

Approved: By phone 12/08/00
Date

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 10:00 a.m. on April 20, for the purpose of consideration of the 2000 Omnibus bill. The meeting was continued on April 21, 24 & 25, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Downey excused on April 20 & 21

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD
All members of KLRD Staff
Norman Furse, Revisor of Statutes
Michael Corrigan, Asst. Revisor of Statutes
Judy Bromich, Administrative Assistant to the Chairman
Judy Swanson, Committee Secretary

Conferees appearing before the committee: The following were present to answer questions during deliberations:

Karla Pierce, Secretary of Revenue	Gloria Ross, KTEC
Myron Scafe, Racing Commission	Gregory Ziemak, Lottery Director
Duane Goosen, Budget Director	Janet Chubb, Sec. of State Office
Doug Farmer, Department of Aging	Neil Woerman, Attorney General Office
Walter Hendrix, CURB	Robert Chapman, JJA
Sue Peterson, KSU	Dale Dennis, Dept. of Education
Jerry Robbins, Ks Optometric Assn.	Jim Murphy, Ft. Hays University
Heather Whitley, Dept. of Human Resources	Laura Howard, SRS
Jeff Bottenberg Kansas Medical Society	Thaine Hoffman, State Architect Office
Jim Frazier, JJA	Kenneth Hale, JJA
Chuck Simmons, Dept. of Corrections	Barbara Tomes, Kansas Sentencing Commission
Kathy Greenly, Insurance Department	Albert Murray, JJA
Ellen Piekalkiewicz, Assn. of Comm. Health Centers	

Others attending: See attached lists

The Chairman announced he hoped that all work, with exception of tobacco money appropriations, Juvenile Justice Department building funds and Corrections Department, would be completed today and tomorrow, with remainder being completed next week.

Reed Holwegner, Legislative Research Department, reviewed the status of the water plan fund. (Attachment 1) Committee members' questions were answered.

Holwenger presented the House-Senate Conference Committee Recommendations on Agency Appropriations at First Adjournment and how those numbers compared with the Governor's recommendations. (Attachment 2) He also gave Adjustments to State General Fund Revenue Recommended by the Governor and not considered by the Legislature. (Attachment 3) A State General Fund Profile, which reflects Governor's Amended Recommendations, was given. (Attachment 4) He also gave Adjustments to State General Fund Profile Receipts and Expenditures. (Attachment 5) Holwenger then gave a State General Fund Profile as of first adjournment. (Attachment 6) After making adjustments a new State General Fund Profile was printed. (Attachment 7)

By financing additional tax auditors and collecting extra revenue another State General Fund Profile was drawn. (Attachment 8)

Reed Holwenger reviewed the following documents:

Items for Omnibus Consideration memo from Legislative Research Department ([Attachment 10](#))

(Also entered into text of these minutes with action taken on each item noted)

Letter from Director of Budget Duane Goosen offering budget corrections ([Attachment 11](#))

Letter from Governor Graves amending his budget ([Attachment 12](#))

Legislative Research's Tentative Schedule for Ways & Means Committee ([Attachment 13](#))

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December 6, 2000

ITEMS FOR OMNIBUS CONSIDERATION

State Treasurer

A. HB 2648 (Governor). One provision of HB 2648 provides that fees paid to the State Treasurer for services provided with the issuance of municipal bonds be credited to the Bond Services Fee Fund in lieu of the State General Fund. Conferees on HB 2559 (the original version of the proposal) indicated that operational efficiencies could be achieved if the Municipal Bond Services Program was operated on a fee basis. The fees for these services have generated between \$430,000 and \$610,000 in recent years. The approved FY 2001 budget for the Municipal Bond Services Program includes \$398,591 from the State General Fund. The State Treasurer has requested that the fees be allowed to accumulate in the Bond Services Fee Fund for a year and that the Municipal Bond Services Program be shifted to fee fund financing in FY 2002.

The Committee did not recommend this item.

B. GBA No. 1, Item 4—Local Ad Valorem Tax Reduction Fund (LAVTRF) Payments. Based on actual expenditures, GBA No. 1, Item 4 reduces FY 2000 transfers to the Local Ad Valorem Tax Reduction Fund by \$169,092. Both the House and the Senate recommended that this item be considered at Omnibus.

The Committee concurred with this item.

C. GBA No. 2, Item 11, Page 5 - Bond Service Fees.

The Committee concurred with this item.

