugs in the defendant's possession hadn't been received. About a month later, when the preliminary hearing was scheduled to occur, the lab report still wasn't available. At that time, the judge dismissed the case and the suspect was released from custody. If the lab report identifies illegal drugs when it is received the suspect will have to be rearrested if the prosecutor re-files charges.

Example 2: release of suspect. The Douglas County prosecutor mentioned a newspaper article published in *The Lawrence Journal World*. The article reported that Lawrence police

had arrested a man three times in one week. Each time the man was arrested he was released because prosecutors were waiting for lab reports before filing charges. The third time the man was arrested, he reportedly possessed three types of illegal drugs. The arrest happened across the street from the Douglas County Judicial and Law Enforcement Center soon after the man was released for the second time.

Example 3: delay of proceedings and release of suspect. A defendant was arrested and charged with theft and possession of marijuana. The defendant was released from custody on bond, and didn't appear for the first court date. The judge issued a bench warrant for the defendant's arrest. The defendant was arrested and placed in custody until the court took up the matter again. At that hearing, the lab report for the possession of marijuana charge hadn't been received, and the judge released the defendant from custody. Later, the prosecutor received the lab report which confirmed the possession of marijuana. Another trial date was set. The defendant didn't appear and the judge issued another bench warrant. This means the defendant will have to be arrested for a third time to be brought to trial.

- (d) Release of Arrested Suspect / Dismissal of Case: Lab reports provide evidence that a suspect has committed a crime. Without that evidence, sometimes there isn't enough other evidence to charge, incarcerate, or prosecute a suspect. This can be a major problem because when suspects are released, they could leave the area or commit another crime. Prosecutors told us judges had dismissed some cases because a lab report wasn't available. They added, however, that they typically re-filed the case as soon as the lab report became available.

The profile box above summarizes three situations prosecutors told us about to illustrate their concerns.

The Bureau's Lab Is Far Behind in Entering the Results of DNA Samples and Firearms Tests Into Their Computerized Databases

These databases give law enforcement officials in Kansas and other states powerful law enforcement tools that can help them solve unsolved or seemingly unrelated crimes.

The Biology Section hasn't entered any DNA profile information into the database since August 1995, and Section staff estimate it could take up to 10 years to process the current backlog of unentered data. The 1991 Legislature enacted K.S.A. 21-2511 to require people who are convicted of certain violent crimes to submit blood and saliva samples to the Bureau for processing into DNA profiles. (A DNA profile uses DNA traits to uniquely identify an individual, much like a fingerprint.) The law requires the Bureau to develop and maintain an automated Statewide database of these criminals' DNA profiles.

The Bureau developed a computer database using software and a format that are compatible with those of the Federal Bureau of Investigation and other states. That way, when DNA evidence is available for a crime committed in Kansas, a computerized search can be made that compares the crime scene DNA to all DNA profiles in the database nationwide. Biology section staff said the database can be especially useful in rape cases because rapists are often repeat offenders.

Biology Section staff told us that, of the 6,500 samples of convicted violent offender samples collected since 1991, only about 600 (less than 10%) have been processed and entered into the DNA database. They said they weren't processing or entering these DNA samples anymore because the Section has a staff shortage, and other work has been given a higher priority.

They also estimated that, depending on the technology used to process the DNA samples, it would take one full-time scientist between 2½ and 10 years to process the current backlog of samples for convicted violent offenders. In addition, the stockpile of samples continues to grow because new samples are submitted to the Bureau regularly.

The Firearms Section is nearly a year behind in entering data about firearms used in drug-related crimes into the DRUGFIRE database. In 1996, the Bureau began voluntarily participating with 13 Midwestern states in a firearms database called DRUGFIRE. The purpose of this database is to help solve crimes by linking incidents where the same gun was used. For example, Bureau officials told us they'd used the database to develop leads on two separate drive-by shooting cases in Kansas involving the same gun.

The DRUGFIRE database contains detailed information about specific firearms and images of fired ammunition that make it possible to determine whether cartridge cases or bullets recovered from different crime scenes were fired from the same gun. When a new firearm record is entered into the database, it's automatically compared to all other records in the database.

Bureau officials told us that, at present, they are entering data only from a few homicide cases. They estimate they are about 100 cases behind, and it would take 11

months to enter the data on these cases. Again, they cited a lack of staff as the primary reason why they haven't been able to keep this database current. Even when the Firearms Section is fully staffed, they said, they won't be able to keep up. They also said they'd made unsuccessful requests in the past for an additional technician to work on the project.

Conclusion

Our review showed it's not uncommon for local law enforcement agencies to have to wait months to get test results back from the Bureau's lab. Staffing vacancies and increases in the number of cases being submitted for testing seem to have contributed the most to these delays. Bureau staff have asked for more positions to handle this workload, but in the short-term the Bureau could help address this problem by filling the vacant lab positions it currently has. Bureau officials indicate they're having trouble filling some of those positions because salaries are too low. They've also indicated that low salaries were the reason why some staff have left. In addition, there's a risk that the employees who remain will get "burnt out" because of the increased work expected of them.

The Bureau's lab work is important to the State's law enforcement agencies and to the judicial process as a whole. Delays and backlogs can cause setbacks in court proceeding dates, and such other problems as the release of arrested suspects. To address this situation, both now and over the long-term, Bureau officials, the Governor, and the Legislature will need to identify and support the resources the Bureau needs to adequately fulfill its mission.

Recommendations

To reduce delays in testing and processing criminal evidence, address the increasing number of open cases, and allow the statutorily required DNA database and the DRUGFIRE database to be kept current, the Kansas Bureau of Investigation should do the following:

- a. Work with the Division of Personnel Services to complete the ongoing study of salary levels as soon as possible. Based on the results of that survey, the Bureau should work with the Division to

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seek changes in salary levels, position reclassifications, or whatever actions appear to be appropriate.

- b. Develop a staffing plan that considers the number of positions needed to limit the growth in the number of open (unworked) cases on hand, and to allow the Biology and Firearms Sections to keep their databases current.
- c. Work with the Governor's Office and the appropriate legislative committees to seek funding for any additional salary costs expected to be incurred as a result of increased salary levels or increased positions.

APPENDIX A

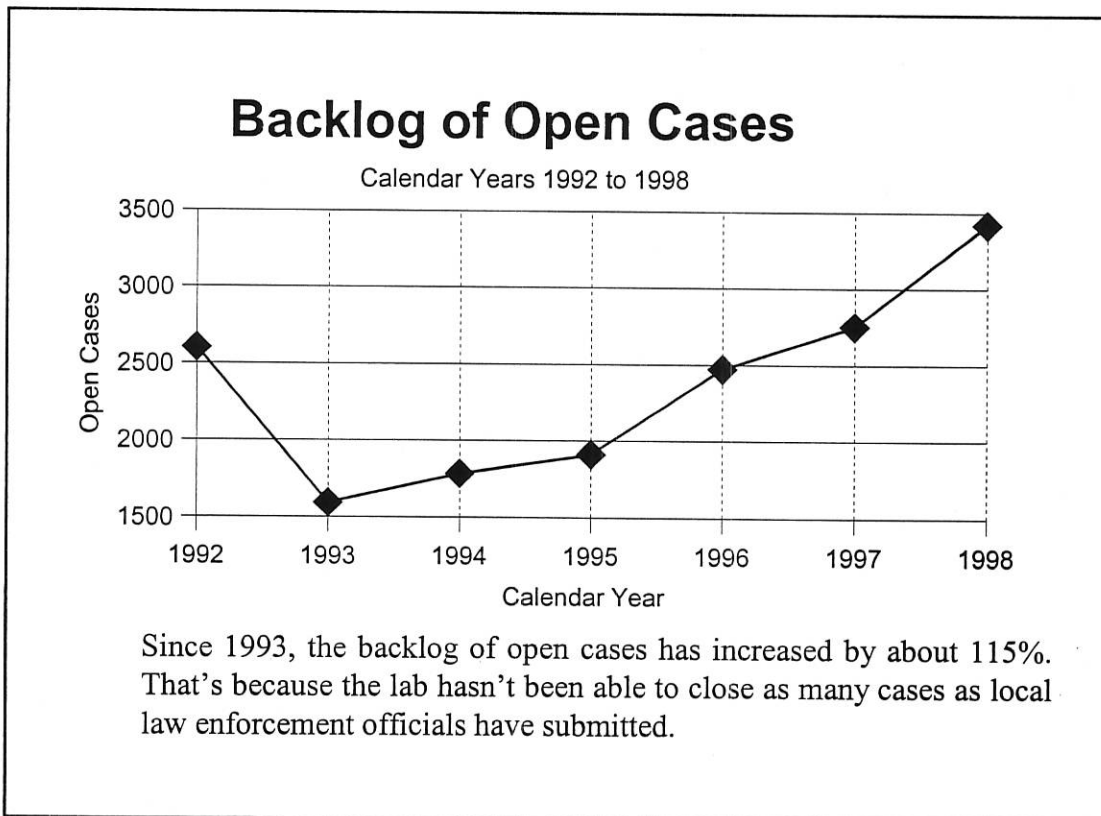
Bureau Lab Cases Submitted and Closed Calendar Years 1993 to 1998

The Bureau provided computer generated information that showed the number of cases submitted and the number of cases closed for calendar years 1993 through 1998. The table and graph on the next page show that during that time period the number of cases submitted to the lab grew by 32%, while the number of cases closed grew by 12%. Overall, the number of open cases at year end grew by 115% during the period.

