

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson David Adkins at 9:10 a.m. on March 22, 2000, in Room 514-S of the Capitol.

All members were present except: All present.

Committee staff present: Alan Conroy, Kansas Legislative Research Department
Robert Waller, Kansas Legislative Research Department
Reed Holwenger, Kansas Legislative Research Department
Tom Severn, Kansas Legislative Research Department
Deb Hollon, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Rae Ann Davis, Kansas Legislative Research Department
Paul West, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Audrey Nogle, Kansas Legislative Research Department
Mike Corrigan, Revisor of Statutes Office
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list.

Chairman Adkins referred **HB 3040** to the Social Services Budget Committee.

HB 2993 - Appropriations for FY 2001; capital improvements for various state agencies

The Chairman introduced Paul West, Kansas Legislative Research Department, briefed the Committee on the capital improvements budget report (Attachment 1). Detailed Committee questions and discussion followed.

Representative Pottorff made a motion, seconded by Representative Stone, regarding a change in the debt service on the Department of Human Resources, in GBA No. 1, 401 SW Topeka, for building renovation from \$1,905,000 which was the total cost of the project; changing the debt service in the bonds for the agency renovation project at 401 SW Topeka from \$1,905,000 to \$248,707. Motion carried.

Representative Kline made a motion, seconded by Representative Weber, that the Juvenile Justice Authority capital improvements be withdrawn from the bill and held for omnibus consideration. Motion carried.

Representative McKechnie mentioned that there is a technical error in the report under the Adjutant General, that the report does not accurately reflect the action adopted by the Budget Committee. Robert Waller, Kansas Legislative Research Department, explained that the Budget Committee recommended including the provisions of **SB 592**, which is the issuance of bonds to repair the armories for the Adjutant General, in the capital improvements bill and recommended a proviso directing the agency to appear before the Joint Committee on State Building Construction before each issuance of bonds to tell the committee whether there were federal funds available that would offset the amount of each issuance of bonds. Representative McKechnie noted that there was no motion necessary, but that since the report does not reflect the committee action and he wanted the committee report to be corrected to accurately report this.

Representative Kline made a motion, seconded by Representative Pottorff, to include the following university buildings within the bill as recommended by the Joint Committee on State Building Construction for the University of Kansas Medical Center for: 1) renovation of the second floor west wing of Strong Hall for the administration program including the request for University of Kansas for a

CONTINUATION SHEET

student recreation and fitness center and 3) renovation of the Medical Center Wahl East Laboratory. Motion carried.

Representative Kline made a motion, seconded by Representative Reinhardt, to include in the bill projects funded from the state institutions building fund for one at the School for the Deaf and one for the School for the Blind. Motion carried.

Representative Kline made a motion, seconded by Representative Pottorff, to pass **HB 2993** favorable for passage as amended including a technical adjustment to the Budget Committee report to reflect the action of the Budget committee. Motion carried.

Chairman Adkins recognized Representative Mollenkamp who mentioned that the Agriculture and Natural Resources Budget Committee held hearings on **HB 2857** and **HB 2858**.

HB 2857 - Creation of wildlife and parks nonrestricted fund

Representative Mollenkamp, on behalf of the Agriculture and Natural Resources Budget Committee, reported that **HB 2857** basically codifies what has been done in the past several years by proviso in appropriation bills and puts it in statutory form so it does not have to be done every year by proviso. The Budget Committee also proposed an amendment to **HB 2857** where lines 24-30 were deleted and explained that the total amount of interest income was \$12,000 and instead of the interest going back to the separate fund, they recommended that this interest income continue to go to the state general fund.

A copy of a Testimony on **HB 2857** dated March 17, 2000, from Steven A. Williams, Secretary of Wildlife and Parks, was distributed (Attachment 2).

Representative Mollenkamp made a motion, seconded by Representative Feuerborn, to adopt the Agriculture and Natural Resources Budget Committee report recommending passage of **HB 2857** with the proposed amendment (Attachment 3). Motion carried.

HB 2858 - Authority of department of wildlife and parks to exceed expenditure limitations

A copy of Testimony on **HB 2858** dated March 17, 2000, from Steven A. Williams, Secretary of Wildlife and Parks, was distributed (Attachment 4).

Representative Mollenkamp made a motion, seconded by Representative Feuerborn, to adopt the Agriculture and Natural Resources Budget Committee report on **HB 2858** for recommendation of favorable passage and placement on the consent calendar. Motion carried.

HB 3025 - Interstate compact for adult offender supervision

Copies of Fourteen Frequently Asked Questions Concerning The Interstate Compact For Adult Offender Supervision were distributed (Attachment 5).

Representative Weber made a motion, seconded by Representative Kline, to adopt the Public Safety Budget Committee report recommendation for favorable passage of **HB 3025**. Motion carried.

HB 3042 - Intergovernmental transfers with nursing facilities

Representative Neufeld presented the Social Services Budget Committee report on **HB 3042** and a balloon amendment was distributed on **HB 3042** (Attachment 6). Representative Neufeld explained the balloon amendment and noted that on Page 6 of the balloon, subsection (o), in line 5, and "for the frail elderly FE" should be stricken because it is just the HCBS program and not the FE. and an "s" should be added to the word program.

CONTINUATION SHEET

Representative Neufeld made a motion, seconded by Representative Landwehr, to the Social Services Budget Committee report and move the balloon amendment for **HB 3042**. Committee questions and discussion followed.

Representative Spangler made a substitute motion, and seconded by Representative McKechnie, that the balloon be adopted that on Page 5 of the balloon, in Subsection (k), line 15, that instead of the words “by an act of the legislature”, the words “as authorized by law” would be substituted. Motion carried.

Representative McKechnie made a conceptual motion, seconded by Representative Ballard, regarding on Page 4, line 39, to replace with the wording “licensed to do business in Kansas” regarding lending institutions. Committee questions and discussion followed. Chairman Adkins explained that the motion would modify the terms and conditions under which the Department would prioritize those for whom loans should be granted, that loan applicants would have to show the inability to obtain a loan in their local trade area from an institution licensed to do business in Kansas at competitive rates in the marketplace and that this would be one of the considerations to be included within the criteria, not as an eligibility requirement, but among the criteria that would be utilized by the Department in prioritizing those to receive the loan. Representative McKechnie closed. Motion carried.

Representative Reardon made a motion, seconded by Representative Dean, to remove line 41 on Page 4. Committee questions and discussion followed. Representative Reardon closed. A vote was taken and division was requested. Motion failed.

Representative Neufeld made a conceptual motion, seconded by Representative Shriver, regarding Page 4, to amend line 41, to strike the entire line and insert language to make it based on the size of a facility and that a facility of 60 beds or less shall have preference. Motion carried.

The Revisor indicated that there is a technical correction needed on Page 3, line 28 in that there will be no change in line 28 and Representative Neufeld noted that a technical correction is needed on Page 3, line 34, in the last balloons that the Medicaid Services “Marching” Fund should be a “Matching” Fund.

Representative Neufeld made a motion, seconded by Representative Spangler, to pass **HB 3042** favorable for passage as amended including the technical corrections. Motion carried.

The meeting adjourned at 10:30 a.m. The next meeting is scheduled for March 23, 2000.

HOUSE APPROPRIATIONS COMMITTEE GUEST LIST

DATE March 22, 2000

NAME	REPRESENTING
Laura Howard	SRS
Robert Myer	SOS
Steve Worthington	KDOT
Nancy Bogina	KDOT
Jim Conant	KDOR
Bill Watts	KDOT
Dick Koerth	KDWP
Janie Huesee	KDOA
Don Fournier	KDOA
Debra Prickaux	FHSU
Marc Lowe	KDHR
Chuck Budall	Adj Generals Dept
Al Fornatto	FSU
Rui Rost	KTEC
Don Wilson	KAC
John Kiefhaber	Ks Health Care Assn.
Sherry Brown	Commerce & Housing
Marlin Brown	KU
Jon Josseland	KU

**HOUSE APPROPRIATIONS COMMITTEE
GUEST LIST**

DATE 3/22/00

NAME	REPRESENTING
Denise Apt	USA / KOK
DENISE MUSSER	JJA
Bob Hayes	HCSF
David Palmer	Doug Gatewood
Eric Soto	WSU
DUEPETERSEN	K-STATE
Valley Tricity	Fed. Public Health Assn.
DONNA DECK	KCUA
Stoney WAGES	"
RANDY SCOTT	"
Smith	KOP
Dibby R. Byr	Kansas Inc.

**HOUSE BUDGET COMMITTEE
REPORT ON CAPITAL IMPROVEMENTS**

Agency: Department of Administration

Bill No. 2993

Bill Sec. 10

Analyst: West

Analysis Pg No. 1,432

Budget Pg No. 14

REPORTABLE BUDGET CAPITAL IMPROVEMENTS

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	House Committee Adjustments
Debt Service Principal	\$ 2,100,000	\$ 1,989,864	\$ 1,989,864	\$ 0
Rehabilitation and Repair	673,382	0	0	0
Statehouse Roof Repair	50,000	0	0	0
Cedar Crest Renovations	4,882	0	0	0
Judicial Center Carpet	100,400	64,000	0	0
Historic Structures Report	200,000	0	0	0
Statehouse Remodeling	400,000	760,000	0	0
Judicial Center Remodel	95,000	515,000	0	0
Dillon House Remodel	0	175,000	0	0
Statehouse Fire Alarm	211,235	0	0	0
Memorial Hall Security	190,000	0	0	0
Landon Statehouse Tunnel	0	175,000	0	0
Statehouse Improvements	825,000	2,055,000	0	0
Judicial Center Improvements	0	855,000	0	0
Docking/Landon Adaptive Use	0	3,708,000	0	0
TOTAL	<u>\$ 4,849,899</u>	<u>\$ 10,296,864</u>	<u>\$ 1,989,864</u>	<u>\$ 0</u>
Financing:				
State General Fund	\$ 4,187,217	\$ 10,282,000	\$ 1,975,000	\$ 0
Other Funds	662,682	14,864	14,864	0
TOTAL	<u>\$ 4,849,899</u>	<u>\$ 10,296,864</u>	<u>\$ 1,989,864</u>	<u>\$ 0</u>

Reportable Budget

FY 2000. The agency requests \$4.9 million for current year capital improvements, including \$2.1 million for debt service principal payments and \$2.8 for renovations and repairs. The current year estimate is financed by \$4.3 million from the State General Fund and \$0.6 million from other funds. **The Governor concurs**, with a minor adjustment to debt service.

*House Appropriations
3-22-00
Attachment 1*

FY 2001. The agency requests \$10.3 million from the State General Fund and \$14,864 from other funds for capital improvements in FY 2001. The request includes \$2.0 million for debt service principal payments and \$8.3 million for renovation and repair projects. **The Governor** recommends \$2.0 million for FY 2001 debt service payments. No funding for renovation or repair projects is recommended.

NONREPORTABLE BUDGET CAPITAL IMPROVEMENTS

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	House Committee Adjustments
Debt Service Principal	\$ 1,483,637	\$ 1,537,050	\$ 1,537,050	\$ 0
Rehabilitation and Repair	280,604	200,000	100,000	0
Docking Roof Drain Replacement	190,500	0	0	0
Switching Gear Replacement	18,786	0	0	0
Forbes #740 Reroof	125,900	0	0	0
Statehouse Steam Tunnel and Walkway	138,400	345,500	345,500	0
Landon South Economizer Installation	94,200	0	0	0
Memorial Hall Steam Tunnel & Walkway	276,350	0	0	0
Docking Fire Suppression System	700,000	300,000	300,000	0
Landon Fire Suppression System	592,500	250,000	250,000	0
Landon Security Improvements	110,000	110,000	110,000	0
Docking HVAC Repairs	275,000	250,000	250,000	0
Chiller Conversion	583,983	0	0	0
Landon Failsafe Power Supply	1,050,000	0	0	0
Capitol Complex Sidewalk Repairs	0	90,000	0	0
Landon Power System Study	0	130,000	130,000	0
TOTAL	\$ 5,919,860	\$ 3,212,550	\$ 3,022,550	\$ 0

Nonreportable Budget

FY 2000. The agency requests \$5.9 million for current year nonreportable capital improvements, including \$1.5 million for debt service principal payments and \$4.4 million for renovations and repairs. **The Governor concurs.**

FY 2001. The agency requests \$3.2 million for nonreportable capital improvements in FY 2001. The request includes \$1.5 million for debt service principal payments and \$1.7 million for renovation and repair projects. **The Governor** recommends \$3.0 million for FY 2001 nonreportable capital improvements. The recommendation includes \$1.5 million for debt service principal payments as requested and \$1.5 million for renovation and repair projects.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

HOUSE BUDGET COMMITTEE REPORT ON CAPITAL IMPROVEMENTS

Agency: State Board of Regents

Bill No. 2993

Bill Sec. 26

Analyst: West

Analysis Pg No. 226

Budget Pg No. 359

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	House Budget Committee Adjustments
Systemwide Rehab. and Repair	\$ 0	\$ 8,000,000	\$ 8,000,000	\$ 0
Debt Service Principal	8,110,000	8,465,000	8,465,000	0
Debt Service Interest*	6,890,000	6,535,000	6,535,000	0
TOTAL	<u>\$ 15,000,000</u>	<u>\$ 23,000,000</u>	<u>\$ 23,000,000</u>	<u>\$ 0</u>

Financing:

Educational Building Fund	\$ 15,000,000	\$ 23,000,000	\$ 23,000,000	\$ 0
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* Debt service interest is included in the state operations portion of the budget.

Systemwide Rehabilitation and Repair Projects

The Board of Regents request \$8,000,000 from the Educational Building Fund for systemwide rehabilitation and repair projects in FY 2001. Traditionally, the Legislature has appropriated funds to the Board Office which are then transferred to the individual institutions. The request is an increase of \$500,000 from the amount authorized for the current year and an increase of \$3,000,000 above the amount approved for FY 2001 by the 1996 Legislature. **The Governor** concurs.

Debt Service—Crumbling Classrooms Bond Issue

The Board of Regents request \$15.0 million from the Educational Building Fund for debt service payments for the Crumbling Classrooms program in FYs 2000 and 2001. The principal portion of the payment is estimated to be \$8.1 million in FY 2000 and \$8.5 million in FY 2001. **The Governor** concurs with the amounts requested for debt service in both years.

House Committee Recommendation

The House Committee concurs with the Governor's recommendation.