D. GBA No. 2, Item 49, Page 22 - Agricultural Remediation Programs.

The Committee concurred with this item and added requests (1) and (3) from State Treasurer Tim Shallenburger. ([Attachment 14](#))

Department of Administration

A. S.B. 660 (Governor). S.B. 660 authorizes the issuance of up to \$40.0 million in bonds for the renovation of the State Capitol. Implementation of the bill requires the creation of

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a new special revenue fund in the Department of Administration in FY 2001 with a proviso authorizing the issuance of the bonds and the expenditure of the bond proceeds.

The Committee concurred with this item.

B. Public Broadcasting. The Senate Subcommittee on the budget for the Department of Administration recommended that funding to begin the implementation of digital broadcasting for the state's public broadcasting television stations in FY 2001 be reviewed at Omnibus. The Public Broadcasting Council estimates the initiative will cost \$48.3 million through FY 2004 and requests \$15.0 million from the state, with a minimum FY 2001 investment of \$1,450,000. Of this amount, the approved FY 2001 budget includes \$350,000.

C. GBA No. 2, Item 4, Page 3 - State Emergency Fund Transfer.

The Committee concurred with this item.

D. GBA No. 2, Item 5, Page 3 - Cost Increases at the State Motor Pool.

The Committee concurred with this item.

Recommended a proviso to the Dept. of Administration's budget which refers to the sale of the former Topeka State Hospital grounds. Expenditures may be made by the agency from the State Buildings Operating Fund for fiscal year 2001 for relocation of Blind Services and the Kansas Industries for the Blind subject to approval of State Finance Council. (Attachment 15)

Department of Revenue

A. S. B. 611 (Law). S.B. 611 creates several new categories of distinctive license plates, including public safety officers, the Kansas Foundation for Agriculture, and veterans plates for motorcycles. The agency estimates that \$34,082 from the Division of Vehicles (DOV) Operating Fund will be required FY 2001 for plate production and computer programming costs.

Committee did not agree. Take out of current balances and give higher expenditure limitation to cover amount.

B. H. B. 2561 (Law). H.B. 2561 creates a new category of motor vehicle certificate of title and incorporates two new kinds of title brands into the vehicle identification number statutes. The agency estimates that \$10,003 from the Division of Vehicles (DOV) Operating Fund will be required in FY 2001 for computer programming costs.

Committee did not agree. Take out of current balances and give higher expenditure limitation to cover amount.

C. H. B. 2883 (Law). H.B. 2883 creates a new crime for theft of motor fuel and requires suspension of driving privileges upon second and subsequent convictions. The agency estimates that \$33,292 from the Division of Vehicles (DOV) Operating Fund will be required in FY 2001 for computer programming costs.

Committee did not agree. Take out of current balances and give a higher expenditure limitation to cover amount.

D. Bills In Conference. Several bills impacting the operations of the Department of Revenue are currently pending in conference committee. These include S.B. 12 (sales information contained on appraised value notice), S.B. 59 (sales tax exemption for church

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contractors), S.B. 124 (adult care home property tax exemption), S.B. 226 (increased revenue from property taxes), S.B. 410 (taxation statutory compliance benefits and incentives), S.B. 429 (DUI suspension of drivers license), S.B. 502 (oil lease property tax refunds), H.B. 2037 (sales tax exemption for railroad and grain storage facilities) and H.B. 2259 (motor vehicle certificates of title). The fiscal notes associated with the various provisions currently included these bills range from no impact to in excess of \$1.0 million for implementation. Many of these bills have been in conference in excess of a year. The final administrative impact of the bills will be dependent on what provisions are adopted by the conference committee and enacted into law.

No action taken

E. Agency Other Operating Expenses. The Senate Committee recommended consideration at Omnibus of additional funding for FY 2001 other operating expenses for the agency. The approved budget for the agency includes a reduction of \$1.2 million in State General Fund financed other operating expenses from the agency's current services budget.

No action taken.

F. GBA No. 2, Item 9, Page 5 - Legal Defense Costs.

The Committee concurred with this item.

G. GBA No. 2, Item 10, Page 5 - Increase Compliance Activities.

The Committee concurred with this item.

Regents Systemwide

A. General Fees Fund (Tuition) Revised Estimates—Non-Tuition Accountability Institutions (also GBA No. 2, Item 31, pg. 15). Based on Spring 2000 enrollments, the institutions not participating in tuition accountability have submitted revised estimates of tuition revenues for both FY 2000 and FY 2001. The Consensus Tuition Estimating Committee (comprised of staff of the Board of Regents Office, Division of the Budget, and the Legislative Research Department) has concurred with the institutions' revised estimates.