**Bureau Lab Cases Submitted and Closed
Calendar Years 1993 to 1998**

<u>Description</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>% Increase 93 to 98</u>
Beginning Balance at January 1	2,601	1,593	1,783	1,911	2,471	2,750	6%
Cases Submitted	9,086	9,503	9,971	10,095	11,237	12,010	32%
Cases Closed	10,094	9,313	9,843	9,535	10,958	11,339	12%
Net Increase / Decrease for Year	(1,008)	190	128	560	279	671	na
Ending Balance at December 31	1,593	1,783	1,911	2,471	2,750	3,421	115%

Source: Developed from KBI lab case data



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APPENDIX B

Agency Response

On March 19, 1999, we provided copies of the draft report to the Kansas Bureau of Investigation. The Bureau's response is included as this appendix. After carefully reviewing the response, we made some minor clarifications to the draft audit that did not affect any of our findings or conclusions. In addition, the Bureau provided a copy of a comparative study of forensic scientist salaries that was recently completed by the Division of Personnel Services. A copy of the salary survey results is included following the agency response.



Kansas Bureau of Investigation

Larry Welch
Director

Carla J. Stovall
Attorney General

March 23, 1999

Barbara J. Hinton
Legislative Post Auditor
Legislative Division of Post Audit
Mercantile Bank Tower
800 S.W. Jackson St., Suite 1200
Topeka, Kansas 66612-2212



Dear Ms. Hinton:

Reference your letter of March 19 inviting my response to your completed performance audit entitled, "Reviewing Backlogs in the KBI Laboratory."

My immediate, short response is Amen! I agree wholeheartedly with your audit's analysis, conclusion and recommendations.

My fuller, more considered response must start with our thanks to you and your staff, in particular Joe Lawhon, for the professional, considerate, yet probing and ambitious manner in which this review was conducted.

Regarding Recommendation (a), page 14, requesting that we work closely with the Division of Personnel Services to complete our requested salary survey, please find enclosed a letter dated March 19 from Mr. Ken Otte of DPS reflecting the completion of the salary survey.

I invite your attention to the third paragraph of page two of Mr. Otte's letter. "Based on the results of this survey, the current pay grade assignments for the forensic scientist classes could result in recruitment difficulties." Encouraged by this validation of our long-held claim, we will certainly follow your audit's recommendation to work closely with DPS to remedy the KBI forensic scientist salary deficiency.

Regarding Recommendation (b), page 15, we have conducted continuing studies the past four years determining the number of additional forensic positions actually needed to meet the needs of the Kansas law enforcement community. This year, on several occasions, to different legislative committees, I identified that current number as

28-21

nine. Due to space limitations, however, I actually requested only four additional laboratory employees, to be assigned to the Great Bend KBI facility, where space is available.

We will, I pledge, continue those studies and will strive to improve the status of our Biology and Firearms databases.

Regarding Recommendation (c), page 15, I will continue our persistent efforts of the past four years to persuade the Governor's Office and the Kansas Legislature that we need to increase the number of forensic positions and that we need to increase pertinent salary levels in our laboratory to retain our scientists, instead of providing excellent, well-trained scientists for other laboratories. Your audit will, hopefully, be of great assistance in that endeavor.

In summary, we understand and appreciate all your recommendations and will strive to implement all those not already implemented.

And, in conclusion, I'd like to respond to an informal recommendation implied within your "Conclusion" on page 14, "... but in the short-term the Bureau could help address this problem by filling the vacant lab positions it currently has."

Once again, your audit is absolutely correct, and, as I dictate this letter, we are conducting interviews to fill all vacant forensic positions at Great Bend and Topeka, and one at Pittsburg. Our selection process has been delayed somewhat by the absence of a laboratory director and the absence of a human resource manager. A third, somewhat mitigating factor, is that, as a practical matter, training of newly-hired scientists could not commence at KBIHQ until June 1.

Again, my thanks to you and your staff for the intense, but well-considered review of our laboratory division. I am confident that implementation of the audit's recommendations will improve the status of our men and women of the KBI Laboratory and enhance our abilities to better serve the citizens of our state, lest criminals continue to go free and backlogs and delays continue to grow because of our lack of resources, especially space and scientists.

Sincerely,



Larry Welch
Director

LW/pja



BILL GRAVES
Governor

DAN STANLEY
Secretary of Administration

**WILLIAM B.
McGLASSON**
*Director of Personnel
Services*
900 S.W. Jackson, Room
951-S
Landon State Office

DEPARTMENT OF ADMINISTRATION
Division of Personnel Services

Topeka, KS 66612-1251
(785) 296-4278
FAX (785) 296-6793

March 19, 1999

Terry Knowles
Kansas Bureau of Investigation
1620 SW Tyler
Topeka, KS 66612-1837

Dear Mr. Knowles:

The compensation survey for forensic scientists has been completed. I would like to apologize for the delay in completing the survey but the design of the survey and follow-up required in clarifying the survey responses required considerable time. A survey for forensic scientists would usually be conducted on the basis of different levels of performance, e.g. new hires, full performance level, specialist level, etc. Due to the concern that forensic science work consists of both different specialties, e.g. firearms, toxicology, trace, etc and differing levels of performance within each specialty, the survey was designed to identify both criteria.

Unfortunately, employers included in the survey were often unable to provide such detailed information. Most employers differentiate forensic work on the basis of level of work rather than by specialty area. This is also how the forensic scientist classes are differentiated in the KBI. The survey results were analyzed on the basis of level of performance.

The survey was sent to state governments which are members of the Central States Compensation Association and selected law enforcement organizations in large metropolitan employers within those states. These employers were mutually identified by Anne Brunt and myself and are listed in the attachment.

A number of employers reported that some of their forensic scientist employees are sworn law enforcement officers. Through follow-up conversations with these employers it was discovered that the majority of employees who are sworn law enforcement officers do not actually perform law

erry Knowles
March 19, 1999
Page two

enforcement work or the time spent in law enforcement work is very rare and represents an insignificant portion of their duties. Pay data for these employees was included in the survey analysis.

Forensic scientist employees with Johnson County do not represent job matches with KBI forensic scientists. Forensic science employees with Johnson County perform forensic science work and also spend a significant portion of their time serving as law enforcement officers. KBI forensic employees are not commissioned law enforcement officers nor do they perform law enforcement work. Pay data for Johnson County is listed separately in the attachments.

Based on the results of this survey, the current pay grade assignments for the forensic scientist classes could result in recruitment difficulties. A comparison of the results of the survey and the current rates for forensic scientist classes is presented in the attachment.

I look forward to discussing the results of this survey with you after you have had an opportunity to review the data. You can reach me at 296-4383.