**HOUSE BUDGET COMMITTEE
REPORT ON CAPITAL IMPROVEMENTS**

Agency: Fort Hays State University

Bill No. 2993

Bill Sec. 12

Analyst: West

Analysis Pg No. 98

Budget Pg No. 177

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	House Committee Adjustments
Parking Lot Improvements	\$ 300,000	\$ 300,000	\$ 300,000	\$ 0
Debt Service Principal	200,000	205,000	205,000	0
Rehabilitation and Repair	725,494	0	0	0
McCartney Hall Renovation	0	330,000	0	0
TOTAL	<u>\$ 1,225,494</u>	<u>\$ 835,000</u>	<u>\$ 505,000</u>	<u>\$ 0</u>
Financing:				
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
Educational Building Fund	725,494	330,000	0	0
Restricted Fees	200,000	205,000	205,000	0
Parking Fee Fund	300,000	300,000	300,000	0
TOTAL	<u>\$ 1,225,494</u>	<u>\$ 835,000</u>	<u>\$ 505,000</u>	<u>\$ 0</u>

McCartney Hall Renovation. The University requests \$330,000 from the Educational Building Fund for the first phase of a \$4.0 million renovation of McCartney Hall for use by the College of Business.

The Governor does not recommend funding for this project.

House Committee Recommendation

The House Committee concurs with the Governor's recommendation.

**HOUSE BUDGET COMMITTEE
REPORT ON CAPITAL IMPROVEMENTS**

Agency: Emporia State University

Bill No. 2993

Bill Sec. 16

Analyst: West

Analysis Pg No. 81

Budget Pg No. 171

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	House Committee Adjustments
Anderson Library Addition	\$ 0	\$ 325,000	\$ 0	\$ 0
Rehab. and Repair Projects	694,331	0	0	0
Student Recreation Center	135,000	2,865,000	0	0
Parking Lot Improvements	65,000	90,000	90,000	0
Debt Service - Principal	411,000	336,000	336,000	0
TOTAL	\$ 1,305,331	\$ 3,616,000	\$ 426,000	\$ 0
Financing:				
State General Fund	\$ 0	\$ 325,000	\$ 0	\$ 0
Educational Building Fund	687,524	0	0	0
Equipment Reserve Fund	6,807	0	0	0
Restricted Fees	611,000	3,291,000	426,000	0
TOTAL	\$ 1,305,331	\$ 3,616,000	\$ 426,000	\$ 0

Anderson Library Addition. ESU requests \$325,000 from the State General Fund in FY 2001 for the first year of a 3 year project to construct a 20,000 GSF addition to the William Allen White Library. Total project costs over the 3 year period are anticipated to be \$4.1 million. The addition would serve as the home of the School of Library and Information Management, currently housed in the library. Phase II of the project would provide remodeling of the current space for expanded library activities at an estimates cost of \$2.6 million.

The Governor does not recommend funding for this project.

Student Recreation Center. The budget as submitted by ESU includes \$2.9 million from restricted use fees for construction of a new student recreation center. Total project cost of the 48,000 GSF facility is estimated to be \$3.0 million. (**Staff note:** Subsequent to the submission of the budget, ESU proposed the issuance of \$3.0 million in bonds to construct the facility. The bonds would be retired by increased student fees which were approved by the student body in an election in March, 1999.)

The Governor concurs with the agency's request. Consistent with state budget practices, the expenditure of bond proceeds is considered a nonreportable budget item. Future debt service payments to retire the bonds would be included in the reportable budget.

House Committee Recommendation

The House Committee concurs with the Governor's recommendation.

HOUSE BUDGET COMMITTEE REPORT ON CAPITAL IMPROVEMENTS

Agency: Pittsburg State University

Bill No. 2993

Bill Sec. 17

Analyst: West

Analysis Pg No. 158

Budget Pg No. 353

Project	Gov. Rec. FY 2000	Agency Request FY 2001	Gov. Rec. FY 2001	House Budget Committee Adjustments
Natl. Guard Armory/ Classrooms/Student Rec. Ctr.	\$ 0	\$ 545,000	\$ 0	\$ 0
Rehabilitation and Repair	817,343	0	0	0
Parking Lot Improvements	175,000	200,000	200,000	0
Student Health Improvements	20,000	20,000	20,000	0
Housing System Maintenance	780,000	560,000	560,000	0
Debt Service	200,000	305,000	305,000	0
TOTAL	<u>\$ 1,992,343</u>	<u>\$ 1,630,000</u>	<u>\$ 1,085,000</u>	<u>\$ 0</u>
Financing:				
State General Fund	\$ 0	\$ 410,000	\$ 0	\$ 0
Educational Building Fund	817,343	0	0	0
Federal Funds	0	135,000	0	0
Restricted Fees	1,175,000	1,085,000	1,085,000	0
TOTAL	<u>\$ 1,992,343</u>	<u>\$ 1,630,000</u>	<u>\$ 1,085,000</u>	<u>\$ 0</u>

Armory/Recreation Center. The University requests \$545,000, including \$410,000 from the State General Fund and \$135,000 in federal funds, for planning of a \$9.0 million facility to serve as a combined National Guard armory, student recreation center, and classroom space. The total project cost anticipates \$4.4 million from state resources, \$2.2 million in federal funds, and \$2.4 million from private gifts or student fees.

The Governor does not recommend funding for this project.

House Committee Recommendation

The House Committee concurs with the Governor's recommendation.

HOUSE BUDGET COMMITTEE REPORT ON CAPITAL IMPROVEMENTS

Agency: Univ. of Kansas Medical Center **Bill No.** 2993

Bill Sec. 19

Analyst: West

Analysis Pg No. 189

Budget Pg No. 465

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	House Budget Committee Adjustments
Parking Lot Maintenance	\$ 50,000	\$ 300,000	\$ 300,000	\$ 0
Rehabilitation and Repair	2,527,721	0	0	0
Center on Aging ^a	0	168,109	168,109	0
Research Support Bldg. Addition ^a	4,199,929	450,000	450,000	0
Nurse Education Facility ^a	1,600,000	0	0	0
Construct Research Building ^a	623,687	0	0	0
North Campus Power Plant	0	300,000	0	0
Debt Service Principal	1,775,343	284,000	284,000	0
TOTAL	\$ 10,776,680	\$ 1,502,109	\$ 1,202,109	\$ 0
Financing:				
State General Fund	\$ 0	\$ 300,000	\$ 0	\$ 0
Educational Building Fund	3,151,408	0	0	0
Other Restricted Use Funds	7,625,272	1,202,109	1,202,109	0
TOTAL	\$ 10,776,680	\$ 1,502,109	\$ 1,202,109	\$ 0

a) Previously approved project financed by grants, gifts, and/or bond financing.

North Campus Power Plant. The University requests \$300,000 from the State General Fund for the first phase of a \$6.0 million project to construct a new power plant on the north portion of the University campus. The new energy center is reported to be required to relieve critical utility capacity for present and future facilities.

The Governor does not recommend funding for this project.

House Committee Recommendation

The House Committee concurs with the Governor's recommendation.

House Budget Committee Report on Capital Improvements

Agency: Kansas State University
Veterinary Medical Center

Bill No. 2993

Bill Sec. 15

Analyst: Robinson

Analysis Pg No. 143

Budget Pg No. 319

Project	Governor's Rec. FY 2000	Agency Req. FY 2001	Governor's Rec. FY 2001	House Budget Committee
Greyhound Research Facility Expansion	\$ 20,589	\$ 0	\$ 0	\$ 0
Rehabilitation and Repair Projects	98,438	0	0	0
TOTAL	<u>119,027</u>	<u>0</u>	<u>0</u>	<u>0</u>
Financing:				
Educational Building Fund	\$ 98,438	\$ 0	\$ 0	\$ 0
Restricted Fees	20,589	0	0	0
TOTAL	<u>\$ 119,027</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The University requests no capital improvements projects for FY 2001. (Senate Bill 638 includes provisions for continuation of FY 2000 projects). **The Governor** concurs.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor.

House Budget Committee Report on Capital Improvements

Agency: KSU Extension Systems and Agriculture Research Programs **Bill No.** 2993

Bill Sec. 14

Analyst: Robinson

Analysis Pg No. 130

Budget Pg No. 317

Project	Governor's Rec. FY 2000	Agency Req. FY 2001	Governor's Rec. FY 2001	House Budget Committee
Eastern Kansas Horticulture Research Center	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0
Grain Science Center	10,000,000	5,000,000	5,000,000	0
TOTAL	<u>\$ 11,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>0</u>
Financing:				
Restricted Fees	\$ 11,000,000	\$ 6,000,000	\$ 6,000,000	\$ 0

Eastern Kansas Horticulture Research Center. The University requests \$1,000,000 from gift funds and restricted fees in FY 2001 for the second year of a three year, \$2.25 million project to construct a center to house the eastern Kansas Horticulture Research Center at the former Sunflower Army Ammunition Plant. **The Governor concurs.**

Grain Science Center. The University requests \$5,000,000 from private gifts and restricted fee funds in FY 2001 to continue a \$15.5 million project first approved by the 1999 Legislature to construct five buildings for the Grain Science Center Complex. The buildings will be constructed in four phases and will include a feed mill, flour mill, space for the International Grains Program and the Biological and Industrial Value-Added Program. **The Governor concurs.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor.

House Budget Committee Report on Capital Improvements

Agency: Kansas State University

Bill No. 2993

Bill Sec. 13

Analyst: Robinson

Analysis Pg No. 114

Budget Pg No. 315

Project	Governor's Rec. FY 2000	Agency Req. FY 2001	Governor's Rec. FY 2001	House Budget Committee
Lease Payment—Aeronautical Center	\$ 189,446	\$ 189,446	\$ 189,446	\$ 0
Mem. Stadium Classroom/Office Renovation	0	250,000	0	0
Rehabilitation and Repair	3,431,511	0	0	0
Food Service and Research	0	2,243,074	0	0
Debt Service Principal	2,202,804	2,265,843	2,265,843	0
TOTAL	<u>\$ 5,823,761</u>	<u>\$ 4,948,363</u>	<u>\$ 2,455,289</u>	<u>\$ 0</u>
Financing:				
State General Fund	\$ 189,446	\$ 439,446	\$ 189,446	\$ 0
Educational Building Fund	3,431,511	0	0	0
Other Funds	2,202,804	4,508,917	2,265,843	0
TOTAL	<u>\$ 5,823,761</u>	<u>\$ 4,948,363</u>	<u>\$ 2,455,289</u>	<u>\$ 0</u>

Aeronautical Center Lease Payment. The University requests a total of \$189,446 from the State General Fund in FY 2001 for the tenth payment (of 20 payments) in a lease-purchase agreement with the Salina Airport Authority. **The Governor concurs.**

Memorial Stadium Classroom/Office Renovation. The University requests \$250,000 from the State General Fund in FY 2001 for the first year of a three-year, \$6.2 million project to renovate the east and west sides of Memorial Stadium into modern academic and administrative facilities. **The Governor does not recommend this item.**

Food Safety and Security Research Facility. The University requests \$2,243,074 in FY 2001 from federal funds for the first year of a five-year, \$82.2 million project to construct a new research facility on the Manhattan campus. **The Governor does not recommend this item.**

Debt Service. The University requests \$2,265,843 from restricted funds for principal payments on various projects funded through revenue bonds, including housing projects, parking lot projects, and the Student Union renovation project. **The Governor concurs.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor.

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HOUSE BUDGET COMMITTEE REPORT ON CAPITAL IMPROVEMENTS

Agency: University of Kansas

Bill No. 2993

Bill Sec. 18

Analyst: Robinson

Analysis Pg No. 173

Budget Pg No. 463

Project	Governor's Rec. FY 00	Agency Request FY 01	Governor's Rec. FY 01	House Budget Committee
Electrical Distribution Impr.	\$ 0	\$ 1,225,000	\$ 0	\$ 0
Parking Lot Improvements	400,000	600,000	600,000	0
Law Enf. Training Ctr. Impr.	215,563	260,000	260,000	0
Dole Institute	5,534,752	0	0	0
Rehabilitation and Repair	3,943,553	0	0	0
Lewis Hall Renovation	214,402	0	0	0
Templin Hall Renovation	210,773	0	0	0
Child Care Facility	307,626	0	0	0
Housing Improvements	1,435,965	0	0	0
Athletic Facilities Improvements	815,446	0	0	0
Watkins Health Center Improvements	244,139	0	0	0
Budig Hall Completion	2,442,243	0	0	0
Sunflower Rem. Groundwater Testing	4,736	0	0	0
Debt Service Principal	1,315,000	2,045,000	2,045,000	0
TOTAL	\$ 17,084,198	\$ 4,130,000	\$ 2,905,000	\$ 0
Financing:				
State General Fund	\$ 0	\$ 1,225,000	\$ 0	\$ 0
Educational Building Fund	3,943,553	0	0	0
Other Funds	13,140,645	2,905,000	2,905,000	0
TOTAL	\$ 17,084,198	\$ 4,130,000	\$ 2,905,000	\$ 0

Electrical Distribution System Improvements. The University requests \$1,225,000 from the State General Fund in FY 2001 to provide for the first year of a three-year, \$6.4 million project to make various utility improvements. **The Governor** does not recommend this item.

Parking Improvements. The University requests \$600,000 from parking fees in FY 2001 for the completion of various parking improvements on the campus. **The Governor concurs.**

Law Enforcement Training Center Improvements. The University requests \$260,000 in FY 2001 for improvements to parking areas at the Law Enforcement Training Center. The improvements are funded from the docket fee put in place to support the facility. **The Governor concurs.**

Debt Service. The University requests \$2,045,000 from restricted funds for principal payments on various projects funded through revenue bonds. The projects include housing projects, parking lot projects, the Regents Center, Student Union renovations, and the Watkins Health Center. **The Governor concurs.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor.

HOUSE BUDGET COMMITTEE REPORT ON CAPITAL IMPROVEMENTS

Agency: Wichita State University

Bill No. 2993

Bill Sec. 20

Analyst: Robinson

Analysis Pg No. 211

Budget Pg No. 483

Project	Governor's Rec. FY 2000	Agency Req. FY 2001	Governor's Rec. FY 2001	House Budget Committee
Rehabilitation and Repair	\$ 1,814,007	\$ 975,000	\$ 0	\$ 0
Housing System Improvements	0	315,000	315,000	0
Debt Service Principal	300,000	300,000	300,000	0
3-D Art and Graduate Painting Bldg.	0	465,000	0	0
TOTAL	\$ 2,114,007	\$ 2,055,000	\$ 615,000	\$ 0
Financing:				
State General Fund	\$ 0	\$ 465,000	\$ 0	\$ 0
Educational Building Fund	1,814,007	975,000	0	0
Other Funds	300,000	615,000	615,000	0
TOTAL	\$ 2,114,007	\$ 2,055,000	\$ 615,000	\$ 0

Rehabilitation and Repair Projects. The University requests \$975,000 from the Educational Building Fund (EBF) in FY 2001 for campus rehabilitation and repair projects. **The Governor** does not recommend this item, and in keeping with traditional policy, recommends the appropriation of FY 2001 funding from the EBF to the Board of Regents for distribution to the individual campuses.

3-D Art and Graduate Painting Building. The University requests \$465,000 from the State General Fund in FY 2001 for funding for the first year of a three-year, \$7.2 million project to construct a new facility for the sculpture, ceramics and graduate painting programs. **The Governor** does not recommend this item.