For FY 2000, based on Spring enrollments, a net decrease in available tuition revenue totaling \$44,401 is projected. Based on these revisions, under traditional budgeting methods, State General Fund dollars of \$44,401 would be added to maintain institutional operating budgets at the approved levels. The table below shows the net increase or decrease in available tuition revenue at each institution based on the revised estimates.

For FY 2001, based on Spring enrollments, a net decrease in available tuition revenue totaling \$12,574 is projected. Based on these revisions, under traditional budgeting methods, State General Fund dollars of \$12,574 would be added to maintain institutional operating budgets at the approved levels. The table below shows the net increase or decrease in available tuition revenue at each institution based on the revised estimates.

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FY 2000 Revised Tuition Estimates

	<u>Amount Approved</u>	<u>Revised Estimate</u>	<u>Difference</u>
KU Medical Center	\$ 10,827,240	\$ 10,827,240	\$ 0
Emporia State University	8,569,036	8,601,263	32,227
Fort Hays State University	8,771,882	8,770,019	(1,863)
Pittsburg State University	10,663,103	10,588,338	(74,765)
TOTAL	<u>\$ 38,831,261</u>	<u>\$ 38,786,860</u>	<u>\$ (44,401)</u>

FY 2001 Revised Tuition Estimates

	<u>Amount Approved</u>	<u>Revised Estimate</u>	<u>Difference</u>
KU Medical Center	\$ 11,308,864	\$ 11,374,315	\$ 65,451
Emporia State University	9,106,432	9,140,028	33,596
Fort Hays State University	9,036,098	9,036,098	0
Pittsburg State University	11,335,978	11,224,357	(111,621)
TOTAL	<u>\$ 40,787,372</u>	<u>\$ 40,774,798</u>	<u>\$ (12,574)</u>

The Committee concurred with this item.

Fort Hays State University

A. Technical Adjustment. H. Sub. for S.B. 326 inadvertently over appropriated State General Fund financing for the university in FY 2001 by \$21,641.

The Committee concurred with this item.

Emporia State University

A. Technical Adjustment. H. Sub. for S.B. 326 inadvertently over appropriated State General Fund financing for the university FY 2001 by \$22,445.

The Committee concurred with this item.

Pittsburg State University

A. Technical Adjustment. H. Sub. for S.B. 326 inadvertently over appropriated State General Fund financing for the university FY 2001 by \$26,043.

The Committee concurred with this item.

University of Kansas Medical Center

A. Children's Initiative's Funding. The Conference Committee recommended the deletion of all funding from the Children's Initiatives Fund pending further review at Omnibus. The Governor recommends \$250,000 from the Fund in FY 2001 for the expansion of the TeleKid Health Care Link. In 1998 the University launched a pilot program to deliver medical services to children in school. Using PC based telemedicine technology, the project links the school nurse's office with physicians to provide clinical consultations for students. For FY 2001, the Governor recommends \$250,000 from the Children's Initiatives Fund to extend this program

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to other portions of the state. KUMC would serve as a facilitator to link local health care providers with schools in their service areas. In those cases where there are no health care providers or if back up medical services are requested, KUMC physicians would be available to provide clinical consultations.

The House Committee also recommended the Omnibus consideration be give to allocating \$1.0 million from the Fund in FY 2001 for pediatric biomedical research.

The Committee disagreed with this funding due to lack of knowledge on the subject.

B. Technical Adjustment. H. Sub. for S.B. 326 inadvertently over appropriated State General Fund financing for the university in FY 2001 by \$58,841.

The Committee concurred with this item.

C. GBA No. 2, Item 38, Page 16 - Wahl Hall Renovation.

The Committee concurred with this item.

Board of Regents

A. H.B. 2996 (conference). H.B. 2996 modifies the formula for distribution of community college operating grants. The approved FY 2001 budget for the grants assumes the revised formula. Should the bill fail to pass, an additional \$1.0 million would be required to fully fund the existing formula.

The Committee took no position on this item.

B. Postsecondary Vocational Education Funding. The Senate Committee recommended that state funding for postsecondary vocational education be reviewed at Omnibus. The approved budget for FY 2001 includes \$26.4 million for Postsecondary Vocational Education Aid, an increase of \$200,000 (0.8 percent) from the revised current year budget. An additional \$2.7 million is available for Vocational Education Capital Outlay Aid, an increase of \$200,000 (8.0 percent) from the current year.

The Committee took no action on this item.

Department of Commerce and Housing

A. Kansas Industrial Training and Retraining (KIT/KIR). The Senate Subcommittee recommended review of FY 2001 funding for KIT/KIR to determine if additional money should be added to return the program to current levels. The program is currently funded at the amount recommended by the Governor, \$3.3 million (Economic Development Initiatives Fund), this is a reduction of \$300,000 from the current year. The following table shows five years of expenditures for KIT/KIR.