Sincerely,



Ken Otte

attachments

cc: Joe Lawhon
Bob Cockrell

Forensic Scientists: Employers Surveyed

<u>Employer</u>	<u>Comment</u>
Kansas City Kansas Police Department	A
Kansas City Missouri Police Department	A
Topeka Police Department	B
Denver Police Department	B
Oklahoma City Police Department	B
Little Rock Police Department	B
St. Louis Police Department	A
Albuquerque Police Department	A
Des Moines Police Department	B
Omaha Police Department	A
Dallas Police Department	B
Memphis Police Department	B
Spring Field, Illinois Police Department	B
Colorado Springs Police Department	B
Sedgewick County Regional Forensic Science Center	A
Johnson County Sheriff's Office	C
Tulsa Police Department	A
State of Arizona	B
State of Arkansas	B
State of Colorado	A
State of Idaho	B
State of Illinois	B
State of Iowa	A
State of Indiana	A
State of Louisiana	A
State of Michigan	A
State of Minnesota	B
State of Missouri	A
State of Montana	A
State of Nebraska	A
State of Nevada	B
State of New Mexico	A
State of North Dakota	B
State of Oklahoma	A
State of Oregon	A
State of South Dakota	A
State of Texas	A
State of Utah	A
State of Wisconsin	B
State of Wyoming	B

Legend:

- A = Job matches
- B = No response
- C = Discussed individually in the letter

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Forensic Scientists: Current Rates vs. Survey Results

Forensic Scientist I: (Pay Grade 23)

Forensic Scientist I	Grade Minimum	Grade Maximum	Survey Avg. vs. step 5
Survey Average	\$28,541	\$42,581	\$33,408
Current Grade 23 Rate	\$27,040	\$38,043	\$29,806
Grade 23 as a % of Survey	94.7%	89.3%	89.2%

Johnson County	No such level	No such level	No such level
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Forensic Scientist II: (Pay Grade 27)

Forensic Scientist II	Grade Minimum	Grade Maximum	Survey Avg. vs. step 5
Survey Average	\$35,541	\$49,032	\$42,201
Current Pay Grade 27	\$32,864	\$46,238	\$36,213
Grade 27 as a % of Survey	92.5%	94.3%	85.8%

Johnson County	\$43,181	\$61,755	\$56,856
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Forensic Scientist III: (Pay Grade 28)

Forensic Scientist III	Grade Minimum	Grade Maximum	Survey Avg. vs. step 5
Survey Average	\$39,137	\$53,897	\$48,263
Current Pay Grade 28	\$34,507	\$48,568	\$38,43
Grade 28 as a % of Survey	88.2%	90.1%	78.8%

Johnson County	No such level	No such level	No such level
----------------	---------------	---------------	---------------

Forensic Scientist IV: (Pay Grade 30)

Forensic Scientist IV	Grade Minimum	Grade Maximum	Survey Avg. vs. step 5
Survey Average	\$40,967	\$60,557	\$51,002
Current Pay Grade 30	\$38,043	\$53,539	\$41,954
Grade 30 as a % of Survey	92.9%	88.4%	82.0%

Johnson County	\$48,547	\$72,987	\$72,987
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28-26

APR 27



County Administrator's Office
Dennis M. Hays, County Administrator

701 North 7th Street, Suite 945
Kansas City, Kansas 66101-3064

Phone: (913) 573-5030
Fax: (913) 573-5540

April 27, 1999

The Honorable Dave Kerr
Chairman
Senate Committee on Ways and Means
Room 120-South
State Capitol Building
Topeka, Kansas 66612

Re: KBI Crime Lab in Wyandotte County, Kansas

Dear Chairman Kerr:

We have been made aware of some of the concerns you have expressed with locating a KBI crime lab in Wyandotte County and thought this information might be of some benefit to you and members of your Committee as you continue deliberations on this issue.

The Wyandotte County Crime Lab project is the result of more than a year of collaborative effort from a variety of supporters, including the Unified Government of Wyandotte County/Kansas City, Kansas, the District Attorneys of Wyandotte, Johnson, Douglas Counties and other prosecutors, the Kansas City, Kansas Community College, the Kansas City, Kansas Police Department and the Kansas Bureau of Investigation and other similarly interested parties. Briefly speaking, we believe the Joint Committee on State Building Construction made the correct decision when they unanimously endorsed this project and would draw your attention to the following facts:

1. The KBI strongly endorses this project (see W&M handout from Joint Building) and is in dire need of additional lab space and testing capabilities (Legislative Post Audit Study 99-12).
2. The Unified Government has committed \$60,000.00 to help finance this project.
3. The Kansas City, Kansas Community College has agreed to provide lab space to the KBI rent-free for a minimum of 15 years. In addition, the Community College has agreed to provide services from staff maintenance personnel at no charge during remodeling of the lab space.

*W & M
4/27/99
attach. 291*

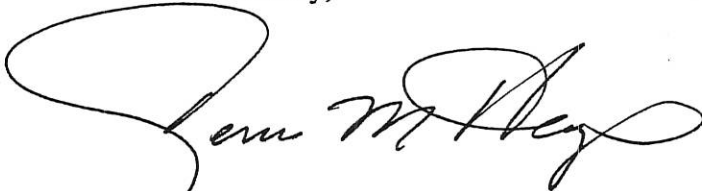
The Honorable Dave Kerr
Page Two of Two
April 26, 1999

4. All parties concerned have worked together to greatly reduce the capital outlay requirements of this project to a level which significantly reduces the impact upon state revenues for construction and operation both now and in future years (First Year: \$445,000.00). *1/2 yr.*

On behalf of the Unified Government of Wyandotte County/Kansas City, Kansas, we respectfully urge your favorable consideration of legislation authorizing and financing a crime lab in Wyandotte County. Representatives of the Unified Government and others interested in this project are available to provide you and members of your Committee with additional information as needed.

Thank you.

Sincerely,



Dennis M. Hays
County Administrator

CC: Mr. Terry Knowles – Deputy Director of the KBI
Members of the Wyandotte County Legislative Delegation
Mr. Whitney Damron – Lobbyist for the Unified Government

Juvenile Justice Funding Issues

Differences Between the Governor, House, and Senate Recommendations

(Based on Senate Ways and Means and House Appropriations Committee Recommendations)

Senate Ways and Means Committee
Date 4/27/99
Attachment # 30-1

Item:	Gov. Rec.	Revised House Rec.	Senate Rec.
A. Community Funding			
1. Purchase of services - Contracted services with providers for day reporting, detention, out-of-home placements, transportation costs	\$14,377,237 Revised JJA request - \$23,226,125 (GBA - FY 00: \$2,000,000 (SGF) for caseload increases; \$1,310,143 (SGF) for rate increases; FY 99: \$800,000 to cover shortage of funds)	Concur with Governor and concur with GBA	Concur with Gov., but add \$3,361,980 (SGF)--\$1,361,980 to increase detention and out of home placement rates; \$2.0 million for increased caseloads (GBA not considered yet)
2. Community planning and prevention grants - Prevention grants distributed through by formula based on number high school dropouts in each judicial district	\$4,000,000	Concur with Governor	Concur with Gov., reduce prevention by \$1.0 million
3. Community management information system projects - Linking communities to central office for increased sharing of "juvenile information folders"	\$230,000 Revised JJA request - \$400,000	Concur with Gov., but add \$170,000 for MIS projects in communities	Concur with Governor
4. Intervention and graduated sanctions grants - Case management, intake assessment, community corrections, and requested new programs	\$17,284,416 Revised JJA request - \$21,784,416 (GBA - \$2,000,000 for new programs funded with tobacco money)	Concur with Governor and concur with the GBA	Concur with Governor, add \$1,381,292 for new programs (GBA not considered yet)
5. Kansas Endowment for Youth grants - Support current initiatives and new pilot prevention programs	\$200,000	Concur with Governor	Concur with Governor
B. Juvenile Correctional Facility Operating Costs			
6. Juvenile correctional facility operating budgets - Total operating expenditures for 4 facilities	\$26,481,883 (GBA - \$459,090 SGF to reopen Grandview Cottage at Beloit JCF)	Concur with Governor and concur with the GBA	Concur with Governor (GBA not considered yet)
C. Juvenile Justice Authority Operating Costs			
7. JJA central office operating budget - Total expenditures for operating central office	\$4,584,305	Concur with Governor, but add 1.0 FTE Architect I and \$5,973 in FY 99 and \$35,833 in FY 00	Concur with Governor
D. Facility Construction and Building Costs			
8. Capital Improvements - Agreement on facility rehabilitation and repair. Difference is regarding type and scale of maximum facility expansion	\$2,185,297 planning for single 225-bed maximum custody facility; shift \$6.0 million SIBF without expenditure authority for future construction use	Delete planning funds and \$6.0 million shift; add \$5.0 million SIBF (\$1.0 in FY 99 and \$4.0 in FY 00) to plan for age, gender, and program specific maximum custody bed expansion at existing facilities	Concur with Governor