Housing System Improvements. The University requests \$315,000 in FY 2001 for rehabilitation and repair of university housing. Funding for the projects comes from fees charged to housing residents. **The Governor concurs.**

Debt Service. The University requests \$300,000 in FY 2001 for payment of the principal portion of a bonded project to renovate campus parking. **The Governor concurs.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor.

HOUSE BUDGET COMMITTEE ON CAPITAL IMPROVEMENTS

Agency: Commission on Veterans Affairs **Bill No.** 2993
 (Including the Soldiers' and Veterans' Homes)

Bill Sec. 22

Analyst: Davis

Analysis Pg No. 519

Budget Pg No. 471

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
State Veterans Cemeteries System				
Planning	\$ 100,000	\$ 50,000	\$ 0	\$ 0
Expansion Grant	588,269	600,000	600,000	0
Subtotal—Veterans Cemeteries System	<u>\$ 688,269</u>	<u>\$ 650,000</u>	<u>\$ 600,000</u>	<u>\$ 0</u>
Kansas Soldiers' Home:				
Facilities conservation Improvement Program	\$ 915,250	\$ 0	\$ 0	\$ 0
Repair and Rehabilitation	183,395	100,000	100,000	0
Water System Upgrade Study	10,000	0	0	0
Subtotal—Kansas Soldiers' Home	<u>\$ 1,108,645</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 0</u>
Kansas Veterans Home:				
Construction of Winfield Veterans Home	\$ 1,372,876	\$ 0	\$ 0	\$ 0
Treatment Building Roof Repair	52,000	0	0	0
Repair and Rehabilitation	89,269	121,960	80,000	0
Subtotal—Kansas Veterans Home	<u>\$ 1,514,145</u>	<u>\$ 121,960</u>	<u>\$ 80,000</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 3,311,059</u></u>	<u><u>\$ 993,920</u></u>	<u><u>\$ 780,000</u></u>	<u><u>\$ 0</u></u>
Financing:				
State Institutions Building Fund	\$ 1,601,490	\$ 393,920	\$ 180,000	\$ 0
Federal Grants	588,269	600,000	600,000	0
Local Funding	1,121,300	0	0	0
TOTAL	<u><u>\$ 3,311,059</u></u>	<u><u>\$ 993,920</u></u>	<u><u>\$ 780,000</u></u>	<u><u>\$ 0</u></u>

State Veterans Cemeteries System

The Commission requests \$650,000 for planning and construction of state veterans cemeteries in FY 2001. The request includes \$600,000 from a federal grant for construction of the Fort Riley cemetery and \$50,000 (SIBF) for planning (\$25,000 each for the Winfield and WaKeeney cemeteries). The planning costs would be reimbursed by the federal government once construction at those sites begins.

The Governor recommends \$600,000 for construction of the Fort Riley cemetery.

Kansas Soldiers' Home

The Commission requests \$100,000 (SIBF) for repair and rehabilitation at the Fort Dodge Soldiers' Home in FY 2001.

The Governor concurs.

Kansas Veterans' Home

The Commission requests \$121,960 (SIBF) for rehabilitation and repair at the Winfield Veterans' Home.

The Governor recommends \$80,000 (SIBF).

Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

HOUSE BUDGET COMMITTEE ON CAPITAL IMPROVEMENTS

Agency: Department of Commerce
and Housing

Bill No. 2993

Bill Sec. 11

Analyst: Davis

Analysis Pg No. 1274

Budget Pg No. 97

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
TIC Repair and Rehabilitation	\$ 15,000	\$ 88,650	\$ 88,650	\$ 0
Parking Lot Repair, Olathe TIC*	0	40,000	0	0
Construction of Goodland TIC*	0	220,000	200,000	0
TOTAL	<u>\$ 15,000</u>	<u>\$ 348,650</u>	<u>\$ 288,650</u>	<u>\$ 0</u>
Financing:				
EDIF	\$ 15,000	\$ 348,650	\$ 188,650	\$ 0
Publication and Other Sales	0	0	100,000	0
TOTAL	<u>\$ 15,000</u>	<u>\$ 348,650</u>	<u>\$ 288,650</u>	<u>\$ 0</u>

Goodland Travel Information Center. The Department is requesting \$220,000 from the EDIF to construct a new Travel Information Center near Goodland to replace the existing center. This represents 20 percent of anticipated construction costs with the Department of Transportation providing the other 80 percent. Construction of the center will fulfill the Department's efforts over the last few years to bring all the travel information centers up to date.

The Governor recommends \$200,000 including \$100,000 EDIF and \$100,000 from the Publication and Other Sales Fund.

Parking Lot Repair, Olathe Travel Information Center. The Department is requesting \$40,000 from the EDIF to repair the deteriorating parking lot at the Travel Information Center near Olathe. For the past several months, the parking lot has continued to disintegrate in one particular area resulting from ground settling and asphalt deteriorating. The total cost of the repairs would be nearly \$100,000, with the remainder coming from carry-forward Travel Information Center repair account dollars.

The Governor does not recommend this enhancement.

Budget Committee Recommendation

The Budget Committee concurs with the recommendations of the Governor.

HOUSE BUDGET COMMITTEE ON CAPITAL IMPROVEMENTS

Agency: Department of Social and Rehabilitation Services

Bill No. 2399

Bill Sec. 3

Analyst: Sparks

Analysis Pg No. 562

Budget Pg No. 400

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	House Budget Committee Adjustments
SIBF:				
Institutional Rehab & Repair	\$ 3,338,605	\$ 5,996,977	\$ 3,987,897	\$ 0
Sex Predator New Construction Planning	<u>7,885</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SIBF	\$ 3,346,490	\$ 5,996,977	\$ 3,987,897	\$ 0
Other State Fee Funds:				
Institutional Rehab. & Repair	<u>\$ 166,000</u>	<u>\$ 166,000</u>	<u>\$ 166,000</u>	<u>\$ 0</u>
TOTAL	\$ 3,512,490	\$ 6,162,977	\$ 4,153,897	\$ 0

House Committee Recommendations

The House Committee concurs with the Governor's recommendations with the following exception:

1. The Budget Committee recommends that a proviso be added which prohibits the spending of any capital improvement funding on Rainbow Mental Health Facility, unless it would endanger the health or safety of any individual at the facility, until the findings of the Mental Health Task Force are published. Furthermore, Rainbow Mental Health Facility is not to be closed without Legislative approval.

**HOUSE BUDGET COMMITTEE
REPORT ON CAPITAL IMPROVEMENTS**

Agency: Insurance Department

Bill No. 2993

Bill Sec. 9

Analyst: Severn

Analysis Pg No. 1542

Budget Pg No. 263

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	House Committee Adjustments
Building Rehab. and Repair	\$ 142,000	\$ 28,500	\$ 28,500	\$ 0
Debt Service Principal	105,000	115,000	115,000	0
Debt Service Interest*	73,265	66,948	66,948	0
TOTAL	<u>\$ 320,265</u>	<u>\$ 210,448</u>	<u>\$ 210,448</u>	<u>\$ 0</u>
Financing:**				
Ins. Dept. Rehab. and Repair Fd	\$ 142,000	\$ 28,500	\$ 28,500	\$ 0
Ins. Bldg Principal & Interest Fd	178,265	181,948	181,948	0
TOTAL	<u>\$ 320,265</u>	<u>\$ 210,448</u>	<u>\$ 210,448</u>	<u>\$ 0</u>

* Debt service interest is included in the state operations portion of the budget.

** Actual receipts to pay for the expenditures would come from the agency's various fee funds by way of transfers to the funds listed above.

Building Rehabilitation and Repair Projects

The agency requests \$28,500 from the Educational Building Fund: \$15,000 for contingent building repairs; and \$13,500 for carpet replacement. The request is a decrease of \$113,500 from the amount authorized for the current year.

The Governor concurs.

Debt Service—Insurance Building Purchase Bonds

The agency requests \$178,265 in the current year and \$181,948 in FY 2001 from the Insurance Building Principal and Interest Fund for debt service payments. The principal portion of the payment is \$105,000 in FY 2000 and \$115,000 in FY 2001.

The Governor concurs with the amounts requested for debt service in both years.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

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HOUSE BUDGET COMMITTEE ON CAPITAL IMPROVEMENTS

Agency: Department of Corrections

Bill No. 2993

Bill Sec. 6

Analyst: Little

Analysis Pg No. 872

Budget Pg No. 141

Project	Revised Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001	House Budget Committee Adjustments
Rehabilitation and Repair at Facilities	\$ 4,550,818	\$ 5,004,010	\$ 4,004,010	\$ 0
New Construction				
Construct New Housing Units at El Dorado (256/512 beds)	0	14,032,358	7,323,133	(7,323,133)
Renovate J Cellhouse, Topeka (150 female beds)	0	1,070,000	*	0
West Unit Expansion, Larned (104 beds)	0	613,330	0	0
Debt-Financed Construction Projects**	0	0	0	0
Correctional Industry Projects	841,625	0	0	0
Enhancements				
Affordable Housing Project	0	233,400	0	0
Construct Industries Building at Topeka	0	597,928	0	0
Debt Service				
Debt Service Principal—Reception and Diagnostic Unit	0	360,000	360,000	0
Debt Service Principal—Revenue Refinancing Bond (El Dorado and Larned)	5,045,000	5,245,000	5,245,000	0
Debt Service Principal—Ellsworth	975,000	1,020,000	1,020,000	0
Debt Service Principal—El Dorado Utilities	1,090,000	1,130,000	1,130,000	0
Debt Service Principal—Wichita Work Rel.	115,000	125,000	125,000	0
TOTAL	<u>\$ 12,617,443</u>	<u>\$ 29,431,026</u>	<u>\$ 19,207,143</u>	<u>\$ (7,323,133)</u>
Financing:				
State General Fund	\$ 6,765,000	\$ 23,297,016	\$ 5,750,000	\$ 0
Correctional Institutions Building Fund***	4,950,818	5,004,010	5,004,010	0
Kansas Correctional Industries Fund	841,625	0	0	0
Federal Violent Offender Incarceration Grant	0	0	7,323,133	(7,323,133)
Bond Revenue	60,000	1,130,000	1,130,000	0
TOTAL	<u>\$ 12,617,443</u>	<u>\$ 29,431,026</u>	<u>\$ 19,207,143</u>	<u>\$ (7,323,133)</u>

* The Governor's FY 2001 capital improvements' budget funds the project with bonds along with the El Dorado Correctional Facility construction. No payments are due until FY 2002.

** See special bonding proposal below.

*** Correctional Institutions Building Fund ending balance June 30, 2001 will be \$705,990.

FY 2001 Agency Request – Governor's Recommendation in Bold

1. \$29,431,026 (\$23,297,016 SGF) for capital improvements
 - a. \$5,004,010 (Correctional Institutions Building Fund) rehabilitation and repair for correctional facilities
 - b. Includes \$6,745,000 SGF debt service payments, including new reception and diagnostic unit funding

2. **Construct New Housing Units at El Dorado (256/512 beds)**
 - a. **Construction of two 128-cell units to be single-celled maximum custody (256 beds) or double-celled medium custody (512 beds)**
 - b. **\$14,032,358 SGF requested, although bonding is a likely funding mechanism**
 - c. **Request based on Sentencing Commission projections of exceeding current capacity before the end of FY 2000**
 - d. Currently constructing two 128-cell units related to the transfer of the reception and diagnostic unit from Topeka to El Dorado for \$15,877,000
 - e. No estimate of operating costs
 - f. **Alternative Package Request.** In the absence of support for the construction of two new units at El Dorado, the agency would propose the following
 - i. \$6,740,405 for 100 cells (100 maximum custody/200 medium custody) at Hutchinson East Unit
 - ii. \$6,327,517 for 100 cells (100 maximum custody/200 medium custody) at Ellsworth

3. **Renovate J Cellhouse, Topeka (150 female beds)**
 - a. **Requests \$1,070,000 SGF (as well as \$1,070,000 SGF in FY 2002) to remodel the J-Cellhouse, the current reception and diagnostic unit at Topeka Correctional Facility**
 - b. **Would provide 150 medium custody dormitory style space**
 - c. **A net gain of 70 beds because 80 female offenders at Topeka State Hospital would be removed**
 - d. Staff Note: Agency will not move out male offenders until the Spring of 2001, and expenditure potential may be limited until building is vacated
 - e. No estimate of operating costs

4. **West Unit Expansion, Larned (104 beds)**
 - a. \$613,330 from unspecified source for construction of a 6,000 sq. ft. metal building for programming, storage, visitation, etc.
 - b. New building would free space for 104 beds in the Jenkins building (current capacity is 218)
 - c. Costs are for new storage building, not the construction of cells
 - d. Operating cost estimates will include 16.0 FTE

5. ***Debt-Financed Construction Projects.**
 - a. Proposal to fund nine projects with a total cost of \$5,756,428 at various facilities, although no debt service financing will be required until FY 2002
 - b. Funded through the issuance of K DFA bonds. Ten-year amortization with first year payments of \$562,000 and \$780,000 thereafter
 - c. Funded through dedication of Correctional Institutions Building Fund currently used for rehabilitation and repair
 - d. Potential projects include:
 - i. **\$2,140,000 to renovate J Cellhouse (old RDU) at Topeka**
 - ii. **\$764,600 to construct new laundry at Topeka (will lose laundry at Topeka State Hospital)**

- iii. **\$386,175 to construct new staff development building at Topeka**
- iv. \$621,817 to construct new warehouse and maintenance building at Norton
- v. \$543,546 to construct new warehouse at Hutchinson
- vi. \$46,238 to construct new toxic waste storage building at El Dorado
- vii. \$583,040 to construct new maintenance building at Lansing
- viii. \$203,708 to construct new warehouse at Larned
- ix. \$467,304 to construct new dining area at Norton

Governor's Recommendation Expansion Recommendation

The Governor's FY 2001 capital improvements budget includes expansion plans at El Dorado Correctional Facility, where two new housing units would be constructed. If double-celled, 512 medium custody beds would be available and if single-celled, 256 maximum custody beds would be available. Cost for the project is estimated at \$14,032,358. Annual operating cost estimates are \$7.6 million for 512 beds and \$5.5 million for 256 beds. Two housing units are currently under construction at El Dorado to handle the shift of the Reception and Diagnostic Unit from Topeka, which is scheduled to occur during the Spring of 2001.

The Governor also seeks to remodel the "J-Cellhouse," and construct a new laundry and staff development building at the Topeka Correctional Facility in FY 2001 for \$3,290,775. "J-Cellhouse" is the current Reception and Diagnostic Unit housing facility. Funding for the project is included in the El Dorado project's bonding authority.

The Governor intends to fund construction with bonds totaling \$10.0 million (with the first payments not due until FY 2002) and includes \$7,323,133 in FY 2001 from the federal Violent Offender Incarceration/Truth in Sentencing Grant funds. All \$7,323,133 has been placed for expenditure in the El Dorado budget.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation, with the following adjustments and comments.