KIT/KIR Expenditures				
Actual FY 1997	Actual FY 1998	Actual FY 1999	Approved FY 2000	Approved FY 2001
\$ 3,244,358	\$ 3,250,000	\$ 3,803,869	\$ 3,600,000	\$ 3,300,000

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The Committee agreed to add \$400,000 to this item.

B. GBA No. 2, Item 8, Page 4 - Sports Hall of Fame.

The Committee agreed to put \$100,000 into the Tourism Grant and not any additional to the Sports Hall of Fame.

Kansas Technology Enterprise Corporation

A. Commercialization. The Senate Subcommittee recommended review of FY 2001 funding for the Commercialization program to determine if additional money should be added to return the program to current levels. The program is currently funded at the amount recommended by the Governor, \$845,000 (Economic Development Initiatives Fund), this is a reduction of \$845,000 from the revised recommendation for the current year. Additionally, SB 39 transferred \$490,804 from KTEC to the Economic Development Initiatives Fund, \$200,000 of which was budgeted for Commercialization. This reflects the amount of reappropriated money KTEC was given authority to spend by the 1999 Legislature. At the present time, KTEC anticipates using KTEC holdings to make up the reduction in Commercialization grants. This will require completely spending down KTEC holdings.

KTEC holdings have been accumulating since FY 1993 to the current level of \$1.7 million. KTEC holdings receives revenues primarily from the Applied Research Matching Fund royalty payments and distributions from the Ad Astra and Commercialization funds, and it is the intent of both KTEC and the Legislature that these revenues eventually should reduce KTEC's reliance on state funding. Expenditures from the account are subject to authorization by the KTEC Board of Directors. Annual receipts to KTEC holdings are volatile and unpredictable and have fluctuated dramatically. There is no guarantee that money expended in FY 2001 to fund the Commercialization program will be recouped in a short period of time.

The Committee agreed to restore \$500,000 to KTEC. The Committee also agreed to allow KTEC to carry over their money for the year 2001 for commercialization.

Kansas Public Employees Retirement System (KPERs)

A. Omnibus Review Item. The House and Senate committees agreed to review fees paid to investment managers and for litigation expenses in order to determine if the expenditure limitation in FY 2000 should be adjusted. The approved FY 2000 limitation is \$26,644,408. The revised KPERs estimate is \$26,011,735, a reduction of \$632,673 in the approved limit set in SB 39 earlier this Session.

The Committee concurred with this item.

B. HB 2034 (Governor) also GBA No. 2, Items 59-60. The bill addresses a number of items affecting state employees, funding KPERs benefits, and implementing certain Governor's recommendations. GBA 2-59 and 2-60 also address revised Governor's recommendations on the subject of the KPERs payments for two programs.

The Committee concurred with this item.

Death and Disability Benefits Moratorium. Among the Governor's recommendations included in HB 2034 as passed is a moratorium on the employer contributions for insurance payments that finance the KPERs death and long-term disability benefits program. The Legislature approved a five quarter holiday whereas the Governor's

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original recommendation was for four quarters. In GBA 2-59, the Governor concurs with the additional fifth quarter state savings of \$4,164,791 from the State General Fund that already was recognized by the Legislature.

The Committee concurred with this item.

Retirement Contribution Freeze. The Governor's recommended freeze on the state's employer retirement contribution rate in FY 2001 was not included in legislation passed. As a result, the state as a KPERS participating employer legally is obligated to pay the retirement assessment in FY 2001, including the anticipated increase of 0.39 percent. When the *Governor's Budget Report* for FY 2001 was prepared, the amount of funding for the 0.39 percent KPERS increase was omitted from state agency budgets. GBA No. 2-60 adds back for state agency budgets the \$9,430,170 that was omitted previously. The following table summarizes the amount of funding recommended by the Governor to finance the 0.39 percent retirement contribution increase in FY 2001. Most of the KPERS retirement contribution increase of \$9.43 million would be paid in the state's school contribution of \$6.49 million. The remaining portion of the state's obligation totals \$2.87 million for the state agencies, with \$2.1 million SGF and \$0.84 million all other funds. The Governor's proposed freeze of the retirement rate did not apply to local KPERS employers.

FY 2001 Financial Impact	
Estimated State KPERS Employer Contributions	
(In Millions)	
Retirement Contribution Increase	
State/School/TIAA	\$ 9.43
Local Units	0.00
Totals	<u>\$ 9.43</u>
State General Fund (a)	\$ 8.59
School Only SGF	\$ 6.49
Source: GBA No. 2, Item 60.	
a) The Division of the Budget notes that \$2.6 million SGF of increased school funding would be paid in FY 2002.	