Juvenile Justice Funding

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

Senate Version

Note: Revised Gov. Rec. includes recent GBA's

	Actual FY 1998	Agency Estimate FY 1999	Amended Gov. Rec. FY 1999	Senate Rec. FY 1999	Diff. Between Gov. Rec. & Senate Rec. FY 1999	Agency Request FY 2000	Amended Gov. Rec. FY 2000	Revised Agency Request FY 2000	Diff. Between Gov. Rec. & JJA Req. FY 00	Senate Rec. FY 2000	Diff. Between Gov. Rec. & Senate Rec. FY 2000
Community Funding (Aid to Local Units):											
Federal Funds and Grants	424,581	4,531,748	5,331,748	4,531,748	(800,000)	4,531,358	4,531,358	4,531,358	0	4,531,358	0
Purchase of Services:	0	14,377,237	14,377,237	14,377,237	0	15,328,688	17,687,380	23,226,125	5,538,745	17,739,217	51,837
In-Home	0	1,275,391	1,275,391	1,275,391	0	1,275,391	1,275,391	1,755,391	480,000	1,275,391	0
Day Reporting	0	1,203,094	1,203,094	1,203,094	0	1,203,094	1,203,094	1,243,094	40,000	1,203,094	0
Detention	0	3,240,161	3,240,161	3,240,161	0	3,240,161	4,240,161	6,240,161	2,000,000	4,240,161	0
Out-of-Home	0	7,928,929	7,928,929	7,928,929	0	8,880,380	10,239,072	13,092,817	2,853,745	10,290,909	51,837
Transportation	0	525,000	525,000	525,000	0	525,000	525,000	610,000	85,000	525,000	0
Other	0	204,662	204,662	204,662	0	204,662	204,662	284,662	80,000	204,662	0
Community Planning Total:	3,889,418	1,913,720	1,913,720	1,913,720	0	0	4,000,000	4,000,000	0	3,000,000	(1,000,000)
Community Initiatives	2,489,500	625,000	625,000	625,000	0	0	0	0	0	0	0
Community Planning/Administration	1,399,918	1,288,720	1,288,720	1,288,720	0	0	0	0	0	0	0
Prevention Grants	0	0	0	0	0	0	4,000,000	4,000,000	0	3,000,000	(1,000,000)
Management Information System	0	230,000	230,000	230,000	0	400,000	230,000	400,000	170,000	230,000	0
Intervention & Grad. Sanctions Grants:	10,322,379	13,642,325	13,642,325	13,642,325	0	13,971,765	19,284,416	21,784,416	2,500,000	18,665,708	(618,708)
Case Management Operations	1,380,000	4,700,000	4,700,000	4,700,000	0	4,700,000	5,500,000	5,500,000	0	5,500,000	0
Intake and Assessment	4,707,051	4,707,051	4,707,051	4,707,051	0	4,824,727	5,000,000	5,000,000	0	5,000,000	0
New Programs	0	0	0	0	0	0	3,737,416	6,237,416	2,500,000	3,118,708	(618,708)
Community Corrections	4,235,328	4,235,274	4,235,274	4,235,274	0	4,447,038	5,047,000	5,047,000	0	5,047,000	0
KEY Grants	25,000	2,450,000	2,450,000	2,450,000	0	200,000	200,000	200,000	0	200,000	0
Subtotal	\$14,661,378	\$37,145,030	\$37,945,030	\$37,145,030	(800,000)	\$34,431,811	\$45,933,154	\$54,141,899	8,208,745	\$44,366,283	(1,566,871)
JCF Operating Costs:											
Atchison Juv. Correctional Facility	\$5,877,180	5,778,071	5,778,071	5,778,071	0	5,983,286	6,008,305	5,983,286	(25,019)	6,008,305	0
Topeka Juv. Correctional Facility	\$10,973,977	10,908,127	10,814,485	10,814,485	0	11,277,138	11,186,590	11,277,138	90,548	11,186,590	0
Beloit Juv. Correctional Facility**	\$4,736,387	4,932,098	4,932,098	4,932,098	0	5,005,228	5,488,321	5,464,318	(24,003)	5,029,231	(459,090)
Larned Juv. Correctional Facility*	\$3,947,997	4,187,717	4,142,198	4,142,198	0	4,269,435	4,257,757	4,269,435	11,678	4,257,757	0
Subtotal	25,535,541	25,806,013	25,666,852	25,666,852	0	26,535,087	26,940,973	26,994,177	53,204	26,481,883	(459,090)
Facility Construction/Building Costs (Capital Improvements):											
Rehabilitation and Repair:	110,000	1,147,075	1,147,075	1,147,075	0	4,389,975	1,307,123	4,389,975	3,082,852	1,307,123	0
Atchison Juv. Correctional Facility	0	334,895	334,895	334,895	0	1,058,045	370,367	1,058,045	687,678	370,367	0
Topeka Juv. Correctional Facility	0	532,565	532,565	532,565	0	2,299,559	626,523	2,299,559	1,673,036	626,523	0
Beloit Juv. Correctional Facility	0	279,615	279,615	279,615	0	1,032,371	310,233	1,032,371	722,138	310,233	0
Larned Juv. Correctional Facility*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Design of Prop. Max. Security Facility	0	0	0	0	0	0	2,185,297	2,185,297	0	2,185,297	0
New Facility Construction	0	0	0	0	0	0	[6000000]	0	0	[6000000]	0
Subtotal	\$110,000	\$1,147,075	\$1,147,075	\$1,147,075	0	\$4,389,975	\$3,492,420	\$6,575,272	3,082,852	\$3,492,420	0
JJA Operating Costs (State Operations):											
Administration	1,100,277	1,100,277	1,100,277	1,100,277	0	1,166,066	1,094,589	1,166,066	71,477	1,094,589	0
Operations**	1,261,671	442,614	1,190,927	1,190,927	0	751,464	747,568	751,464	3,896	747,568	0
Research and Prevention	1,313,477	3,100,069	3,100,069	3,100,069	0	2,291,928	2,227,923	2,291,928	64,005	2,227,923	0
Contracts and Audits	13,962,078	554,231	554,231	554,231	0	520,234	514,225	520,234	6,009	514,225	0
Subtotal	17,637,503	5,197,191	5,945,504	5,945,504	0	4,729,692	4,584,305	4,729,692	145,387	4,584,305	0
Total JJA Budget	\$32,408,881	\$43,489,296	\$45,037,609	\$44,237,609	(800,000)	\$43,551,478	\$54,009,879	\$65,446,863	11,436,984	\$52,443,008	(1,566,871)
Grand Total All Funds - JJA Funding	\$57,944,422	\$69,295,309	\$70,704,461	\$69,904,461	(\$800,000)	\$70,086,565	\$80,950,852	\$92,441,040		\$78,924,891	(\$2,025,961)
Dollar Change:	0	11,350,887	1,409,152	11,960,039		791,256	10,246,391	22,354,475		(2,025,961)	
Percentage Change:	0.00%	19.59%	2.03%	20.64%		1.14%	15.50%	31.90%		-2.50%	

*Rehabilitation and Repair projects for Larned JCF are included in the Larned State Hospital Request

**Includes in Gov. Rec. FY 99 \$748,313 for 4.0 FTE to operate 57 beds at Topeka JCF, and \$459,090 in FY 2000 for re-opening Grandview Cottage at Beloit JCF