1. Delete bonding authority and funding from the El Dorado Correctional Facility and Topeka Correctional Facility budgets for capital improvements expansion, pending review by the Joint Committee on State Building Construction and consideration at Omnibus. The Budget Committee believes a number of activities must take place before \$17.3 million is spent for prison expansion at El Dorado and Topeka. The agency and Legislature should explore a number of issues and alternatives, including the establishment of day reporting centers, expansion of the Wichita Work Release program, and expansion of the therapeutic community programs, as well as any other options for lower-security level offenders.

The day reporting and Wichita Work Release program options would include additional FTE and operating costs. The day reporting centers would be established in Topeka, Kansas City, and Wichita and serve an average daily population of 315. Day reporting is a community-based program to target conditional violators who would otherwise be placed in a residential center or returned to prison. Annual operating costs for the three centers is estimated at \$4.5 million and requiring 76.0 new FTE. Wichita Work Release expansion would be accomplished through remodeling and reconfiguration to produce 70 additional beds for \$230,134 in construction costs and additional operating costs of \$326,838 and 7.0 FTE.

**HOUSE BUDGET COMMITTEE
REPORT ON CAPITAL IMPROVEMENTS**

Agency: Wildlife and Parks

Bill No. 2993

Bill Sec. 25

Analyst: Little

Analysis Pg No. 828

Budget Pg No. 497

Project	Gov. Rec. for FY 00**	Agency Request FY 2001	Governor's Rec. FY 2001	House Committee Adjustments
Combined ADA, Maintenance, Repair* \$	1,410,283	\$ 0	\$ 659,198	\$ 0
ADA Renovation Projects	0	85,500	0	0
Major Maintenance/Development	0	700,000	0	0
Flood Repair	343,768	0	0	0
Angler Facility Improvement	771,250	0	0	0
State Fishing Lake Dam Repair	2,841,709	160,000	160,000	0
Wetlands Acquisition/Development	693,042	450,000	450,000	(225,000)
Wetlands Project/Milford	340,609	0	0	0
Access Roads Maintenance	1,502,748	1,500,000	1,500,000	0
Fed. Mandated Boating Access	710,828	845,200	845,200	0
Land Acquisition	723,904	500,000	500,000	(250,000)
Bridge Maintenance	400,000	200,000	200,000	0
River Access	0	75,000	0	0
Shooting Range	49,501	0	0	0
Playa Lakes	132,747	0	0	0
Great Plains Nature Center Parks	21,566	0	0	0
Capital Improvement Initiative	5,774,872	0	0	0
Prairie Spirit Phase II Federal	27,562	0	0	0
Other Projects (Great Plains Nature)	810,308	0	0	0
Renovate State Fishing Lakes	755,059	0	0	0
Renovate Cheyenne Bottoms	9,496	0	0	0
Boat Access/Development	266,927	0	0	0
Pratt Museum Renovation	468	0	0	0
Trail Access	0	0	20,000	0
TOTAL	\$ 17,586,647	\$ 4,515,700	\$ 4,334,398	\$ (475,000)

Financing:

State General Fund	\$ 557,150	\$ 198,000	\$ 0	\$ 0
Wildlife Fee Fund	4,055,469	1,403,700	1,403,700	0
Wildlife Conservation Fund	3,696,219	1,010,000	1,010,000	(475,000)
State Highway Fund	0	1,500,000	1,500,000	0
State Water Plan Fund	0	75,000	0	0
Migratory Waterfowl Fund	152,364	100,000	100,000	0
Private Gifts and Donations Fund	0	0	0	0
Other Federal Funds	872,164	20,000	20,000	0
State Budget Stabilization Fund	5,774,872	0	0	0
Boat Fee Fund	266,927	0	0	0
Park Fee Fund	2,765	9,000	100,698	0
Land and Water Conservation Fund	305,969	0	0	0
Bridge Maintenance Fund	400,000	200,000	200,000	0
Road Maintenance	1,502,748	0	0	0
TOTAL	\$ 17,586,647	\$ 4,515,700	\$ 4,334,398	\$ (475,000)

* The Governor's Capital Improvements recommendation for FY 2000 lumps together boating, ADA, repair, and maintenance.

** State Budget Stabilization expenditures as recommended by the Governor for FY 2000 includes \$58,313 for flood repair in funds removed in SB 39. The table reflects the corrected funding figures.

Agency Request

The agency request is contained in the table above. The FY 2000 recommendation includes continued funding of the Parks 2000. The 1998 Legislature approved a capital improvement initiative for state parks, providing \$10.0 million from the State Budget Stabilization Fund (SBSF). The funding will address the needs of Kansas' 30-year-plus state park infrastructure by restoring, preserving, and enhancing the state's park system. The project reflects the recommendations of a Task Force on Outdoor Kansas. The Task Force was created by the Commission on Wildlife and Parks, consisting of fourteen members and included representation from the Kansas Legislature and the public. The Task Force identified a need for more than \$10.0 million to renovate state park infrastructure and provide modern facilities that meet ADA standards. In FY 1999, \$4,225,128 SBSF was spent on agency-identified capital improvement projects. The FY 2000 capital improvement budget includes requested expenditures of \$5,774,872 SBSF. The SBSF funding of the full \$10.0 million will continue to be spent for projects through FY 2001.

Governor's Recommendation

The Governor recommends \$17,586,647 all funds in FY 2000 and \$4,334,398 all funds in FY 2001. The Governor will continue the Parks 2000 project as requested, as well as land acquisition (\$500,000), wetlands acquisition and development (\$450,000), and includes general repair and maintenance at facilities, structures, roads, and bridges.

House Committee Recommendation

The House Committee concurs with the Governor's recommendation, with the following modification.

1. Delete \$250,000 Wildlife Conservation Fund to reduce upland land acquisition. A total of \$250,000 remains from the Governor's recommendation.
2. Delete \$225,000 Wildlife Conservation Fund to reduce wetland acquisition. A total of \$225,000 remains from the Governor's recommendation.

HOUSE BUDGET COMMITTEE REPORT ON CAPITAL IMPROVEMENTS

Agency: School for the Blind

Bill No. 2993

Bill Sec. 4

Analyst: Holwegner

Analysis Pg No. 264

Budget Pg No. 93

Project	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001	House Budget Committee Adjustments
Rehabilitation and Repair	\$ 451,615	\$ 58,270	\$ 58,270	\$ 0
Upgrade Fire Alarms	0	0	0	0
Construct and Equip Student Residences	193,132	0	0	0
Student Residences Project Contingency	33,489	0	0	0
Replacement of Carpet	1,137	0	0	0
Bleacher Construction	50,000	0	0	0
TOTAL	<u>\$ 729,373</u>	<u>\$ 58,270</u>	<u>\$ 58,270</u>	<u>\$ 0</u>

Financing

State Institutions Building Fund	\$ 729,373	\$ 58,270	\$ 58,270	\$ 78,390
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The School requests \$58,270 from the State Institutions Building Fund for FY 2001 for rehabilitation and repair. The Governor concurs.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

HOUSE BUDGET COMMITTEE ON CAPITAL IMPROVEMENTS

Agency: School for the Deaf

Bill No. 2993

Bill Sec. 5

Analyst: Holwegner

Analysis Pg. No. 284

Budget Pg. No. 145

Project	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001	House Budget Committee Adjustments
Asbestos Removal	\$ 3,226	\$ 0	\$ 0	\$ 0
Rehabilitation and Repair	578,782	404,450	388,000	0
Handicapped Accessibility	209	0	0	0
Construction/Elementary School/Site				
Impr./Emery Demolition	47,885	0	0	0
Air Conditioning (Roth & Roberts Buildings)	74,495	0	0	0
Steam Tunnel Repair	2,040	0	0	0
Roberts Renovation to Code & Exterior				
Repair	450,000	391,200	0	0
Start 6-year Roth Dormitory Renovation	0	248,600	0	0
TOTAL	<u>\$ 1,156,637</u>	<u>\$ 1,044,250</u>	<u>\$ 388,000</u>	<u>\$ 0</u>

Financing

State Institutions Building Fund (SIBF)	\$ 1,156,637	\$ 1,044,250	\$ 388,000	\$ 0
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The School requests \$1,044,250 from the State Institution Building Fund (SIBF) for FY 2001. This a decrease of \$112,387 (9.7 percent) from the FY 2000 estimate.

The Governor recommends \$388,000 from the State Institution Building Fund for rehabilitation and repair. This a decrease of \$768,637 (66.5 percent) from the FY 2000 recommendation and a decrease of \$656,250 (62.8 percent) from the agency's FY 2001 estimate.

Rehabilitation and Renovation

The School requests \$404,450 which includes: \$110,000 for general maintenance, \$199,850 for roof projects, and \$94,600 for air conditioning in the dormitories.

The Governor recommends \$388,000 for rehabilitation and repair. This includes: \$100,000 for general maintenance, \$200,000 for roof projects, and \$88,000 for air conditioning in the dormitories.

Roberts Classroom Building Renovation

The School requests \$391,200 for the 1st floor and basement renovations. The work would include a sprinkler system and visual fire alarms; at the same time the ceiling would be replaced and the lighting improved to ADA standards. The second and third floors would be made wheelchair accessible. This is the second year's request for financing.

The Governor does not recommend this request.

Roth Dormitory Renovation

The School requests \$248,600 for renovations which includes: a sprinkler system and visual fire alarms, more privacy in dorm rooms and in bathrooms. The School plans this to be the first year of a 6-year project.

The Governor does not recommend this request.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

**HOUSE BUDGET COMMITTEE
REPORT ON CAPITAL IMPROVEMENTS**

Agency: State Fair Board

Bill No. 2993

Bill Sec. 2

Analyst: Holwegner

Analysis Pg No. 749

Budget Pg No. 173

Project	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001	House Budget Committee Adjustments
Supplemental: Repair Storm Damage	\$ 124,349	\$ 0	\$ 0	\$ 0
Repair & Rehabilitation	364,450	540,000	540,000	0
ADA, EPA & Fire Code Compliance	500,000	0	0	0
Air Conditioning for Encampment Building	29,000	0	0	0
Campground Full Hookups	100,000	60,000	60,000	0
New Ticket Booth (one per year)	11,000	0	0	0
Implementation of Facilities Master Plan	0	6,107,245 *	0	0
Capital Improvement Projects	0	0	100,000	0
TOTAL	\$ 1,128,799	\$ 6,707,245	\$ 700,000	\$ 0
Financing:				
State General Fund **	\$ 792,000	\$ 6,407,245	\$ 300,000	\$ 0
State Fair Capital Improvement Fund	336,799	300,000	300,000	0
Economic Development Initiatives Fund	0	0	100,000	0
TOTAL	\$ 1,128,799	\$ 6,707,245	\$ 700,000	\$ 0

* Includes \$150,000 for code compliance projects.

** Includes \$300,000 demand transfer from the State General Fund for each fiscal year.

The State Fair Board requests \$6,707,235, which includes \$6,407,245 (91.1 percent) from the State General Fund and \$300,000 (8.9 percent) from the State Fair Capital Improvement Fund. This is an increase of \$5,589,446 (500.0 percent) from the revised FY 2000 estimate.

The Governor recommends \$700,000 which includes: \$300,000 (42.9 percent) from the State General Fund, \$300,000 (42.9 percent) from the State Fair Capital Improvement Fund, and \$100,000 (14.2 percent) from the Economic Development Initiatives Fund (EDIF). This is a decrease of \$428,799 (38.0 percent) from the FY 2000 recommendation and a decrease of \$6,007,245 (89.6 percent) from the agency's FY 2001 request. The Governor recommends \$100,000 from the EDIF for capital improvement projects.

Repair and Rehabilitation

The Fair Board requests \$540,000 for maintenance, an increase of \$175,550 (48.2 percent) from the revised FY 2000 estimate; this includes: \$415,220 for routine repairs, \$60,000 for camper sites, \$52,130 for a new wash rack, including plumbing and sewer, for the Beef Tie Barn, \$38,250 for a chain link fence along the south side of State Fair Road, \$17,900 for windows, doors, and air conditioning in the two Lake Talbot Buildings, and \$16,500 for signs on the fairgrounds.

The Governor concurs.

Implementation of Master Plan

The State Fair Board requests \$6,107,245 from the State General Fund for the first year of a six-year plan. This includes: \$1,170,000 for expansion of the Sunflower Building, \$1,500,000 for additional 300 unit recreational vehicle (RV) park, \$1,400,000 for renovation of the Industrial Building, \$1,091,735 for renovation of the infrastructure and landscaping, \$712,920 for contingency, architect and engineer fees, and \$150,000 for ADA, EPA, and fire code compliance.

The Governor does not recommend this request.

Retention of Interest

The State Fair requests that the State Fair Capital Improvement Fund be allowed to collect interest for FY 2001. By proviso, the Legislature authorized this fund to collect interest in FY 2000. For FY 2001 this amount would be approximately \$30,000.

The Governor concurs.

EDIF—Capital Projects

The Governor recommends \$100,000 from the Economic Development Initiatives Fund for capital projects. The agency did not request financing from this fund for capital improvement projects.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The Committee concurs with the Governor's recommendations with the following addition:

1. Request the Budget Committee to study the financing of the facilities master plan during Omnibus.

HOUSE BUDGET COMMITTEE ON CAPITAL IMPROVEMENTS

Agency: Kansas Bureau of Investigation

Bill No. 2993

Bill Sec. 23

Analyst: Robert Waller

Analysis Pg No. 1157

Budget Pg No. 302

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	House Budget Committee Adjustments
Debt Service Principal -- Headquarters ^(a)	\$ 170,000	\$ 180,000	\$ 180,000	\$ 0
Rehabilitation and Repair	15,000	30,000	15,000	0
Remodeling 2nd floor of the Great Bend Laboratory	0	254,000	0	0
Remodeling 4th floor of KBI Headquarters	0	300,000	0	0
Replacing the carpet within KBI Headquarters	0	20,420	0	0
Remodeling the break room at KBI Headquarters	0	13,987	0	0
TOTAL	\$ 185,000	\$ 798,407	\$ 195,000	\$ 0
Financing:				
State General Fund	\$ 185,000	\$ 798,407	\$ 195,000	\$ 0
All Other Funds	0	0	0	0
TOTAL	\$ 185,000	\$ 798,407	\$ 195,000	\$ 0

The agency requests a capital improvement enhancement package of \$588,407. The package includes: \$254,000 to remodel the 2nd floor of the Great Bend Laboratory; \$300,000 to remodel the 4th floor of KBI Headquarters, \$20,420 to replace the carpet in KBI Headquarters; and \$13,987 to remodel the break room of KBI Headquarters. **The Governor did not recommend these enhancements.**

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations.