The Committee concurred with this item and also "Attachment for Item No.60" from next to last page of Governor's Budget memo.

C. SB 248 (Governor), SB 660 (Governor), HB 2559 (conference committee), HB 2624 (conference committee). At least four bills have administrative impact on KPERS. New investment-related duties are assigned to KPERS by SB 248, SB 660 and HB 2559 for the purpose of investing non-KPERS money in order to earn a higher rate of return. In HB 2624, KPERS would be authorized to assess fees for any services provided in regard to activities not exclusively for the benefit of its members. This provision would authorize KPERS to recoup its own administrative costs and to pay for investment-related services out of non-KPERS funds. SB 248 provides for KPERS investment and management of funds in the Intergovernmental Transfer Program. SB 660 concerns financing restorations for the Capitol and investments by KPERS. Under HB 2559, the proceeds from the sale of the bonds and any tobacco settlement payments not required to pay debt service on the securities would be credited to the Kansas Endowment for Youth Fund consistent with current law on the use of tobacco settlement receipts. KPERS currently is authorized to invest funds from the tobacco settlement. The amount of money that could be available for investment by KPERS would increase dramatically under HB 2559. The Legislature should consider appropriating the Senior Services Trust Fund to KPERS pursuant to SB 248. The Kansas Endowment for Youth Fund already is appropriated to KPERS. No new fund is required to be appropriated to KPERS by SB 660 when KPERS acts as the investment mechanism for unclaimed property in the State Treasury. No new staff is requested by KPERS for administering the provisions of these bills. Any fees collected by KPERS pursuant to HB 2624 for administrative staff related-expenses potentially

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would reduce the amount of expenditures authorized to be paid from the Agency Operations account of the KPERS Fund. There is no estimate from KPERS regarding these new expenses and a possible offsetting reduction of KPERS Fund expenditures.

In addition, a provision in HB 2624 would authorize a new, lump sum payment option at retirement that could reduce an individual's KPERS defined monthly benefit by no more than 50 percent for life. Up to 50 percent of the actuarially calculated benefit may be taken as a lump sum amount under this option. Individuals selecting the lump sum option would be required to choose a lump sum amount based on 10 percent increments. The implementation date would be delayed until FY 2002 in order to give KPERS adequate lead-in time to implement this change. The fiscal note for administrative costs is estimated at \$100,000 in FY 2001 in order to do programming work in preparation of offering this new option.

The Committee concurred with this item.

Additional KPERS requests:

\$50,000 budget expenditure to hire an executive search firm

The Committee concurred with this item.

\$67,000 be restored to general operating budget from 2 temp positions not having been filled in current year

The Committee concurred with this item.

Two FTE's for incentive compensation program (spending authority)

The Committee concurred with this item.

\$32,000 for investment-related expenses

The Committee concurred with this item.

Technical amendment for KPERS technology

The Committee concurred with this item.

Kansas Department of Transportation

A. Omnibus Review Item. The Conference Committee on SB 326 removed a proviso added by the House Committee of the Whole. There was a recommendation to review that proviso during the Omnibus period. That proviso would have required KDOT, when acquiring property during FY 2001, to hold a public hearing on the property acquisition in the county where the property is located and to notify owners of area property at least 21 days prior to a hearing. Also it would have required notice to be published in a newspaper providing time and place of such meeting, a general description of the property to be acquired, and the proposed use of such property.

The Committee did not recommend this item.

Kansas Racing and Gaming Commission

A. Camptown Race Track – Omnibus Review Item; also GBA No. 2, Item 1—Camptown Racetrack. Both House and Senate Committees recommended review during the Omnibus period for operating costs and staffing level associated with a track reopening. The Executive Director of the Kansas Racing and Gaming Commission notified the Director of the Budget that the current owner of Wichita Greyhound Park has purchased the now closed Camptown track in Frontenac. It has been closed since late 1995 and staff of the Commission

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who previously worked there were terminated or reassigned. The Commission has approved an application for license to reopen the track and for the not-for-profit organization. An application for track manager was rejected by the Commission. No specific dates for live racing have been approved by the Commission. However, a Commission meeting on April 28, 2000, will consider a request to start simulcasting and parimutuel betting on April 29, 2000.