30-2

Juvenile Justice Funding

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

House Version

Funds

Note: Revised Gov. Rec. includes recent GBA's

	Actual FY 1998	Agency Estimate FY 1999	Amended Gov. Rec. FY 1999	Revised House Rec. FY 1999	Diff. Between Gov. Rec. & House Rec. FY 1999	Agency Request FY 2000	Amended Gov. Rec. FY 2000	Revised Agency Request FY 2000	Diff. Between Gov. Rec. & JJA Req. FY 2000	Revised House Rec. FY 2000	Diff. Between Gov. Rec. & House Rec. FY 2000
Community Funding (Aid to Local Units):											
Federal Funds and Grants	424,581	4,531,748	5,331,748	5,331,748	0	4,531,358	4,531,358	4,531,358	0	4,531,358	0
Purchase of Services:	0	14,377,237	14,377,237	14,377,237	0	15,328,688	17,687,380	23,226,125	5,538,745	17,687,380	0
In-Home	0	1,275,391	1,275,391	1,275,391	0	1,275,391	1,275,391	1,755,391	480,000	1,275,391	0
Day Reporting	0	1,203,094	1,203,094	1,203,094	0	1,203,094	1,203,094	1,243,094	40,000	1,203,094	0
Detention	0	3,240,161	3,240,161	3,240,161	0	3,240,161	4,240,161	6,240,161	2,000,000	4,240,161	0
Out-of-Home	0	7,928,929	7,928,929	7,928,929	0	8,880,380	10,239,072	13,092,817	2,853,745	10,239,072	0
Transportation	0	525,000	525,000	525,000	0	525,000	525,000	610,000	85,000	525,000	0
Other	0	204,662	204,662	204,662	0	204,662	204,662	284,662	80,000	204,662	0
Community Planning Total:	3,889,418	1,913,720	1,913,720	1,913,720	0	0	4,000,000	4,000,000	0	4,000,000	0
Community Initiatives	2,489,500	625,000	625,000	625,000	0	0	0	0	0	0	0
Community Planning/Administration Grants	1,399,918	1,288,720	1,288,720	1,288,720	0	0	0	0	0	0	0
Prevention Grants	0	0	0	0	0	0	4,000,000	4,000,000	0	4,000,000	0
Management Information System	0	230,000	230,000	230,000	0	400,000	230,000	400,000	170,000	400,000	170,000
Intervention & Grad. Sanctions Grants:	10,322,379	13,642,325	13,642,325	13,642,325	0	13,971,765	19,284,416	21,784,416	2,500,000	19,284,416	0
Case Management Operations	1,380,000	4,700,000	4,700,000	4,700,000	0	4,700,000	5,500,000	5,500,000	0	5,500,000	0
Intake and Assessment	4,707,051	4,707,051	4,707,051	4,707,051	0	4,824,727	5,000,000	5,000,000	0	5,000,000	0
New Programs	0	0	0	0	0	0	3,737,416	6,237,416	2,500,000	3,737,416	0
Community Corrections	4,235,328	4,235,274	4,235,274	4,235,274	0	4,447,038	5,047,000	5,047,000	0	5,047,000	0
KEY Grants	25,000	2,450,000	2,450,000	2,450,000	0	200,000	200,000	200,000	0	200,000	0
Subtotal	\$14,661,378	\$37,145,030	\$37,945,030	\$37,945,030	0	\$34,431,811	\$45,933,154	\$54,141,899	8,208,745	\$46,103,154	170,000
JCF Operating Costs:											
Atchison Juv. Correctional Facility	\$5,877,180	5,778,071	5,778,071	5,778,071	0	5,983,286	6,008,305	5,983,286	(25,019)	6,008,305	0
Topeka Juv. Correctional Facility	\$10,973,977	10,908,127	10,814,485	10,814,485	0	11,277,138	11,186,590	11,277,138	90,548	11,186,590	0
Beloit Juv. Correctional Facility**	\$4,736,387	4,932,098	4,932,098	4,932,098	0	5,005,228	5,488,321	5,464,318	(24,003)	5,488,321	0
Larned Juv. Correctional Facility*	\$3,947,997	4,187,717	4,142,198	4,142,198	0	4,269,435	4,257,757	4,269,435	11,678	4,257,757	0
Subtotal	25,535,541	25,806,013	25,666,852	25,666,852	0	26,535,087	26,940,973	26,994,177	53,204	26,940,973	0
Facility Construction/Building Costs (Capital Improvements):											
Rehabilitation and Repair:	110,000	1,147,075	1,147,075	1,147,075	0	4,389,975	1,307,123	4,389,975	3,082,852	1,307,123	0
Atchison Juv. Correctional Facility	0	334,895	334,895	334,895	0	1,058,045	370,367	1,058,045	687,678	370,367	0
Topeka Juv. Correctional Facility	0	532,565	532,565	532,565	0	2,299,559	626,523	2,299,559	1,673,036	626,523	0
Beloit Juv. Correctional Facility	0	279,615	279,615	279,615	0	1,032,371	310,233	1,032,371	722,138	310,233	0
Larned Juv. Correctional Facility*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Design of Prop. Max. Security Facility	0	0	0	1,000,000	1,000,000	0	2,185,297	2,185,297	0	4,000,000	1,814,703
New Facility Construction	0	0	0	0	0	0	[6000000]	0	0	0	0
Subtotal	\$110,000	\$1,147,075	\$1,147,075	\$2,147,075	1,000,000	\$4,389,975	\$3,492,420	\$6,575,272	3,082,852	\$5,307,123	1,814,703
JJA Operating Costs (State Operations):											
Administration***	1,100,277	1,100,277	1,100,277	1,106,250	5,973	1,166,066	1,094,589	1,166,066	71,477	1,130,422	35,833
Operations**	1,261,671	442,614	1,190,927	1,190,927	0	751,464	747,568	751,464	3,896	747,568	0
Research and Prevention	1,313,477	3,100,069	3,100,069	3,100,069	0	2,291,928	2,227,923	2,291,928	64,005	2,227,923	0
Contracts and Audits	13,962,078	554,231	554,231	554,231	0	520,234	514,225	520,234	6,009	514,225	0
Subtotal	17,637,503	5,197,191	5,945,504	5,951,477	5,973	4,729,692	4,584,305	4,729,692	145,387	4,620,138	35,833
Total JJA Budget	\$32,408,881	\$43,489,296	\$45,037,609	\$46,043,582	1,005,973	\$43,551,478	\$54,009,879	\$65,446,863	11,436,984	\$56,030,415	2,020,536
Grand Total All Funds - JJA Funding	\$57,944,422	\$69,295,309	\$70,704,461	\$71,710,434	\$1,005,973	\$70,086,565	\$80,950,852	\$92,441,040		\$82,971,388	\$2,020,536
Dollar Change:	0	11,350,887	1,409,152	13,766,012		791,256	10,246,391	22,354,475		2,020,536	
Percentage Change:	0.00%	19.59%	2.03%	23.76%		1.14%	15.50%	31.90%		2.50%	

Rehabilitation and Repair projects for Larned JCF are included in the Larned State Hospital Request

**Includes in Gov. Rec. FY 99 \$748,313 for 4.0 FTE to operate 57 beds at Topeka JCF, and \$459,090 in FY 2000 for re-opening Grandview Cottage at Beloit JCF