HOUSE BUDGET COMMITTEE ON CAPITAL IMPROVEMENTS

Agency: Kansas Highway Patrol

Bill No. 2993

Bill Sec. 24

Analyst: Robert Waller

Analysis Pg No. 1215

Budget Pg No. 228

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	House Budget Committee Adjustments
Debt Service—Highway Patrol Training Center— Principal	\$ 305,000	\$ 325,000	\$ 325,000	\$ 0
Motor Carrier Inspection Facilities— Rehabilitation and Repair	160,000	572,228	222,228	0
Highway Patrol Training Center—Rehabilitation and Repair	50,000	50,000	50,000	0
Construction of Vehicle Storage Facility	0	3,238,625	0	0
TOTAL	<u>\$ 515,000</u>	<u>\$ 4,185,853</u>	<u>\$ 597,228</u>	<u>\$ 0</u>
Financing:				
State General Fund	\$ 0	\$ 1,295,450	\$ 0	\$ 0
Highway Patrol Training Center Fund— KDFA Bonds	305,000	325,000	325,000	0
Motor Carrier Inspection Fund	160,000	1,543,815	222,228	0
Highway Patrol Training Center Fund	50,000	50,000	50,000	0
Federal Forfeiture Fund	0	971,588	0	0
TOTAL	<u>\$ 515,000</u>	<u>\$ 4,185,853</u>	<u>\$ 597,228</u>	<u>\$ 0</u>

* In addition to the principal payment of \$305,000 in FY 2000, there will be an interest payment of \$244,350 for a debt service and financing total of \$544,421.

** In addition to the principal payment of \$325,000 in FY 2001, there will be an interest payment of \$227,645 for a debt service and financing \$552,645.

The agency requests \$3,238,625 (\$1,295,450 from the State General Fund) to fund the construction of a new vehicle storage facility to combine the selling, storage, and maintenance of vehicles in one location. **The Governor does not recommend this enhancement.**

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations.

HOUSE BUDGET COMMITTEE ON CAPITAL IMPROVEMENTS

Agency: Adjutant General

Bill No. 2993

Bill Sec.

Analyst: Robert Waller

Analysis Pg No. 1139

Budget Pg No. 12

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	House Budget Committee Adjustments
Reroof—Armories	\$ 765,380	\$ 765,380	\$ 0	\$ 0
Rehabilitation and Repair	5,055	5,055	0	0
TOTAL	\$ 770,435	\$ 770,435	\$ 0	\$ 0
Financing:				
State General Fund*	\$ 387,745	\$ 387,745	\$ 0	\$ 0
Military Fees Fund	382,690	382,690	0	0
TOTAL	770,435	770,435	\$ 0	\$ 0

* Funds for FY 2000 include \$5,055 of funding reappropriated from FY 1999. A total of \$72,110 was appropriated during FY 1999, with the agency spending \$67,055 of that amount.

Staff Note: The Adjutant General does not include funding for capital improvements within its FY 2001 operating budget request. The agency will, however, seek authority to issue five series of 15-year bonds, issued in three consecutive years, beginning in July 2000, to provide a total of \$22,000,000 (including interest \$34,000,000) to cover all costs associated with rehabilitation, repair, and upgrade of the state's armories (S.B. 592)

Phases of Issuance		Financing		
Year	Amount	Year	Re-payment	Method
FY 2001	\$2,000,000	FY 2001	\$0	
FY 2002	\$2,000,000	FY 2002	\$351,000	From existing funds
FY 2003	\$6,000,000	FY 2003	\$778,000	From existing fund and possible federal fund
FY 2004	\$6,000,000	FY 2004 though FY 2019	Average SGF payment \$2.1 million or approximately \$1.7 with federal match	
FY 2005	\$6,000,000			

The agency cannot estimate the amount of federal funds that will be available to offset State General Fund dollars used to finance the payment of the bonds. However, if the current trends continue, federal funds will be available which in turn, will reduce the amount of bonds accordingly.

The Governor does not recommend the issuance of bonds to fund the agency's capital improvement request.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations.

**HOUSE BUDGET COMMITTEE
REPORT ON CAPITAL IMPROVEMENTS**

Agency: Kansas Department
of Human Resources

Bill No. 2993

Bill Sec. 21

Analyst: Nogle

Analysis Pg. No. 536

Budget Page No. 231

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	House Budget Committee Adjustments
Exterior Finish - Wichita (312 N. Topeka)	\$ 25,000	\$ 0	\$ 0	\$ 0
Purchase of Buildings as a unit - Topeka (414,416,417, and 420 SW Jackson)	250,000	0	0	0
Mudjacking - Pittsburg	25,000	0	0	0
HVAC - Leavenworth	25,000	0	0	0
Building Renovation - Topeka (401 SW Topeka)	50,000	248,707	248,707	0
Rehabilitation and Repair - Various Buildings	50,000	50,000	50,000	0
HVAC - Hays	0	25,000	25,000	0
TOTAL	\$ 425,000	\$ 323,707	\$ 323,707	\$ 0

Financing:

Penalty and Interest Fund	\$ 150,000	\$ 0	\$ 0	\$ 0
Employment Security Administration	50,000	25,000	25,000	0
Reed Act Funds	125,000	50,000	50,000	0
Property Sale Fund	100,000	0	0	0
KDFA Bonds	0	248,707	248,707	0
TOTAL	\$ 425,000	\$ 323,707	\$ 323,707	\$ 0

Building Renovation - Topeka (401 SW Topeka)

The agency requests \$248,707 other funds for debt service on KDFA bonds to renovate the building at 401 SW Topeka. The main improvements include a new HVAC system, replacement of the electrical service entrance and distribution to the building, extensive plumbing work and improvements to the elevator.

The Governor concurs with the agency request.

Rehabilitation and Repair - Various Buildings

The agency requests \$25,000 in Employment Security Administration fund and \$25,000 in Reed Act funds for general repair work at various buildings. This includes roofing, overlaying of parking lots, mudjacking or replacing sidewalks, painting, carpeting and caulking.

The Governor concurs with the agency request.

HVAC - Hays

The agency requests \$25,000 in Reed Act funds to replace the HVAC system at the Hays office.

The Governor concurs with the agency request.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

HOUSE BUDGET COMMITTEE REPORT ON CAPITAL IMPROVEMENTS

Agency: Kansas State Historical Society

Bill No. 2993

Bill Sec. 8

Analyst: Nogle

Analysis Pg. No. 309

Budget Page No. 229

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	House Budget Committee Adjustments
Rehabilitation and Repair Projects	\$ 290,196	\$ 100,000	\$ 0	\$ 0
Construct Storage Bay 3	2,493,710	0	0	0
Center for Historical Research Roof Repair	0	0	0	0
Fire Lane Repair	0	0	0	0
Historic Sites Rehabilitation and Development	0	600,479	0	0
Museum Roof Repair	0	55,000	0	0
Fort Hays blockhouse repair and reinterpretation EDIF fund	0	0	0	50,000
First Territorial Capital ADA renovation and reinterpretation EDIF fund	0	0	0	71,000
Kaw Mission Reinterpretation EDIF fund	100,000	0	0	0
TOTAL	<u>\$ 2,883,906</u>	<u>\$ 755,479</u>	<u>\$ 0</u>	<u>\$ 121,000</u>
Funding				
State General Fund	\$ 2,783,906	\$ 755,479	\$ 0	\$ 0
EDIF Cyclical Maintenance Projects Fund	0	0	0	0
EDIF First Territorial Capitol Renovation Project Fund	0	0	0	71,000
EDIF Completion of Historic Sites	100,000	0	0	50,000
TOTAL	<u>\$ 2,883,906</u>	<u>\$ 755,479</u>	<u>\$ 0</u>	<u>\$ 121,000</u>

Rehabilitation and Repair Projects

The agency requests \$100,000 from the State General Fund (SGF) for rehabilitation and repair projects for emergencies and to maintain over 40 buildings and structures at the Kansas History Center and the State Historic Sites.

The Governor does not recommend funding this request.

Historic Sites Rehabilitation and Development

The agency requests \$600,479 SGF for preservation and development of the State Historic Sites. This request represents the first year of a three year plan to improve the sites. The total cost of the project is \$2,926,235 SGF.

The Governor does not recommend funding this request.

Museum Roof Repair

The agency requests \$55,000 SGF to repair the roof at the Kansas Museum of History. The flashing along the parapet walls of the museum has deteriorated causing the rubber membrane on the roof to leak. The agency indicates that repair of the flashing will increase the life of the roof an estimated 10 to 15 years.

The Governor does not recommend funding this request.

Fort Hays Blockhouse Repair and Reinterpretation

The agency requests the reallocation of the \$50,000 EDIF the Governor lapsed from the capitol improvements budget for this project.

The Governor does not recommend the agency request.

First Territorial Capitol Repair and Reinterpretation

The agency requests the reallocation of the \$71,000 EDIF the Governor lapsed from the capitol improvements budget for this project. The project includes reinterpretation of the site and repairs to make the site ADA compliant.

The Governor does not recommend funding this request.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations with the following comments and exceptions:

1. Add \$50,000 EDIF for the Fort Hays Blockhouse rehabilitation and repair project.
2. Add \$75,000 EDIF for the First Territorial Capitol rehabilitation and ADA compliance project.



STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

Office of the Secretary
900 SW Jackson, Suite 502
Topeka, KS 66612-1233
785/296-2281 FAX 785/296-6953



TO: Representative David Adkins, Chairperson, Committee on Appropriations

FROM: Steven ^{SW}A. Williams, Secretary of Wildlife and Parks

SUBJECT: Testimony on HB 2857

DATE: March 17, 2000

House Bill No. 2857 is new legislation which was originally recommended by the Legislative Post Auditor in audit report no. 94-44. That report stated the Kansas Department of Wildlife and Parks (KDWP) should request a fund in the State's central accounting system which would allow the KDWP to separate restricted and non-restricted funds. The report referred to restricted funds as those required by state and federal law to be used only for wildlife purposes. Non-restricted funds were receipts being deposited to the Wildlife Fee Fund which were not restricted to wildlife programs only. The report listed three types of receipts that were non-restricted: magazine sales, trapping licenses, and non-federal grants, gifts, and donations.

Pursuant to the recommendations of the Legislative Post Auditor, the 1995 Legislative Session introduced SB 387 to create the Wildlife and Parks Non-Restricted Fund. The bill was not passed by the 1995 Legislature and the Fund was created through an appropriation act. SB 387 was "carried over" to the 1996 Legislative Session and was passed by the Senate. The actions taken by the House of Representatives regarding SB 387 resulted in the bill being materially changed and the Senate referred the bill to the Committee on Ways and Means where it died at the end of the 1996 Legislative Session. The 1996 Legislative Session did provide for the Wildlife and Parks Non-Restricted Fund in the FY 1997 KDWP operations appropriation bill. This fund has been provided for in the annual operations appropriation bill since the 1996 Legislative Session. (2000 Session HB 2994, Sec. 67)

The language in HB 2857 provides that monies not otherwise designated for deposit to a certain fund be deposited to the Wildlife and Parks Non-Restricted Fund. The KDWP has been depositing receipts from the sale of the Department magazine and other miscellaneous receipts to this fund. For FY 1999, deposits were \$196,520 from publication sales and \$11,900 from other sources. Expenditures from the fund are budgeted in the Executive Services Division of the KDWP to assist in costs associated with publication of the magazine. It should be noted that the Legislative Post Audit report referred to federal guidelines to determine sources of non-restricted income. The KDWP has interpreted the provisions of state law (KSA 32-828) to require that receipts from trapping be deposited to the Wildlife Fee Fund.

If you have any questions, please advise. Thank you for your support.

House Appropriations
3-22-00
Attachment 2

HOUSE BILL No. 2857

By Committee on Appropriations

2-3

9 AN ACT creating the wildlife and parks nonrestricted fund.

10

11 *Be it enacted by the Legislature of the State of Kansas:*

12 Sec 1. (a) All moneys received by the department of wildlife and
13 parks from sources other than those identified and restricted in K.S.A.
14 32-990, 32-991, 32-992, 32-993, 32-994 and 32-1173, and amendments
15 thereto, or identified and allocated to a restricted fund by any appropri-
16 ation act, shall be remitted to the state treasurer in accordance with the
17 provisions of K.S.A. 75-4215 and amendments thereto. The state trea-
18 surer shall deposit the entire amount of the remittance in the state treas-
19 ury and credit it to the wildlife and parks nonrestricted fund, which is
20 hereby created.

21 (b) All expenditures from the wildlife and parks nonrestricted fund
22 may be for federal aid eligible expenditures at the discretion of the
23 secretary.

24 ~~(c) On or before the 10th day of each month, the director of accounts~~
25 ~~and reports shall transfer from the state general fund to the wildlife and~~
26 ~~parks nonrestricted fund interest earnings based on:~~

27 ~~(1) The average daily balance of moneys in the wildlife and parks~~
28 ~~nonrestricted fund for the preceding month; and~~

29 ~~(2) the net earnings rate of the pooled money investment portfolio~~
30 ~~for the preceding month;~~

31 (d) All expenditures from the wildlife and parks nonrestricted fund
32 shall be made in accordance with appropriation acts upon warrants of the
33 director of accounts and reports issued pursuant to vouchers approved
34 by the secretary.

35 Sec 2. This act shall take effect and be in force from and after its
36 publication in the statute book.

House Appropriations
3-22-00
Attachment 3



STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

Office of the Secretary
900 SW Jackson, Suite 502
Topeka, KS 66612-1233
785/296-2281 FAX 785/296-6953



TO: Representative David Adkins, Chairperson, Committee on Appropriations

FROM: Steven A. Williams, Secretary of Wildlife and Parks

SUBJECT: Testimony on HB 2858

DATE: March 17, 2000

HB 2858 is new legislation which would assist the Kansas Department of Wildlife and Parks (KDWP) in maintaining compliance with federal aid requirements established by the U.S. Fish and Wildlife Service (USFWS). The KDWP has cooperated with the USFWS in developing an accounting procedure which allows the Department to maintain integrity of wildlife funds. By state and federal law, funds deposited into the Wildlife Fee fund must be used only for purposes related to wildlife. In addition, this procedure also allows the Department to appropriately maintain expenditures from the Park Fee Fund and the Boating Fee Fund in accordance with state law.

The provisions of HB 2858 have been provided for in the annual operations appropriation bill for the KDWP. These provisions allowed the KDWP to correct for diversion of funds in FY 1995, FY 1996, and FY 1997. Attached are copies of letters forwarded to legislative leadership, members of the Senate Ways and Means Committee, and to the Governor explaining how the KDWP corrected for diversion in those fiscal years. The actions taken by KDWP to correct diversion could not have been accomplished without the ability to exceed expenditure limitations as first established by the 1996 Legislature.

The 2000 Legislature has included the requested legislation as provisos in the FY 2001 operations appropriation bill, as introduced (HB 2994, Sec. 67). The KDWP is requesting that this language be deleted and that HB 2858 be passed. The actions required by KDWP to correct for diversion are not a "one-year" or temporary action. The organization of the KDWP with programs for wildlife, parks, and boating will require that similar action be taken each fiscal year to correct for potential diversion. Currently, the KDWP, as required by the USFWS, is correcting for diversion on a monthly basis. It is possible that the cumulative total of these adjustments will require the KDWP to exceed established expenditure limitations for a given year. Attached to the testimony provided to the Committee is a table which provides an example of the program adjustments required by the USFWS.