Additional state personnel and expenditure authority are requested by the Commission in order to staff the facility. The fiscal note submitted by the Commission for staffing and State Racing Fund (SRF) financing totals 9.0 FTE positions and FY 2001 expenses of \$590,198. GBA 2-1 concurs with these estimates. Additional FY 2001 expenses would be paid from other funds totaling \$162,264. GBA 2-1 does not address expenditures from these other funds. Projections of revenue indicate an early cash flow problem in financing the budget items from revenues derived exclusively from the Camptown track and related activities since no start date for racing (either live or simulcasting) has been approved by the Commission. The fiscal impact initially would be a reduction in the projected transfers to the SGRF in FY 2000 and early FY 2001. However, the FY 2001 revenue estimate is \$884,400, or a net of \$294,000 more than budgeted expenses to be paid from the SRF.

Initial startup costs totaling \$258,653 are estimated and authority to hire nine new staff is requested in FY 2000. GBA 2-1 recommends \$212,393 from the State Racing Fund in FY 2000. GBA 2-1 does not address expenditures of \$46,260 from other funds in FY 2000. Most of the estimated FY 2001 excess revenue of \$294,000 presumably would repay the FY 2000 expenditure of \$212,393 from the State Racing Fund as recommended by the Governor before the track starts live racing and generates parimutuel revenue. The Governor's estimated FY 2000 revenue of \$168,100 presumes parimutuel betting will begin this fiscal year, even though the Commission has not approved live dates for racing. The delay in adding new staff and spending startup funds will be dependent upon approval of this budget request by the Legislature and when the Omnibus bill finally is published in the *Kansas Register*. In 1999, the Omnibus bill became effective on May 20, 1999, when published in the *Kansas Register*.

Camptown Budget Amendment				
Estimated Expenditures	Agency Req. FY 2000	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001
Salaries and Wages	\$ 83,622	\$ 83,622	\$ 405,518	\$ 405,518
Contractual Services	69,270	69,270	164,720	164,720
Commodities	13,776	13,776	19,960	19,960
Capital Outlay	45,725	45,725	0	0
Subtotal—SRF	\$ 212,393	\$ 212,393	\$ 590,198	\$ 590,198
Other Funds	46,260	0	162,254	0
TOTAL—All Funds	<u>\$ 258,650</u>	<u>\$ 212,393</u>	<u>\$ 752,452</u>	<u>\$ 590,198</u>
FTE Positions	9.0	9.0	9.0	9.0

The Committee concurred with this item, and allowed \$140,000 carry over in FY00.

Kansas Lottery

A. Omnibus Review Item; also GBA No. 2, Item 2—Lottery Accounting

Change. Both House and Senate Committees recommended review of lottery sales for the Omnibus period. For FY 2000, the Legislature approved estimated lottery sales of \$198 million and projected transfers of \$59.4 million to the State Gaming Revenues Fund (SGRF). A provision in 1999 SB 325 set the SGRF transfer rate to the statutory rate of 30.0 percent in FY 2000. As a result of using approximately \$2.0 million for enhanced prizes, the 1999

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Legislature anticipated sales to increase in FY 2000. This adjustment was expected to increase the SGRF transfer by a net of \$732,560 according to the 1999 projection, which, in turn, would be to increase transfers by \$732,560 for the State General Fund (SGF) with total SGF transfers of \$9,400,000 in FY 2000.

In reviewing the Governor's revised FY 2000 budget recommendations and the Legislature's consideration of \$198 million in sales and \$59.4 million in SGRF transfers, some discussion took place about a penalty provision that was passed by the 1999 Legislature and operative if the Lottery does not achieve the projected FY 2000 sales. Section 5(b) of Chapter 160, 1999 *Session Laws of Kansas*, would penalize the Lottery by up to \$732,560 if the approved FY 2000 SGRF transfers are not achieved. The penalty currently must be paid by June 20, 2000 if sales do not reach \$198 million by May 31, 2000.

In addition, the 2000 Legislature approved in SB 326 a 13th SGRF transfer to be credited on June 30, 2001. GBA No. 2, Item 2 concurs with this additional transfer in FY 2001. The Legislature could consider deferring the June 20, 2000, penalty transfer if FY 2000 sales do not reach \$198 million by May 31, 2000. An additional \$4.5 million is anticipated in the 13th transfer on June 30, 2001. In order to achieve that estimate, the Legislature could consider alternatives to this year's penalty, such as to defer the penalty scheduled at the end of FY 2000, or alternatively, to cancel the penalty. If the penalty is postponed to another date, then it could be added to the 13th FY 2001 estimated transfer. That estimated amount could be raised to \$5.2 million for June 30, 2001. An added benefit would be to enhance the SGF ending balance when the 7.5 percent ending balance law is under pressure.