***Includes the Committee Rec. in FY 00 for 1.0 FTE Architect I position

30-3

#3

Juvenile Justice Funding - Position Comparisons

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

30-4

FY 2000

Expenditure	Revised Agency Req. FY 2000	Amended Gov. Rec. FY 2000	Difference Between Agency and Gov. Rec.	Revised House Position FY 2000	Difference Between Gov. and House Rec.	Senate Position FY 2000	Difference Between Gov. and Senate Rec.
All Funds:							
State Operations	\$4,729,692	\$4,584,305	(\$145,387)	\$4,620,138	\$35,833	\$4,584,305	\$0
Aid to Local Units	\$54,141,899	\$45,933,154	(\$8,208,745)	\$46,103,154	\$170,000	\$44,366,283	(\$1,566,871)
Other Assistance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Operating	<u>\$58,871,591</u>	<u>\$50,517,459</u>	<u>(\$8,354,132)</u>	<u>\$50,723,292</u>	<u>\$205,833</u>	<u>\$48,950,588</u>	<u>(\$1,566,871)</u>
Capital Improvements	\$6,575,272	\$3,492,420	(\$3,082,852)	\$5,307,123	\$1,814,703	\$3,492,420	\$0
TOTAL	<u>\$65,446,863</u>	<u>\$54,009,879</u>	<u>(\$11,436,984)</u>	<u>\$56,030,415</u>	<u>\$2,020,536</u>	<u>\$52,443,008</u>	<u>(\$1,566,871)</u>
State General Fund:							
State Operations	\$4,416,864	\$4,271,477	(\$145,387)	\$4,307,310	\$35,833	\$4,271,477	\$0
Aid to Local Units	\$44,850,153	\$30,641,408	(\$14,208,745)	\$30,641,408	\$0	\$30,074,537	(\$566,871)
Other Assistance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Operating	<u>\$49,267,017</u>	<u>\$34,912,885</u>	<u>(\$14,354,132)</u>	<u>\$34,948,718</u>	<u>\$35,833</u>	<u>\$34,346,014</u>	<u>(\$566,871)</u>
Capital Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	<u>\$49,267,017</u>	<u>\$34,912,885</u>	<u>(\$14,354,132)</u>	<u>\$34,948,718</u>	<u>\$35,833</u>	<u>\$34,346,014</u>	<u>(\$566,871)</u>
Other Funds:							
State Operations	\$312,828	\$312,828	\$0	\$312,828	\$0	\$312,828	\$0
Aid to Local Units	\$9,291,746	\$15,291,746	\$6,000,000	\$15,461,746	\$170,000	\$14,291,746	(\$1,000,000)
Other Assistance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Operating	<u>\$9,604,574</u>	<u>\$15,604,574</u>	<u>\$6,000,000</u>	<u>\$15,774,574</u>	<u>\$170,000</u>	<u>\$14,604,574</u>	<u>(\$1,000,000)</u>
Capital Improvements	\$6,575,272	\$3,492,420	(\$3,082,852)	\$5,307,123	\$1,814,703	\$3,492,420	\$0
TOTAL	<u>\$16,179,846</u>	<u>\$19,096,994</u>	<u>\$2,917,148</u>	<u>\$21,081,697</u>	<u>\$1,984,703</u>	<u>\$18,096,994</u>	<u>(\$1,000,000)</u>
Juv. Corr. Facilities - Oper. Exp.							
All Funds	\$26,994,177	\$26,940,973	(\$53,204)	\$26,481,883	(\$459,090)	\$26,481,883	(\$459,090)
State General Fund	\$25,950,758	\$25,897,554	(\$53,204)	\$25,438,464	(\$459,090)	\$25,438,464	(\$459,090)
Other Funds	\$1,043,419	\$1,043,419	\$0	\$1,043,419	\$0	\$1,043,419	\$0
GRAND TOTAL	\$92,441,040	\$80,950,852	(\$11,490,188)	\$82,512,298	\$1,561,446	\$78,924,891	(\$2,025,961)
State General Fund	\$75,217,775	\$60,810,439	(\$14,407,336)	\$60,387,182	(\$423,257)	\$59,784,478	(\$1,025,961)
Other Funds	\$17,223,265	\$20,140,413	\$2,917,148	\$22,125,116	\$1,984,703	\$19,140,413	(\$1,000,000)
FTE Positions:							
JJA	35.0	35.0	0.0	36.0	1.0	35.0	0.0
Juv. Corr. Facilities	574.0	574.0	0.0	562.0	(12.0)	562.0	(12.0)
Unclass. Temp. Positions	11.0	12.0	1.0	12.0	0.0	12.0	0.0
JJA	5.0	6.0	1.0	6.0	0.0	6.0	0.0
Juv. Corr. Facilities	6.0	6.0	0.0	6.0	0.0	6.0	0.0
Total	609.0	609.0	0.0	598.0	(11.0)	597.0	(12.0)

**COMPARISON OF GOVERNOR'S AMENDED RECOMMENDATION
AND SENATE COMMITTEE RECOMMENDATION**

	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
FY 1999:			
Governor's Recommendation as of First Adjournment	\$4,223,310,118	\$8,821,345,376	41,584.2
Governor's Budget Amendment No. 2	(1,876,763)	21,463,123	(1.0)
Amended Governor's Recommendation	\$4,221,433,355	\$8,842,808,499	41,583.2
Legislative Approved as of First Adjournment	\$4,229,376,783	\$8,844,665,582	41,578.2
Senate Committee Omnibus Recommendations	(9,283,821)	(4,855,959)	0.0
Senate Committee Recommendations excluding Juvenile Justice	4,220,092,962	8,839,809,623	41,578.2
Senate Position on Juvenile Justice in SB 323	748,313	748,313	0.0
TOTAL - Senate Position	\$4,220,841,275	\$8,840,557,936	41,578.2
Change From Governor's Amended Recommendation	(\$592,080)	(\$2,250,563)	(5.0)
FY 2000:			
Governor's Recommendation as of First Adjournment	\$4,419,331,884	\$9,028,492,946	39,776.7
Governor's Budget Amendment No. 2	(29,582,304)	(166,914,156)	106.8
Amended Governor's Recommendation	\$4,389,749,580	\$8,861,578,790	39,883.5
Legislative Approved as of First Adjournment	\$4,345,116,109	\$8,953,260,757	39,181.3
Senate Committee Omnibus Recommendations	20,627,625	64,885,256	(10.2)
Senate Committee Recommendations excluding Juvenile Justice	4,365,743,734	9,018,146,013	39,171.1
Senate Position on Juvenile Justice in SB 326	61,784,478	78,924,864	597.0
TOTAL - Senate Position	\$4,427,528,212	\$9,097,070,877	39,768.1
Change From Governor's Amended Recommendation	\$37,778,632	\$235,492,087	(115.4)

Senate Ways and Means Committee

Date 4/27/99

Attachment # 31

House Budget Committee Recommendations for Juvenile Correctional Facility Planning and Construction

The House Budget Committee held extensive hearings during the 1999 Legislative session to understand the impact of reform on the Juvenile Justice system. The Budget Committee toured each facility, held budget hearings at two of the facilities and met with community planning teams and members of the concerned public in regards to the successful implementation of Juvenile Justice Reform.

Expectations and concerns of the implementation of community plans center not only on initial funding for implementation, but on the long-term funding streams to fully implement the plans. The Budget Committee notes the agency's lack of an implementation strategy and requests the agency provide additional information to appropriate legislative committees before the new fiscal year begins.

Juvenile Justice reform is a holistic approach to preventing juvenile delinquency and responding to juvenile delinquency and crime with swift and appropriate responses. The expectation is that juveniles, their families, and their communities will be held responsible for their actions. Communities are responsible for prevention and initial sanctions that graduate in intensity for an appropriate response to delinquency and crime. They are also responsible for developing an reintegration plan back into the community when a juvenile returns from a state facility.

It is the responsibility of the state to provide the secure facility space when it becomes necessary to remove a child from the community. As such, facilities that were built as tuberculosis wards at the start of the 20th century are inappropriate and inadequate to meet the needs of juveniles and staff in the 21st century.

The House Budget Committee has based its facilities recommendations on three philosophies:

1. Violent juvenile offenders require state-of-the-art maximum security space.
2. Juvenile facilities should not be overcrowded.
3. Facilities should be safe and appropriate for juvenile offenders and staff.

In support of these three philosophies, the House Budget Committee offers the following observations:

- ▶ Kansas currently does not have any maximum security space.
- ▶ Overcrowded facilities are unsafe and do not provide the environment envisioned by Juvenile Justice Reform to return juvenile offenders to the community.
- ▶ Kansas' facilities are all being currently operated over their capacity. While proposals in the Governor's budget meet a portion of immediate needs, they are temporary. In between these temporary solutions and the completion of additional maximum space, there is additional need for space that is not addressed in the Governor's budget, specifically for FY 2001-2002. It is the Budget Committee's expectation that these temporary beds could be replaced by appropriate space with the full implementation of this facility recommendation.
- ▶ Much of our current space, in particular the Larned juvenile correctional facility in its entirety and portions of Topeka, do not meet the expectations of safety and appropriateness. The resolution of this is not addressed in the Governor's budget.

April 26, 1999

Senate Ways and Means Committee

Date 4/27/99

Attachment # 32-1

The House Budget Committee recommends adding a total of \$5,000,000 (SIBF) (\$1,000,000 in FY 1999, and \$4,000,000 in FY 2000) for facility planning to meet monthly high capacity needs as targeted by the end of FY 2004. The House Budget Committee recommends that the \$5.0 million be appropriated for the preliminary architectural planning of the space expansion priorities identified by the agency. The agency should present those preliminary plans to the Joint Committee on State Building Construction and then may expend the remaining money for final construction plans for the agency's highest priorities. The agency may need to request additional planning money for FY 2000 during the 2000 Legislature to meet expected construction needs. The House Budget Committee further recommends that:

- ▶ the facility plan expand the four existing juvenile correctional facilities into larger facilities;
- ▶ that the planning include no new facility site, but at one or more of the existing facilities with maximum capacity expansion, planning be made to provide the necessary maximum custody beds by FY 2004;
- ▶ that the facility expansion be age-, gender-, and program-specific rather than classification-specific; and,
- ▶ that the plan include replacing any existing deficient facilities, such as the entire Larned Juvenile Correctional Facility and four buildings at the Topeka Juvenile Correctional Facility—Arapahoe, Cheyenne, Chippewa, and Jayhawk. A deficient facility is a facility that does not comply with American Correctional Association (ACA) standards, that lacks in physical hardware to prevent it from being able to adequately handle the most difficult classifications of juveniles, that would be unconsciously expensive to rehabilitate, that serves functions not originally designed to handle, and that is not operationally efficient and thereby constitutes a real risk to safety and exposure to liability.