If you have any questions, please advise. Thank you for your support.

Attachments

House Appropriations
3-22-00
Attachment 4

SAMPLE OF FEDERAL AID PROGRAM ADJUSTMENTS

	BUDGET AMOUNT	ACTUAL EXPENDITURES	DIVERSION AMOUNT	"FIX"	
Direct Program Expenses: (88%)					
Wildlife Program	70	65		65	
Parks Program	20	25		25	
Boating Program	10	10		10	
Total	100	100		100	
Indirect or Overhead Expenses: (12%)					
Wildlife Funding	70	70	5	65	-5
Parks Funding	20	20	-5	25	5
Boating Funding	10	10		10	
Total	100	100		100	

FOOTNOTES:

(1) The diversion of funds occurs in indirect or administrative expenses.

(2) The above numbers are not actual but for example only.



STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

Office of the Secretary
900 SW Jackson, Suite 502
Topeka, KS 66612
913/296-2281 FAX 913/296-6953



August 25, 1997

The Honorable Bill Graves, Governor
State of Kansas
State Capitol Building
Topeka, Kansas 66612

Senator Dick Bond, President of the Senate
Senate Chamber
State Capitol Building
Topeka, Kansas 66612

Representative Tim Shallenburger
Speaker of the House
House of Representatives
State Capitol Building
Topeka, Kansas 66612

Gentlemen:

The 1996 Legislature authorized the Kansas Department of Wildlife and Parks to exceed established limits of appropriations for certain funds for the purposes of compensating federal aid program expenditures if necessary in order to comply with requirements established by the United States Fish and Wildlife Service for the utilization of federal aid funds. This authority is contained in 1996 Session Laws of Kansas, Chapter 191, Section 144(b). In addition, the KDWP is required to report all such expenditures to the Governor and the Legislature as appropriate.

For FY 1997, the KDWP was required to exceed the established expenditure limitation on the Wildlife Fee Fund by \$25,179. This amount will fully compensate FY 1997 federal aid and restricted funds expenditures for any diversion that occurred during the fiscal year. Please accept this notification as compliance with the requirements of Chapter 191, Section 144(b). If you require additional information, please advise.

Sincerely,

Steve Williams, Secretary
Kansas Department of Wildlife and Parks

WP\sec144b

bcc: Dick Koerth
Jerry Hazlett
Mike Theurer
Rob Manes



STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

Office of the Secretary
900 SW Jackson, Suite 502
Topeka, KS 66612
913/296-2281 FAX 913/296-6953



September 19, 1996

The Honorable Bill Graves, Governor
State of Kansas
State Capitol Building
Topeka, Kansas 66612

Senator Bud Burke, President of the Senate
Senate Chamber
State Capitol Building
Topeka, Kansas 66612

Representative Tim Shallenburger
Speaker of the House
House of Representatives
State Capitol Building
Topeka, Kansas 66612

Gentlemen:

The Kansas Department of Wildlife and Parks (KDWP) has resolved the issues associated with diversion of wildlife funds to inappropriate uses. The U.S. Fish and Wildlife Service (USFWS) has certified the KDWP as capable of utilizing wildlife funds in an appropriate manner without supervision from the Service. The KDWP will utilize its financial management system to monitor for diversion and make the adjustments if necessary.

In correspondence dated August 27, 1996, I notified members of the Legislature that the KDWP had corrected identified diversion for FY 1995 and FY 1996 by using Department special revenue funds. The reason that the KDWP was able to accomplish the necessary corrections was due to the appropriation language approved by the Governor and the Legislature during the 1996 Session. The appropriation language contained in 1996 Session Senate Bill No. 95 (1996 Session Laws, Chapter 191, Section 44(c)) allowed the KDWP to exceed the established FY 1996 expenditure limitation for the Boating Fee Fund to correct for the diversion of wildlife funds in FY 1995 and the diversion of park funds in FY 1996.

The above-referenced legislation requires the KDWP to notify the Governor and the Legislature of expenditures that exceed established expenditure limitations and were made for the purpose of compensating federal aid program expenditures. For FY 1996, the KDWP exceeded the expenditure limitation established by the 1995 Legislature on the Boating Fee Fund. The

amount of increased expenditures were \$276,929 and were made to correct diversion of wildlife funds, \$263,835, and park funds, \$13,094.

Please accept this notification as compliance with the requirements of Chapter 191, Section 44(c), as contained in the 1996 Session Laws of Kansas. If you require additional information, please advise.

Sincerely,

A handwritten signature in cursive script that reads "Steve Williams".

Steve Williams, Secretary
Kansas Department of Wildlife and Parks

WP\sec44c

**FOURTEEN FREQUENTLY ASKED QUESTIONS CONCERNING
THE INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION**

1. A probation and parole interstate compact already exists. Why should we replace it?

Answer: The existing Parole and Probation Interstate Compact was created in 1937 when only a few thousand offenders were being supervised in states other than where they were sentenced. Today that number exceeds a quarter of a million parolees and probationers. The existing compact authority and structure are seriously outdated. Evidence includes:

- Lack of knowing who moves when;
- Lack of agreement between states regarding what supervision means;
- Lack of capability to notify victims, communities and law enforcement officials of the movement of offenders; and
- Lack of any organization to identify failures to comply, resolve reasons for non-compliance, modify compliance requirements, or enforce compliance if that becomes necessary.

Some states have recently, through legislation or executive order, created their own criteria that are not consistent with requirements of the compact. The very real danger is that the existing compact will become so dysfunctional that a nationwide system for tracking and monitoring this population will not exist. The proposed Interstate Compact for Adult Offender Supervision will create the authority and structure to effectively manage the movement of adult parolees and probationers among member states.

2. We keep hearing that there are over a quarter of a million parolees and probationers in states other than where they were sentenced. How reliable is that number and is it changing?

Answer: Nobody can accurately answer this question. The lack of reliable interstate data has long been a problem. The NIC Information Center completed a survey of states at the very beginning of this project. It did not include data from compact members Puerto Rico or the Virgin Islands, which would have increased the totals slightly. This is still the most current and comprehensive interstate movement data available. Some results are reflected in the attachment titled: "Table 1. Compact Populations, June 30, 1997". The number of individual cases being supervised in other states totaled 115,362. This number does not include parolees and probationers who had been issued travel permits, figures that were impossible to gather. Travel permits are cases not officially transferred, even though the parolee or probationer has been authorized to travel to another state for a period of time. The universal opinion of compact and agency administrators consulted was that more individuals were in the travel category than in the actually supervised group. Therefore, we doubled the 115,362 and have talked about a quarter of a million offenders. There is strong reason to believe that in June 1997, the interstate compact

had involvement in something more than the quarter of a million cases where adult parolees and probationers were in states other than where they were sentenced. Nobody will even hazard a guess as to the additional number of convicted adult offenders going to other states outside knowledge of compact authorities.

In November 1999, several compact administrators were asked to provide the same type of information as reported two years earlier. Responses were received from Georgia, Massachusetts, Minnesota, the District of Columbia, Oklahoma and North Carolina. Four of the six reported increases, with an overall increase of greater than 17%. This does not represent a defensible research finding, but it does support conventional wisdom that the number of adult parolees and probationers being supervised in other states continues to increase.

3. Will this proposed revision eliminate the problems experienced under the current compact, and how will compliance by member states be assured?

Answer: Nobody can guarantee elimination of all problems experienced under the current compact. The proposed compact will have in place a staff and committee structure that will permit swift identification of potential problems and a manageable process for addressing concerns of member states in a timely manner. This ability to attend to compliance concerns at early stages should identify and avert major conflicts.

In regard to authority, the revised compact clarifies that the member states have a contractual obligation to comply with the terms of the compact as well as the By-laws and all rules promulgated by the Interstate Commission. Various tools are provided in the amended language (Article XII, Sec. B) providing for compliance and enforcement of the compact. These range from technical assistance, mediation and arbitration to suspension, termination, imposition of financial penalties, and legal action in federal court which will result in recovery of legal fees and costs by the prevailing party.

4. What happens if my state does not pass the compact? Will we still be able to send and receive parolees and probationers?

Answer: This question was carefully considered at the time a decision was made to propose a new compact and it presents perhaps the most difficult challenge. An interstate compact is a contract between signatory states. The purpose of the existing and proposed compacts is to manage the interstate movement of parolees and probationers. The current compact is one of a very few existing "fifty state compacts" (plus the District of Columbia, Puerto Rico, and the Virgin Islands), and the hope is that the proposed compact will likewise become law in all states and territories within a short period of time.

When a state is one of at least 35 to pass the proposed compact and it is after July 1, 2001, that state will no longer be a party to the existing compact and their "contractual relationship" with other states will be limited to others who have also passed the new compact. Unless states that have not passed the new compact take action to repeal the existing law, they will still have a legal compact relationship with other states that remain under the old compact. Hopefully that confusing situation will not last for long, and it would be surprising if states not passing the new compact would continue to function as a compact (although it would be possible and the existing/unrepealed compact would still be technically binding among the remaining states). It is also possible for a state to repeal the current compact and not pass the proposed compact, thereby not having any agreements with other states on this matter at all.

The proposed compact includes the following language to address transition concerns:

- Article IX, Sec. B: "The Interstate Commission shall attempt to resolve any disputes or other issues which are subject to the Compact and which may arise among Compacting and Non-compacting states".
- Article XI reads in part: "The governors of Non-member states or their designees will be invited to participate in Interstate Commission activities on a non-voting basis prior to adoption of the compact by all states and territories of the United States".

Regardless of the intent of the above provisions, absent an agreement between states "no rules apply". Therefore, a state that is not a party to a compact may send their probationers and parolees to other states without constraint. Likewise, all other states may send their probationers and parolees to that state without permission, rules or notice.

5. Have governors and attorneys general received information about the proposed compact, and has it been reviewed for legality?

Answer: Governors and attorneys general will be mailed briefing packets and videos in mid-November, 1999, simultaneous to the briefing for state legislators. No specific national briefings for governors or attorneys general have been scheduled, but presentations could be arranged through professional associations and staff.

Attorneys with specific interstate compact expertise were instrumental in the drafting of the proposed compact. Much of the detailed language and authority is drawn from existing compacts that have withstood legal challenge and scrutiny.

6. Why is it Necessary to Have State Councils?

Answer: State Councils address at least three significant problems:

- Interstate supervision is often unknown outside the agency or agencies where Deputy Compact Administrators work, and these individuals are often not at policy making levels within their

organization. Consequently, in many states there is scant awareness that interstate issues are a significant public concern until a horrendous crime occurs.

- Each state has one designated Compact Administrator, yet Interstate Compact compliance is not exclusively an issue for any one state agency. In many instances parole and probation supervision takes place in separate agencies within the executive branch, or in different (executive and judicial) branches and levels (state and county) of government. Extradition funding and decision making may be administered elsewhere. Judges and parole boards are obligated to observe Compact rules regardless of where Compact administration is housed. An ongoing awareness of interstate supervision issues is necessary at several points within state government.
- Interstate supervision is a public policy concern of such significance that it merits a working knowledge on the part of the required State Council membership, including victims of crime. However, the precise State Council role and membership remain for individual states to determine.

Few state governments have specifically identified how to deliberately manage and fund the controlled movement of offenders into and out of their state.

7. We understand that the National Commission will write the by-laws and regulations after the revised compact becomes operational. Isn't that expecting us to "sign up blindly" before we know the rules. Why is this necessary?

Answer: A primary value maintained throughout the drafting process is that managing the interstate movement of adult parolees and probationers sentenced in state and local courts is properly the responsibility of states, and not the federal government. The most effective way to manage the movement of offenders is through an enforceable compact between states that results from member states' ongoing participation in administrative and rule-making duties. Herein lies the "Catch 22". States, through the National Commission, cannot write the rules and regulations until the new compact exists and the initial member states are known. However, that also means that states must pass the legislation and then trust the process for Commission members to write appropriate rules during the compact's first year of existence. The alternative would be to have the drafters write all the rules without the full participation of states, and the only way they could be changed in the future would be for every state legislature to act on adopting the changes.

This new compact will create a governing structure with the capacity and authority to effectively manage rule making and compliance by member states. Rule making authority is left to representatives of those states that choose to pass the legislation. The Compact creates a process for rules to be made and enforced, and when necessary to be modified without returning to each state legislature. However, as a safeguard of states authority the drafters created a provision for a majority of state legislatures to nullify any rule passed by the National Commission.

8. What control will states have over the National Commission if we don't agree with what they are doing?

Answer: It is important to remember that the National Commission is comprised of one voting representative from each member state. A representative of the legislative branch is required to be on the State Council, and all proposed rules of the National Commission are required to be published in advance. Therefore, your state will have opportunity for input before a vote is taken, and any member state will have the opportunity to have their position heard and to vote for passage or rejection of rules, By-laws and routine business. The standard for passage is a majority of members present at a meeting, unless a greater percentage is established in the By-laws (Article VII).

Three relevant provisions are also included:

- Article VIII concerning individual rules: "If a majority of the legislatures of the Compacting States rejects a Rule, by enactment of a statute or resolution in the same manner used to adopt the compact, then such Rule shall have no further force and effect in any Compacting State".
- Article XI concerning amending the compact itself: "Amendments to the Compact may be proposed by the Interstate Commission for enactment by the Compacting States. No amendment shall become effective and binding upon the Interstate Commission and the Compacting States unless and until it is enacted into law by unanimous consent of the Compacting States."
- Article XII: "...a Compacting State may withdraw from the Compact by enacting a statute specifically repealing the statute which enacted the Compact into law."

9. Can we change any of the language in the proposed compact, or must all states use the same precise language? Can my state pass only certain parts of the revised compact?

Answer: Generally the compact language must be identical with regard to the substantive provisions of the agreement. Since the compact is contractual in nature, there must be a "meeting of the minds" as to the terms of the agreement in order for it to take effect. While allowances may be made for the format for introduction of the bill containing the operative language of the agreement, any material differences in language in any state statute purporting to adopt the compact could render it "void" or "voidable" as to that state.

10. How important is it to pass this legislation early rather than waiting to see what rules and by-laws are created by the National Commission?

Answer: Many of the critical decisions that will shape the new compact must be made during the first twelve months of existence (Articles V and VIII). Only member states will be permitted to vote; therefore, states joining after July 1, 2001 (or after the 35th state if later than 7/01) will

inherit the product of decisions made by those states that were initial members. Interests of individual states are best served at the table when decisions are being shaped and adopted.

Additionally, there will be a challenging and time pressured transition to the time when the new compact will become operational. It is expected that preliminary transition meetings and planning will take place once states begin passing the legislation but before it takes effect. While binding decisions will not be made during this phase, much of the thinking and planning will be shaped during this period. All states will be eligible to participate in this phase, but it will be a more relevant activity for those states that have actually passed the legislation.