Lottery sales through March 31, 2000, lag behind the approved sales to date. Two months remain in this fiscal year. This year's transfer rate is based on 30.00 percent. Next year, the Legislature approved the Governor's recommended transfer rate of 30.75 percent in SB 326. The Lottery has begun reducing the amount of prizes to be paid next fiscal year based on having to transfer additional earnings to the SGRF beginning July 15, 2000.

	SGRF Transfer	Lottery Sales*
June	\$ --	\$ 18,944,359
July	5,683,308	14,951,008
August	4,485,331	13,946,199
September	4,183,867	14,911,064
October	4,472,405	16,440,160
November	4,932,926	13,977,940
December	4,193,382	15,389,849
January	4,616,955	18,624,174
February	5,587,252	16,508,129
March	4,952,439	19,945,032
April	5,983,509	NA
May	NA	NA
June	NA	-
To date	\$ 49,091,374	\$ 163,637,914
Mo. Ave.	4,909,137	16,363,791
Gov.Rec.	\$ 59,400,000	\$ 198,000,000
12 Mo. Ave. for Gov. Rec.	4,950,000	16,500,000
Remaining Difference	\$ 10,308,626	\$ 34,362,086
Remaining Monthly	\$ 5,154,313	\$ 17,181,043
* SGRF transfers are based on the prior month's sales.		

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The Committee concurred with leaving the penalty at the present level.

Developmental Disabilities Institutions - Systemwide

A. Teacher Salary Increase. The Governor's recommendation and the Legislative approved budget for FY 2001 includes teacher salary increases within the education contracts. The education contract in the FY 2001 approved budget for Kansas Neurological Institute includes an increase of 16.0 percent, while the education contract for Parsons State Hospital and Training Center contains an increase of 4.2 percent. The following table illustrates the adjustment necessary to provide for uniform salary increases across the institutions.

Percentage Increase	Kansas Neurological Institute	Parsons State Hospital and Training Center	Total
0.5	\$ (29,082)	\$ (6,043)	\$ (35,125)
1.0	(28,132)	(5,226)	(33,358)
1.5	(27,182)	(4,410)	(31,592)
2.0	(26,233)	(3,593)	(29,826)
2.5	(25,283)	(2,777)	(28,060)
3.0	(24,333)	(1,961)	(26,294)
3.5	(23,383)	(1,144)	(24,527)
4.0	(22,433)	(328)	(22,761)
4.5	(21,483)	488	(20,995)
5.0	(20,533)	1,305	(19,228)
5.5	(19,583)	2,121	(17,462)
6.0	(18,634)	2,938	(15,696)
6.5	(17,684)	3,754	(13,930)
7.0	(16,734)	4,570	(12,164)

By consensus the Committee set the salary increase for special education teachers to be consistent with other special education teachers in public schools.

B. Categorical Aid. For FY 2000, the budgeted school contracts for the institutions include categorical aid based on a rate of \$19,751 for Kansas Neurological Institute and \$20,000 for Parsons State Hospital and Training Center. The current FY 2000 categorical aid rate per eligible teaching unit is estimated to be \$19,770. If this rate is maintained, the school contracts at the institutions would need adjustments. The table below identifies the State General Fund adjustments required.

Institution	Change
Kansas Neurological Institute	\$ 1,862
Parsons State Hospital and Training Center	\$ (1,392)

The Committee concurred with this item.

For FY 2001, the categorical aid rate was budgeted at \$19,815 for Kansas Neurological Institute and \$20,000 at Parsons State Hospital and Training Center. The current FY 2001 categorical aid rate is estimated to be \$20,491. The adjustments in State General Fund required are outlined in the table below.

Institution	Change
Kansas Neurological Institute	\$ 2,230
Parsons State Hospital and Training Center	\$ 1,232

The Committee concurred with this item.

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Mental Health Institutions - Systemwide

A. Teacher Salary Increases. The Governor's recommendation and the Legislative approved budget for FY 2001 includes teacher salary increases within the education contracts. The education contract in the FY 2001 approved budget for Larned State Hospital includes an increase of 5.1 percent, while the education contract for Rainbow Mental Health Facility contains an increase of 6.0 percent. The following table illustrates the adjustment necessary to provide for uniform salary increases across the institutions.