The House notes that the agency's cost models for the proposed facilities may not be entirely reflective of local building costs. The House expects that plans developed with initial planning money meet the existing population crisis and follow already established population housing patterns found in the existing facilities, such as:

- ▶ housing female offenders at Beloit Juvenile Correctional Facility;
- ▶ younger-age offenders male at Atchison Juvenile Correctional Facility;
- ▶ older male offenders at the Topeka Juvenile Correctional Facility, and offenders with mental health;
- ▶ and male offenders with substance abuse problems at the Larned Juvenile Correctional Facility.

The House Budget Committee's recommendation includes no funds for construction, but recommends that the communities in which the institutions are situated consider creating public building commissions to assist with the construction of the facilities and then lease them back to the state. The Budget Committee also recommends that, by FY 2003, the total number of beds in juvenile correctional facilities meet the capacity of 690 of juvenile offenders (which represents a net change of 171 beds from FY 2000). By FY 2004, the bed capacity should meet the needs of 760 juvenile offenders.

April 26, 1999

REVISED 3/16/98

**KANSAS JUVENILE CORRECTION FACILITIES
PLACEMENT MATRIX FORECAST
IMPLEMENTED ON JULY 1, 1999
BASED ON
PROJECTED CHANGE IN THE RELEASE BEHAVIOR OF THE SUPERINTENDENTS**

Fiscal Year	Monthly Average	Monthly Low	Monthly High	End of FY
1999*	571	535	630	551
2000**	517	485	571	542
2001	574	541	607	607
2002***	578	548	615	615
2003	661	626	684	680
2004	727	684	764	764
2005	801	770	839	839
2006	822	811	841	831
2007	829	812	845	830
2008	843	832	858	854

*. Projected beds are under current policy.

**.. Projected beds are based on the premise that the superintendents' release behavior will change based on bed space availability. It is assumed that the superintendents at the correctional facilities will hold approximately 12% to 33% of the current violent juvenile offenders for a longer period of time than demonstrated under current policy for the years 2000 and 2001.

***. Starting from FY 2002, beds projections are under placement matrix.

**KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
ANALYSIS OF FUNDING STATUS
FISCAL YEARS 1995 - 1998**

Senate Ways and Means Committee

Date 4/27/99

Attachment # 33-1

Funding Status of System Excluding Insurance Reserve:

	FY1995	FY1996	FY1997	FY1998
Total Liability	6,991,031,444	7,603,112,593	8,251,988,245	9,340,687,457
Actuarial Assets	5,510,957,394	6,158,754,752	6,875,918,348	7,749,203,022
Unfunded Liability	(1,480,074,050)	(1,444,357,841)	(1,376,069,897)	(1,591,484,435)
Funded Ratio	78.83%	81.00%	83.32%	82.96%

Funding Status of Insurance Reserve:

Total Liability	116,320,969	121,883,529	127,359,881	130,086,558
Actuarial Assets *	123,973,043	134,590,717	146,694,865	159,749,964
Overfunded Reserve	7,652,074	12,707,188	19,334,984	29,663,406
Funded Ratio	106.58%	110.43%	115.18%	122.80%

Funding Status of System Including Insurance Reserve:

Total Liability	7,107,352,413	7,724,996,122	8,379,348,126	9,470,774,015
Actuarial Assets	5,634,930,437	6,293,345,469	7,022,613,213	7,908,952,986
Unfunded Liability	(1,472,421,976)	(1,431,650,653)	(1,356,734,913)	(1,561,821,029)
Funded Ratio	79.28%	81.47%	83.81%	83.51%

* Market smoothing used



April 27, 1999

KPERS Disability Benefit Program
(In Millions)

As of June 30,	Estd Actuarial Liability	Reserve Balance	Over/ (Under) Funded	No. of Claims	Average Liability
1998	\$130.1	\$181.1	\$51.0	2,525	\$0.052
1997	\$127.4	\$162.8	\$35.4	2,454	\$0.052
1996	\$121.9	\$148.7	\$26.8	2,360	\$0.052
1995	\$116.3	\$132.6	\$16.3	2,252	\$0.052
1994	NA	\$117.2	NA	2,120	NA

Source: KPERS; Milliman & Robertson, Inc.

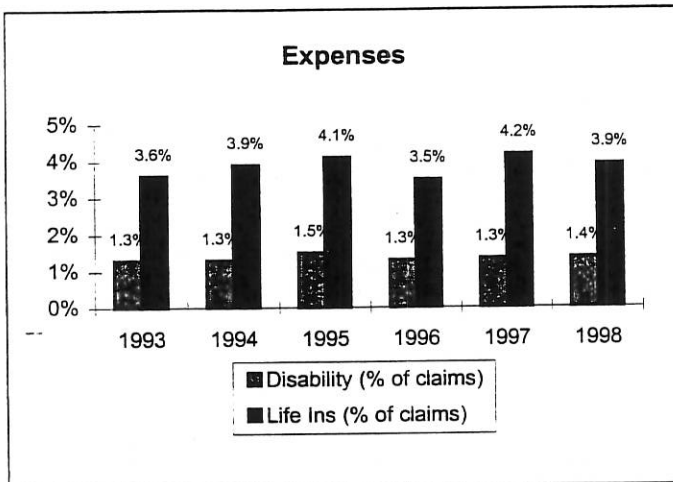
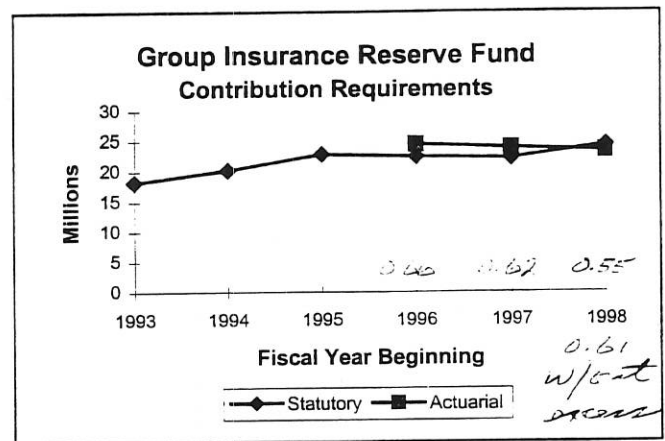
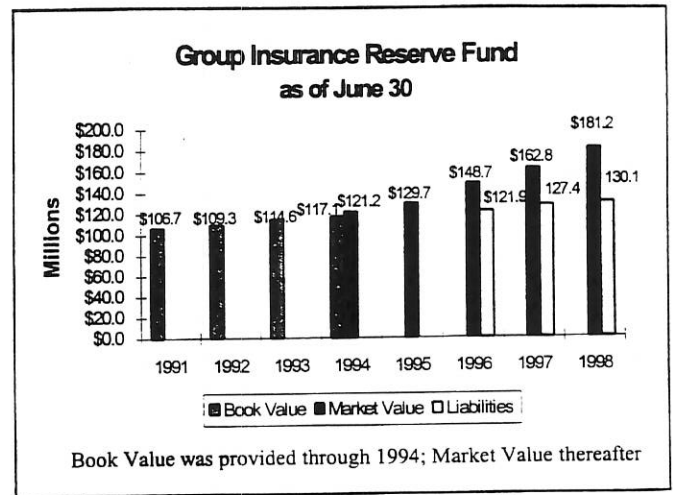
**KPERS
DEATH AND DISABILITY
BENEFITS PROGRAM**

**Annual Report and Actuarial Valuation
June 30, 1998**

Comments and Trends

As of June 30, 1998, the Group Insurance Reserve fund is more than the current liabilities. The disability recovery experience has improved slightly. This has reduced the actuarially determined liability increasing the excess reserve. The reserve assets now exceed the liability by over \$50 million.