11. What are some of the state specific decisions that must be made when the legislation is passed?

Answer: A separate two page attachment has been prepared to address this question. See: "Key Decisions States Must Make When Enacting the Compact".

12. Aren't we creating an expensive bureaucracy without the promise of anything better than what we already have?

Answer: Key issues for the existing compact are accountability for member states and the ability to enforce compact rules. An interstate compact that cannot assure compliance by member states has been described as a "toothless tiger". Despite remarkable efforts by those working in compact administration to hold the system together, governance issues have moved to the point that more compact authority is essential for the agreement between states to function effectively. This leads to the need for a national office to attend to administrative issues. Nothing in the drafting process requires an expansive bureaucracy, although it will create an administrative structure that will hold member states accountable for compliance. Given the degree of dissatisfaction with the current compact, many feel that a realistic question is whether the existing compact could survive if it is not replaced quickly.

13. 13 How much will this cost my state, and what will the money go for?

Answer:

Based on a preliminary estimate contained within the fiscal note, the start-up costs to establish the National Commission will cost approximately \$1.4 million. Support for the National Commission will come from state dues as determined by a formula contained in the compact. Funding support for each State Council will be determined by individual states based on their specific needs and circumstances, (e.g. some states currently have existing mechanisms and/or

councils that could absorb the duties of the proposed State Councils with some minor modifications.)

14. On an ongoing basis, where can we get current and reliable information about this proposed compact and its' current status in jurisdictions around the country?

Answer: Current documents may be found at <http://www.nicic.org/inst/compact2000.htm>

Questions may be directed to:

- Kermit Humphries, National Institute of Corrections
phone: 800/995-6423, ext. 136; e-mail: khumphries@bop.gov
- OR -
- John Mountjoy, The Council of State Governments
phone: 606/244-8256; e-mail: jmountjoy@csg.org

Table 1. Compact Populations, June 30,1997

	Individual Cases Being Supervised in Other States			Individual Cases Being Supervised for Other States			Net Flow of Cases	
	Probation	Parole	Total	Probation	Parole	Total	Cases gained or (lost)	Case flow ratio
Alabama	814	284	1,098	1,395	463	1,858	760	1.69
Alaska	—	—	380	—	—	208	(170)	0.55
Arizona	1,456	300	1,756	1,295	504	1,799	43	1.02
Arkansas	1,494	580	2,074	2,018	479	2,497	450	1.20
California	5,368	2,432	7,800	7,704	1,248	8,952	1,152	1.15
Colorado	1,979	428	2,407	2,066	319	2,385	(22)	0.99
Connecticut	911	125	1,036	1,264	211	1,475	439	1.42
Delaware	1,289	51	1,340	3,348	851	4,199	2,859	3.13
D.C.	802	212	1,014	945	248	1,193	179	1.18
Florida	5,599	815	6,414	3,726	1,469	5,195	(1,219)	0.81
Georgia	3,618	1,536	5,154	4,418	733	5,151	(3)	1.00
Hawaii	562	128	690	146	46	192	(498)	0.28
Idaho	799	200	999	340	113	453	(546)	0.45
Illinois	3,500	1,336	4,836	3,500	854	4,354	(482)	0.90
Indiana	773	310 ²	1,083	954	630 ²	1,584	501	1.46
Iowa	517	241	758	1,041	225	1,266	508	1.67
Kansas	1,124	948	2,072	868	308	1,176	(896)	0.57
Kentucky	1,313	1,086	2,399	847	496	1,343	(1,056)	0.56
Louisiana	1,472	1,272	2,744	1,615	563	2,178	(566)	0.79
Maine	169	10	179	200	87	287	108	1.60
Maryland	2,041	563	2,604	1,907	657	2,564	(40)	0.98
Massachusetts	950	403	1,353	1,563	286	1,849	496	1.37
Michigan	1,225	411	1,636	1,880	586	2,466	830	1.51
Minnesota	1,191	65	1,256	1,383	283	1,666	410	1.33
Mississippi	963	289	1,252	1,244	540	1,784	532	1.42
Missouri	2,942	1,384	4,326	1,486	1,226	2,712	(1,614)	0.63
Montana	707	100	807	319	87	406	(401)	0.50
Nebraska	307	647	954	79	158	237	(717)	0.25
Nevada	1,560	518	2,078	944	462	1,406	(672)	0.68
New Hampshire	378	173	551	265	67	332	(219)	0.60
New Jersey	—	652	[652]	—	349	[349]	(303)	0.54
New Mexico	733	222	955	848	241	1,089	134	1.14
New York	7,225	2,252	9,477	6,180	985	7,165	(2,312)	0.76
North Carolina	4,948	447	5,395	4,342	1,828	6,170	775	1.14
North Dakota	347	22	369	235	55	290	(79)	0.79
Ohio	1,563	439	2,002	1,655	875	2,530	528	1.26
Oklahoma	1,818	466	2,284	3,451	1,483	4,934	2,650	2.16
Oregon	—	—	2,000	—	—	2,000	0	1.00
Pennsylvania	189	2,111	2,300	1,354	542	1,896	(404)	0.82
Rhode Island	981	166	1,147	217	97	314	(833)	0.27
South Carolina	1,602	641	2,243	1,372	475	1,847	(396)	0.82
South Dakota	390	192 ²	582	375	39 ²	414	(168)	0.71
Tennessee	1,200	635	1,835	1,803	541	2,344	509	1.28
Texas	8,312	3,199	11,511	3,473	2,111	5,584	(5,927)	0.48
Utah	285	226	511	429	143	572	61	1.12
Vermont ²	100	10	110	420	30	450	340	4.09
Virginia	3,724	1,105	4,839	1,890	743	2,633	(2,196)	0.54
Washington	735	30	765	1,600	695	2,295	1,530	3.00
West Virginia	164	225	389	478	178	656	267	1.69
Wisconsin	1,857	623	2,480	1,069	286	1,355	(1,125)	0.55
Wyoming	390	86	476	300	85	385	(91)	0.81
TOTALS	82,386	30,586	115,362	80,251	25,980	108,439		

1. This figure is the ratio of cases received to cases sent. A value of 1.00 indicates balanced flow; values less than 1 represent a net "export" of cases, and figures greater than 1 show a net "import" of cases.

2. Supplemental data for Indiana and South Dakota parole and Vermont probation and parole were obtained from *The Corrections Yearbook* (South Salem, New York: Criminal Justice Institute, 1997). Data are as of January 1, 1997.

HOUSE BILL No. 3042

By Committee on Appropriations

3-16

PROPOSED AMENDMENTS
Recommended by Social Services Budget Committee
March 22, 2000

House Appropriations
3-22-00
Attachment 6

9 AN ACT establishing an intergovernmental transfer program; concern-
10 ing nursing facilities owned and operated by units of government; relat-
11 ing to the federal medical assistance (medicaid) program; establish-
12 ing an intergovernmental transfer fund, an intergovernmental transfer
13 administration fund, a long-term care loan fund, a senior services trust
14 fund and a senior services fund within the state treasury; authorizing
15 certain participation agreements, loans, grants and contracts; amend-
16 ing K.S.A. 75-5321a and repealing the existing section.
17

relating to the medicaid state plan;

and grant

, an HCBS programs fund, a medicaid services matching fund and a
special education services aid fund

18 *Be it enacted by the Legislature of the State of Kansas:*

19 Section 1. K.S.A. 75-5321a is hereby amended to read as follows: 75-
20 5321a. The secretary of social and rehabilitation services shall take nec-
21 cessary actions to transfer the administration of certain long-term care
22 programs and services to the secretary of aging. The programs shall in-
23 clude the nursing facility services payment program, the home and com-
24 munity based nursing facility services for the frail elderly waiver program,
25 the case management for the frail elderly program and the income eligible
26 (home care) program. Excluding nursing facility programs, the programs
27 to be transferred shall not include long-term care programs for individuals,
28 under the age of 65 with mental illness, mental retardation, other mental
29 disabilities or physical disabilities. All such transfers shall be made only
30 in accordance with federal grant requirements related to such programs.

31 New Sec. 2. (a) The secretary of social and rehabilitation services and
32 the secretary of aging shall take necessary actions to establish an inter-
33 governmental transfer program as a part of the nursing facility services
34 payment program within the medicaid state plan.

35 (b) In implementing the intergovernmental transfer program, the
36 secretary of aging shall disburse moneys received from the federal gov-
37 ernment for the intergovernmental transfer program and moneys trans-
38 ferred from the state general fund to the intergovernmental transfer fund
39 for the program to units of government which have entered into partic-
40 ipation agreements with the secretary of aging and the secretary of social
41 and rehabilitation services. The amount of moneys disbursed to the units
42 of government from moneys transferred from the state general fund to
43 the intergovernmental transfer fund for the program shall not exceed the

1 amount necessary to match federal funds available to the state under the
2 intergovernmental transfer program. The secretary of aging shall peri-
3 odically calculate the amount of federal funds available under the pro-
4 gram according to the methodology prescribed for the intergovernmental
5 transfer program in the medicaid state plan.

6 (c) The secretary of social and rehabilitation services and the secre-
7 tary of aging are authorized to enter into intergovernmental transfer pro-
8 gram participation agreements with units of government which own and
9 operate nursing facilities. The participation agreements may permit the
10 units of government to retain a participation fee specified by the secretary
11 of aging from moneys received under the intergovernmental transfer pro-
12 gram which are otherwise required to be transferred back to the secretary
13 of aging.

14 (d) (1) There is hereby established the intergovernmental transfer
15 fund in the state treasury which shall be administered by the secretary of
16 aging in accordance with this act. All expenditures from the intergovern-
17 mental transfer fund shall be to disburse the state match amount under
18 the intergovernmental transfer program and shall be made in accordance
19 with appropriation acts upon warrants of the director of accounts and
20 reports issued pursuant to vouchers approved by the secretary of aging
21 or the secretary's designee. Subject to the provisions of appropriation acts,
22 when the secretary of aging determines that an amount of federal med-
23 icaid moneys is available for the intergovernmental transfer program, the
24 secretary of aging shall determine the amount required as the state match
25 and shall certify that amount to the director of accounts and reports. Upon
26 receipt of each such state match certification, the director of accounts
27 and reports shall transfer the amount certified by revenue transfer from
28 the state general fund to the intergovernmental transfer fund. Upon the
29 crediting of such state match amount in the intergovernmental transfer
30 fund, the secretary of aging shall disburse the amount of federal moneys
31 and the state match amount to the units of government that have entered
32 into participation agreements under the program.

33 (2) Each unit of government receiving a disbursement under the in-
34 tergovernmental transfer program shall reimburse the amount of money
35 received, less the amount of the participation fee, to the secretary of
36 aging. Upon receipt of each amount of moneys from participating units
37 of government under the intergovernmental transfer program, the sec-
38 retary of aging shall deposit the entire amount in the state treasury to the
39 credit of the intergovernmental transfer fund. The secretary of aging shall
40 determine the amount of each such deposit that was transferred from the
41 state general fund to match medicaid federal funds under the intergov-
42 ernmental transfer program and shall certify such amount to the director
43 of accounts and reports. Upon receipt of each such certification, the di-

1 rector of accounts and reports shall retransfer the amount certified from
the intergovernmental transfer fund to the state general fund.

4 (e) There is hereby established the intergovernmental transfer ad-
5 ministration fund in the state treasury which shall be administered by the
6 secretary of aging in accordance with this act. All expenditures from the
7 intergovernmental transfer administration fund shall be to pay the costs
8 of administering the intergovernmental transfer program and shall be
9 made in accordance with appropriation acts upon warrants of the director
10 of accounts and reports issued pursuant to vouchers approved by the
11 secretary of aging or the secretary's designee. The secretary of aging shall
12 recover the costs of administering the intergovernmental transfer pro-
13 gram from the intergovernmental transfer fund by certifying the amount
14 of such costs to the director of accounts and reports each calendar quar-
15 ter. Upon receipt of each certification of costs from the secretary of aging
16 under this subsection, the director of accounts and reports shall transfer
17 the amount certified from the intergovernmental transfer fund to the
intergovernmental transfer administration fund.

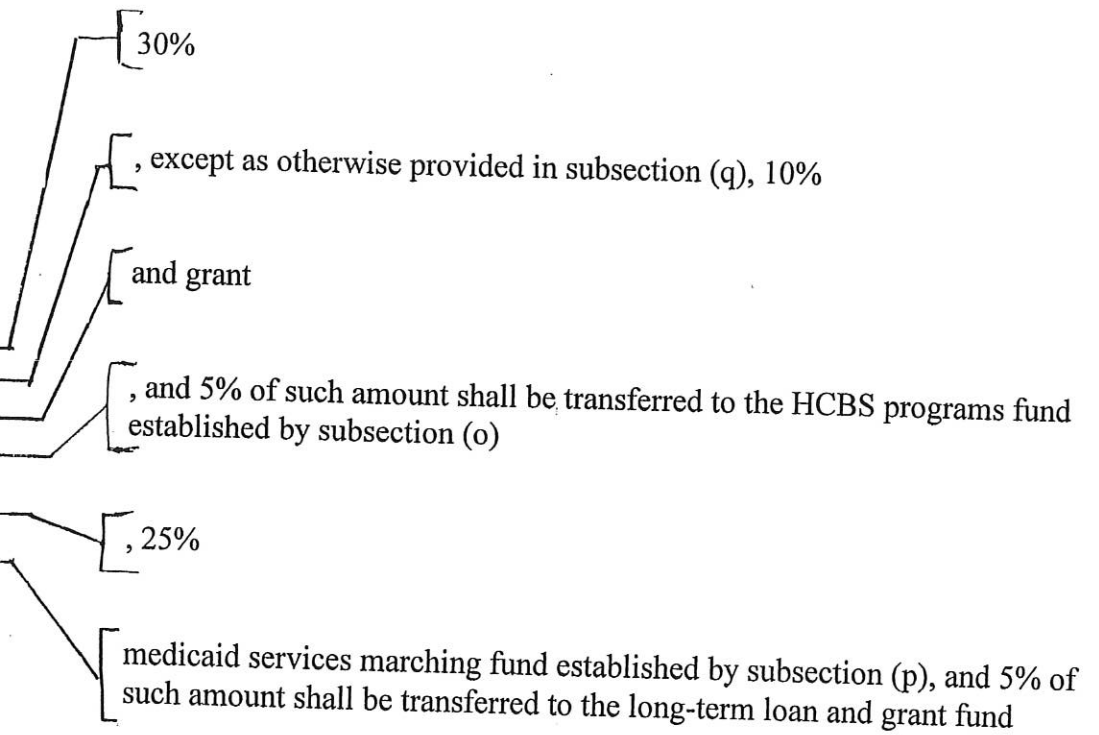
18 (f) After each amount of moneys is credited to the intergovernmental
19 transfer fund and the amount of the state match that had been transferred
20 from the state general fund has been transferred back to the state general
21 fund pursuant to subsection (d)(2), and after the transfer of the amount
22 certified by the secretary of aging to the intergovernmental transfer ad-
23 ministration fund pursuant to subsection (e), if any, the director of ac-
24 counts and reports shall transfer the remaining amount in the intergov-
25 ernmental transfer fund as follows:

26 (1) During the period from the effective date of this act through June
27 30, 2001, 60% of such amount shall be transferred to the senior services
28 trust fund established by section 3 and amendments thereto, ~~25%~~ of such
29 amount shall be transferred to the state general fund ~~and 15%~~ of such
30 amount shall be transferred to the long-term care loan ~~fund established~~
31 by subsection (h) and

32 (2) after June 30, 2001, 70% of such amount shall be transferred to
33 the senior services trust fund ~~and 30%~~ of such amount shall be transferred
34 to the ~~state general fund~~

35 (g) There is hereby established the senior services fund in the state
36 treasury which shall be administered by the secretary of aging in accord-
37 ance with this act. All expenditures from the senior services fund shall be
38 made in accordance with appropriation acts upon warrants of the director
39 of accounts and reports issued pursuant to vouchers approved by the
40 secretary of aging or the secretary's designee. Moneys in the senior serv-
41 ices fund shall be used by the secretary of aging only for projects intended

42 1) to reduce future medicaid costs to the state, (2) to help seniors avoid
premature institutionalization, (3) to improve the quality of care or the



1 quality of life of seniors who are customers of long-term care programs,
 2 or (4) to satisfy state matching requirements for senior service programs
 3 authorized by federal law. Moneys credited to the senior services fund
 4 from income of investments of the moneys in the senior services trust
 5 fund shall not be used to create or fund any entitlement program not in
 6 existence on the effective date of this act.

7 (h) There is hereby established the long-term care loan fund in the
 8 state treasury which shall be administered by the secretary of aging in
 9 accordance with this act. All expenditures from the long-term care loan
 10 fund shall be made in accordance with appropriation acts upon warrants
 11 of the director of accounts and reports issued pursuant to vouchers ap-
 12 proved by the secretary of aging or the secretary's designee. Moneys in
 13 the long-term care loan fund shall be used to make loans under the long-
 14 term care loan program developed by the secretary of aging in accordance
 15 with this section.

16 (i) The secretary of aging is hereby authorized to develop and imple-
 17 ment a long-term care loan program in accordance with this section. Sub-
 18 ject to the provisions of this section and the provisions of appropriation
 19 acts, the secretary of aging may enter into loan agreements for market-
 20 rate, low-interest or no-interest, fully or partially secured or unsecured
 21 loans with repayment provisions and other terms and conditions as may
 22 be prescribed by the secretary under such program. Loans under the
 23 long-term care loan program may be made for the following:

- 24 (1) Converting all or parts of some types of licensed adult care homes
- 25 from their existing licensure types to different licensure types to meet
- 26 demonstrated changing service demands in their communities;
- 27 (2) converting private residences to licensed homes plus facilities, as
- 28 defined by K.S.A. 39-923 and amendments thereto;
- 29 (3) converting space in rural hospitals to hospital-based long-term
- 30 care facilities;
- 31 (4) improving some types of licensed adult care homes;
- 32 (5) rural hospitals contracting for physician, physician assistant or li-
- 33 censed professional nurse services; or
- 34 (6) building congregate housing for seniors in Kansas cities with pop-
- 35 ulations of 2,500 or less.

36 (j) The secretary of aging may consider the following factors to pri-
 37 oritize and select loans under the long-term care loan program and pro-
 38 jects financed from the senior services fund:

- 39 (1) Type of loan — higher interest is preferable to lower interest and
- 40 more secured is preferable to less secured;
- 41 (2) location — rural is preferable to urban or suburban;
- (3) availability and utilization of the same type of facilities or services
 in the proposed loan or project area;

and grant

and grants

and grant

the quality of care provided by

and grants

and grant programs

1 (4) type of facility owner or borrower — unit of government, ~~Kansas~~
2 not-for-profit, ~~Kansas for-profit, foreign not-for-profit, foreign~~ for-profit
3 organizations, and individuals, in that order of preference; and

organizations,

4 (5) type of research project organization — geriatric schools or pro-
5 grams in Kansas colleges or universities, Kansas colleges or universities,
6 educational foundations, foreign colleges or universities, Kansas not-for-
7 profit organizations, Kansas for-profit organizations, foreign not-for-profit
8 organizations, foreign for-profit organizations, and individuals, in that or-
9 der of preference.

10 (k) All moneys received from repayments of principal and interest of
11 any loan made under this act shall be deposited in the state treasury and
12 credited to the long-term care loan fund within the state treasury and
13 used to make new loans. The repayment of a loan or of a senior services
14 fund project contract or grant may not be forgiven, in whole or in part,
15 except by an act of the legislature.

(1) The secretary on aging is hereby authorized to develop and implement a long-term care grant program in accordance with this section. Subject to the provisions of this section and the provisions of appropriation acts, the secretary of aging may make competitive matching grants under such terms and conditions as may be prescribed by the secretary under such program. Grants under the long-term care grant program may be made only from the amount of moneys received for interest payments under loan agreements under the long-term care loan program and credited to the long-term care loan and grant fund. Grants under the long-term care grant program may be made for the following:

16 ~~(l)~~ For purposes of this section, "units of government" and "units of
17 government which own and operate nursing facilities" which are eligible
18 to enter into intergovernmental transfer program participation agree-
19 ments shall be limited to cities of the first class, cities of the second class,
20 counties, hospital districts, or health care facilities and services hospital
21 districts which hold legal title to and are actively involved in the day-to-
22 day operations of any of the following:

- (1) Grants for improvements in the quality of case management services under home and community-based services (HCBS) programs and for improvements for adult care homes; and
- (2) financial assurance grants for community service providers under home and community-based services (HCBS) programs.

23 (1) Medicaid-certified nursing facilities and nursing facilities for men-
24 tal health, as defined in K.S.A. 39-923 and amendments thereto;

(m)

25 (2) medicaid-certified long-term care facilities which are operated in
26 connection with city hospitals established under K.S.A. 13-14b01 *et seq.*
27 and amendments thereto or K.S.A. 14-601 *et seq.* and amendments
28 thereto, county hospitals established under K.S.A. 19-4601 *et seq.* and
29 amendments thereto, or district hospitals established under K.S.A. 80-
30 2501 *et seq.* and amendments thereto; or

(n)

31 (3) medicaid-certified long-term care facilities operated under au-
32 thority of K.S.A. 80-2550 *et seq.* and amendments thereto.

33 ~~(m)~~ Entities eligible to apply for loans under the long-term care loan
34 program under this section shall be limited to the owners of:

35 (1) Licensed adult care homes, excluding nursing facilities for mental
36 health and intermediate care facilities for the mentally retarded, as de-
37 fined in K.S.A. 39-923 and amendments thereto;

38 (2) medicaid-certified licensed hospitals and medicaid-certified long-
39 term care facilities based in or operated in connection with licensed hos-
40 pitals as defined in K.S.A. 65-425 and amendments thereto;

41 (3) private residences which the owners will contract to convert into
42 licensed homes plus facilities, as defined in K.S.A. 39-923 and amend-
43 ments thereto, and in which the owners will reside after the conversion

1 and licensure; or

(4) congregate senior housing projects being built with loans in Kansas cities with a population of 2,500 or less.

4 New Sec. 3. (a) The board of trustees is responsible for the manage-
5 ment and investment of the senior services trust fund which is hereby
6 established in the state treasury. The board of trustees shall discharge the
7 board's duties relative to the fund for the exclusive purpose of providing
8 investment revenue for the purposes for which the fund moneys may be
9 used and defraying reasonable expenses of administering the fund. The
10 board shall invest and reinvest moneys in the fund and acquire, retain,
11 manage, including the exercise of any voting rights, and dispose of in-
12 vestments of the fund within the limitations and according to the powers,
13 duties and purposes as prescribed by this section.

14 (b) Moneys in the fund shall be invested and reinvested to achieve
15 the investment objective which is preservation of the fund to provide
16 income and accordingly providing that the moneys are as productive as
17 possible, subject to the standards set forth in this act. No moneys in the
18 fund shall be invested or reinvested if the sole or primary investment
19 objective is for economic development or social purposes or objectives.

20 (c) In investing and reinvesting moneys in the fund and in acquiring,
21 retaining, managing and disposing of investments of the fund, the board
22 of trustees shall exercise the judgment, care, skill, prudence and diligence
23 under the circumstances then prevailing, which persons of prudence, dis-
24 cretion and intelligence acting in a like capacity and familiar with such
25 matters would use in the conduct of an enterprise of like character and
26 with like aims by diversifying the investments of the fund so as to mini-
27 mize the risk of large losses, unless under the circumstances it is clearly
28 prudent not to do so, and not in regard to speculation but in regard to
29 the permanent disposition of similar funds, considering the probable in-
30 come as well as the probable safety of their capital.

31 (d) In the discharge of such management and investment responsi-
32 bilities the board of trustees may contract for services of one or more
33 professional investment advisors or other consultants in the management
34 and investment of moneys in the fund and otherwise in the performance
35 of the duties of the board of trustees under this act.

36 (e) The board of trustees shall require that each person contracted
37 with under subsection (d) to provide services shall obtain commercial
38 insurance which provides for errors and omissions coverage for such per-
39 son in an amount to be specified by the board of trustees. The amount
40 of such coverage specified by the board of trustees shall be at least the
greater of \$500,000 or 1% of the funds entrusted to such person up to a
maximum of \$10,000,000. The board of trustees shall require a person
contracted with under subsection (d) to provide services give a fidelity

(o) There is hereby established the HCBS programs fund in the state treasury which shall be administered by the secretary of aging. All moneys in the HCBS programs fund shall be used to reduce the waiting list for programs and services under the home and community-based services for the frail elderly (HCBS-FE) program and as otherwise provided by law. All expenditures from the HCBS programs fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of aging or the secretary's designee.

(p) There is hereby established the medicaid services matching fund in the state treasury which shall be administered by the secretary of aging. All moneys in the medicaid services matching fund shall be used to provide state matching funds for medicaid programs and services under the medicaid state plan. All expenditures from the medicaid services matching fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of aging or the secretary's designee.

(q) There is hereby established the special education services aid fund in the state treasury which shall be administered by the department of education. All moneys in the special education services aid fund shall be used for aid to school districts in accordance with the special education for exceptional children act and the provisions of appropriation acts. All expenditures from the senior services fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved as provided by law. During the period from the effective date of this act through June 30, 2001, of the amount of moneys that would otherwise be transferred to the state general fund pursuant to subsection (f)(1), the first \$14,600,000 shall be transferred to the special education services aid fund instead of the state general fund.

1 bond in a penal sum as may be fixed by law or, if not so fixed, as may be
fixed by the board of trustees, with corporate surety authorized to do
4 business in this state. Such persons contracted with the board of trustees
5 pursuant to subsection (d) and any persons contracted with such persons
6 to perform the functions specified in subsection (b) shall be deemed to
7 be fiduciary agents of the board of trustees in the performance of con-
tractual obligations.

8 (f) (1) Subject to the objective set forth in subsection (b) and the
9 standards set forth in subsection (c), the board of trustees shall formulate
10 and adopt policies and objectives for the investment and reinvestment of
11 moneys in the fund and the acquisition, retention, management and dis-
12 position of investments of the fund. Such policies and objectives shall be
13 in writing and shall include:

14 (A) Specific asset allocation standards and objectives;

15 (B) establishment of criteria for evaluating the risk versus the poten-
16 tial return on a particular investment; and

17 (C) a requirement that all investment advisors, and any managers or
18 others with similar duties and responsibilities as investment advisors, shall
19 immediately report all instances of default on investments to the board
20 of trustees and provide such board of trustees with recommendations and
21 options, including, but not limited to, curing the default or withdrawal
22 from the investment.

23 (2) The board of trustees shall review such policies and objectives,
24 make changes considered necessary or desirable and readopt such policies
25 and objectives on an annual basis.

26 (g) (1) Except as provided in subsection (d) and this subsection, the
27 custody of money and securities of the fund shall remain in the custody
28 of the state treasurer, except that the board of trustees may arrange for
29 the custody of such money and securities as it considers advisable with
30 one or more member banks or trust companies of the federal reserve
31 system or with one or more banks in the state of Kansas, or both, to be
32 held in safekeeping by the banks or trust companies for the collection of
33 the principal and interest or other income or of the proceeds of sale.

34 (2) The state treasurer and the board of trustees shall collect the
35 principal and interest or other income of investments or the proceeds of
36 sale of securities of the fund in the custody of the state treasurer and shall
37 pay such moneys when so collected into the state treasury to the credit
38 of the fund.

39 (3) The principal and interest or other income or the proceeds of sale
40 of securities of the fund as provided in paragraph (1) of this subsection
41 shall be reported to the state treasurer, the director of accounts and re-
ports and the board of trustees and credited to the fund.

(h) All interest or other income of the investments of the moneys in

1 the fund, after payment of any management fees, shall be considered
2 income of the fund and shall be withdrawn and deposited quarterly in
3 the state treasury to the credit of the senior services fund to be used by
4 the secretary of aging for the purposes permitted by section 2 and amend-
5 ments thereto.

6 (i) As used in this section:

7 (1) "Board of trustees" means the board of trustees of the Kansas
8 public employees retirement system established by K.S.A. 74-4905 and
9 amendments thereto.

10 (2) "Fiduciary" means a person who, with respect to the fund, is a
11 person who:

12 (A) Exercises any discretionary authority with respect to administra-
13 tion of the fund;

14 (B) exercises any authority to invest or manage assets of the fund or
15 has any authority or responsibility to do so;

16 (C) provides investment advice for a fee or other direct or indirect
17 compensation with respect to the assets of the fund or has any authority
18 or responsibility to do so;

19 (D) provides actuarial, accounting, auditing, consulting, legal or other
20 professional services for a fee or other direct or indirect compensation
21 with respect to the fund or has any authority or responsibility to do so;
22 or

23 (E) is a member of the board of trustees or of the staff of the board
24 of trustees.

25 (3) "Fund" means the senior services trust fund.

26 (4) With respect to the investment of moneys in the senior services
27 trust fund, "purposes for which the moneys may be used" means the
28 purposes for which the moneys in the senior services fund may be used,
29 as provided in section 2 and amendments thereto.

30 New Sec. 4. The board of trustees of the Kansas public employees
31 retirement system shall report to the governor and to the legislature on
32 the moneys credited to the senior services trust fund and investment
33 earnings thereon at least once each calendar quarter and on a monthly
34 basis upon request of the governor, the president of the senate or the
35 speaker of the house of representatives. The director of the budget and
36 the governor shall use the information in such reports in the preparation
37 of the governor's budget report under K.S.A. 75-3721 and amendments
38 thereto.

39 Sec. 5. K.S.A. 75-5321a is hereby repealed.

40 Sec. 6. This act shall take effect and be in force from and after its
publication in the Kansas register.