As a result of the recent KPERS experience study, the assumed disability rates were changed. The assumed rates for school employees decreased, while the rates for state employees increased. On the average, the assumed rates have decreased. This reduced the plan's normal cost and the actuarial contribution is now slightly less than the .6% statutory rate.



Expense levels have been fairly steady. Disability expenses have been 1.5% of claims paid or lower over the past five years.

Table 5

**Disability Benefits
June 30, 1998 Unfunded Reserves**

	<u>SBL Estimate</u>	<u>Actuarial Calculation</u>
<i>Reserves</i>		
Reserve for Future Benefits on Approved Claims - Disability Payments	\$98,189,606	\$96,864,227
Waiver of Premium Benefits	25,235,590	17,405,586
Reserve for Future Benefits for IBNR Claims - Disability Payments	11,196,138	12,653,673
Waiver of Premium Benefits	3,230,784	2,603,552
Reserve for Prior Payments for IBNR Claims	<u>527,877</u>	<u>559,550</u>
Total Reserves	\$138,379,995	\$130,086,558
<i>Assets</i>		
Assets in KPERS Group Insurance Fund	\$181,065,034	\$181,065,034
Balance in ASO Fund maintained by SBL	<u>165,558</u>	<u>165,558</u>
Total Assets	\$181,230,592	\$181,230,592
<i>Unfunded/(Overfunded) Reserve</i>	\$(42,850,597)	\$(51,144,034)

REVISOR'S RECONCILIATION – TECHNICAL BILLS

1. [9rs1332] Reconciles and makes related adjustments to various statutes [Drafter: Mary Torrence]:
 - (A) Reconciles conflicting 1999 amendments to K.S.A. 17-7301 and K.S.A. 1998 Supp. 17-6003, relating to the filing of corporate documents, in HB 2161 [H BC&L / S Com] and SB 311[S/H Jud]. Drafter: Jill Wolters
 - (B) Reconciles conflicting 1999 amendments to K.S.A. 32-988. H Sub SB 70 [S E&NR / H Envir] deleted provisions for a deer permit transfer fee; HB 2492 [H Agri / S E&NR] provided for a lifetime fur harvester license fee. Drafter: Mary Torrence
 - (C) Repeals K.S.A. 1998 Supp. 40-3302a, a duplicate of the definitions in K.S.A. 1998 Supp. 40-3302, which was amended twice in 1997 in HB 2083 [disclosure material insurance transactions; H Insur & S FI&I] and HB 2104 [repeal medical insurance corporation statutes; H Insur & S FI&I]. Drafter: Bruce Kinzie
 - (D) Reconciles conflicting 1998 amendments to K.S.A. 44-503, workers comp coverage of self-employed persons, [HB2591 & HB 2831; H BC&L / S Com] Drafter: Bob Nugent
 - (E) Reconciles conflicting 1999 amendments to K.S.A. 1998 Supp. 65-1431 relating to the Kansas dental board in SB 71 and HB 2254 [both H H&HS / S PH&W]. Drafter: Norm Furse
 - (F) Reconciles conflicting 1999 amendments to K.S.A. 1998 Supp. 65-1626, 65-1627, 65-1643 and K.S.A. 65-4116 resulting from the enactment of HB 2168 [H H&HS / S PH&W] which authorized advanced registered nurse practitioners and physicians' assistants to prescribe drugs. Drafter: Norm Furse
 - (G) Reconciles conflicting 1998 amendments to K.S.A. 75-2935, relating to the unclassified service that were enacted by HB 2627 [juvenile justice code, comm'r of juvenile justice - H / S Jud] and SB 5 [state agencies & info technology, information resource managers - S W&M / H Appr]. Drafter: Jim Wilson
 - (H) Reconciles conflicting versions of K.S.A. 76-375 resulting from 1997 HB 2497 [H Appr / S COW] by including the Kansas veterans' home in the definition of medical care facility for purposes of the university of Kansas school of medicine medical scholarship program. Drafter: Avis Swartzman
 - (I) Reconciles conflicting versions of K.S.A. 76-381 resulting from 1997 HB 2497 [H Appr / S COW] by including the Kansas veterans' home in the definition of state medical care facility or institution for the medical student loan act. Drafter: Avis Swartzman
 - (J) Reconciles conflicting 1999 amendments to K.S.A. 82a-718. HB 2404 [H Envir / S E&NR] changed the time period for abandonment and provided for notice to the water right holder before expiration of that time period; H Sub SB 287 [S Agri / H Envir] provided for review of abandonment determinations in accordance with certain administrative procedures. Drafter: Mary Torrence
2. [9rs1314] Corrects the notice requirements prior to administering DUI tests for persons under 21 years of age. This is required because of passage of 1999 Senate Bill No. 51 [S T&Tourism / H Trans]. Drafter: Bruce Kinzie
3. [9rs1315] Corrects an internal statutory reference in section 8 of 1999 Substitute for Senate Bill No 106 [statewide emergency trauma system, S PH&W / H H&HS]. The reference is to fees collected and credited to the trauma fund. Drafter: Bruce Kinzie
4. [9rs1326] Corrects internal references to limited liability company act in optometry law and repeals existing statutes otherwise replaced by 1999 HB 2276. 1999 HB 2117 [H H&HS / S PH&W] and HB 2276 [H/S Jud]. Drafter: Gordon Self

April 26, 1999 (3:24PM)

Senate Ways and Means Committee

Date 4/27/99

Attachment # 35-1

CHILDREN'S HEALTH CARE PROGRAMS FUND FY 2000 EXPENDITURES

Date 4/27/97
Attachment # 36

Program or Project	Amended Governor's Recommendation ⁽¹⁾	S.B. 325 ⁽²⁾	Senate Committee Omnibus Bill Recommendation	House Committee Omnibus Bill Recommendation
TeleKid Care	\$ 0	\$ 0		\$ 255,541
Healthy Start/Home Visitor	1,000,000	250,000		
Infants and Toddlers Program	250,000	500,000		
Immunizations	250,000	250,000		
Newborn Screening	260,000	260,000		
Innovative Child Health Programs	456,626	0		
Smoking Prevention Grants	1,000,000	500,000 ⁽³⁾		
Juvenile Justice Authority	6,000,000	0		6,170,000
Children's Mental Health Initiative	1,000,000	1,000,000		
At-Risk Student Weighting	4,100,000	0		
Four Year Old At-Risk Program	1,000,000	0		
Parent Education	777,833	777,833		
Discretionary Grants (Dept. of Education)	250,000	0		
Family Centered System of Care	0	5,000,000		
Increases in CDDO Rate Reimbursement	0	1,000,000	(1,000,000)	
Home and Community Based Services (HCBS) for Mental Retardation Waiting Lists	2,000,000	0	2,000,000	2,000,000
HCBS for the Physically Disabled	1,000,000	0	1,000,000	1,750,000
Attorney General - DARE Coordinator	0	0	0	165,300
Natl. Geographic Society Ed. Foundation Endowment (Dept. of Education)	0	0	0	250,000
Project Success/Wraparound Kansas (Dept. of Education)	0	0		345,000
Drugs and Schools Research Project (Dept. of Education)	0	0		96,000

Total	\$ 19,344,459	\$ 9,537,833	\$ 2,000,000	\$ 11,031,841
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Grand Total (S.B. 325 & Omnibus Action to date)	\$ 11,537,833	\$ 20,569,674
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- 1) Includes adjustments made in Governor's Budget Amendment (GBA) No. 2. GBA No. 2 deletes the \$255,541 originally recommended for TeleKid Care and adds \$5.0 million: \$2.0 million for the Juvenile Justice Authority for community programs; \$2.0 million for HCBS Mental Retardation Waiting Lists; and \$1.0 million for HCBS for the physically disabled. GBA No. 2 also provides for a revenue transfer of \$19.3 million from the State General Fund to the Children's Health Care Programs Fund in FY 2000 to be repaid in FY 2001.
- 2) S.B. 325 funds the Children's Health Care Programs Fund in FY 2000 with a revenue transfer from the State General Fund, to be repaid in FY 2001 from tobacco settlement funds.
- 3) This amount is to be transferred from the Children's Health care Programs Fund to the Department of Health and Environment which will not be able to expend the money in FY 2000.
- 4) The House Committee recommends that, after the repayment to the State General Fund, all tobacco settlement funds received in FY 2000 and FY 2001 be placed in a fund with a \$0 expenditure limitation for both fiscal years.