Percentage Increase	Larned State Hospital	Rainbow Mental Health Facility	Total
0.5	\$ (74,075)	\$ (43,541)	\$ (117,616)
1.0	(66,014)	(39,582)	(105,596)
1.5	(57,954)	(35,624)	(93,578)
2.0	(49,893)	(31,666)	(81,559)
2.5	(41,833)	(27,708)	(69,541)
3.0	(33,772)	(23,749)	(57,521)
3.5	(25,712)	(19,791)	(45,503)
4.0	(17,651)	(15,833)	(33,484)
4.5	(9,591)	(11,874)	(21,465)
5.0	(1,530)	(7,916)	(9,446)
5.5	6,531	(3,958)	2,573
6.0	14,591	0	14,591
6.5	22,652	3,959	26,611
7.0	30,712	7,917	38,629

Same policy as Developmental Disabilities Institution policy

B. Categorical Aid. For FY 2000, the budgeted school contracts for the institutions include categorical aid based on a rate of \$20,000 for Larned State Hospital and \$20,707 for Rainbow Mental Health Facility. The current FY 2000 categorical aid rate per eligible teaching unit is estimated to be \$19,770. If this rate is maintained, the school contracts at the institutions would need adjustments. The table below identifies the State General Fund adjustments required.

Institution	Change
Larned State Hospital	\$ (2,951)
Rainbow Mental Health Facility	\$ (13,115)

For FY 2001, the categorical aid rate was budgeted at \$20,000 for Larned State Hospital and \$20,707 at Rainbow Mental Health Facility. The current FY 2001 categorical aid rate is estimated to be \$20,491. The adjustments in State General Fund required are outlined in the table below.

Institution	Change
Larned State Hospital	\$ 6,300
Rainbow Mental Health Facility	\$ (3,021)

The Committee concurred with these items.

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Kansas Guardianship Program

A. Training Plan (House Budget Committee). The House Budget Committee requested that the agency develop a written plan of action to expand training for staff and volunteers in the areas of self-advocacy, self-determination, and client capacity building and report back with the plan at Omnibus.

The Committee concurred with omitting this item since it is in House Committee.

Governmental Ethics Commission

A. S.B. 481 (Conference). S.B. 481 adds the Governmental Ethics Commission to the list of agencies which submit a biennial budget. The House version also contains a 20 percent increase in the filing fees paid by candidates for office, political action committees, and lobbyists. The estimated revenue increase for FY 2001 for the agency is approximately \$17,500. The Senate version of the bill does not include the filing fee increase.

The FY 2001 budget recommended by the Governor and approved by the Legislature includes an 11.2 percent increase in the State General Fund appropriation for the agency. This relatively large increase was recommended due to concerns over the balance of the agency's fee fund. The increase in fee revenue should the House version S.B. 481 pass could allow an offset of the State General Fund appropriation.

The Committee did not recommend this item.

Secretary of State

A. Census Adjustment (House Budget Committee and GBA No. 2, Item 7, pg. 4—Census Adjustment Operating Costs). The House Budget Committee recommended a review of the estimated expenditures for the census adjustment. This recalculation is a Constitutional requirement for the agency and adjusts the federal census data to exclude nonresident students and military personnel and to count those who are Kansas residents at their place of permanent residence.

Estimated expenditures for the census adjustment total \$397,296 over four fiscal years. The agency had also requested 1.0 FTE Project Manager for FY 2001. Of the total estimated expenditures, approximately \$272,000 is for the contract for database services and support. The estimated expenditures are outlined by category in the table below.

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Estimated Census Adjustment Expenditures

FY 2000	
Vendor Contract	\$ 20,000
TOTAL FY 2000	\$ 20,000
FY 2001	
Vendor Contract	\$ 194,972
Personnel	
1.0 FTE Project Manager	30,000
Temporaries	76,724
Other Operating Expenditures	18,460
TOTAL FY 2001	\$ 320,156
FY 2002	
Vendor Contract	\$ 45,819
TOTAL FY 2002	\$ 45,819
FY 2003	
Vendor Contract	\$ 11,321
TOTAL FY 2003	\$ 11,321
GRAND TOTAL	\$ 397,296

The Committee concurred with this item and added 1 FTE as recommended by Governor, but not listed in his recommendations.

B. S.C.R. 1629 (Law). S.C.R. 1629 calls for a vote on a Constitutional amendment concerning property tax classifications for aircraft and watercraft. The Secretary of State's office is required to publish the suggested amendment in the official newspaper in every county. The estimated cost of publication for the amendment contained in SCR 1629 is \$78,150 State General Fund for FY 2001.

The Committee concurred with this item.

C. Senate Substitute For H.B. 2879 (Governor). Senate Substitute for H.B. 2879 enacts the Uniform Electronic Transactions Act. Included in the provisions of the act is the requirement that entities which certify electronic and digital signatures register with the Secretary of State's office and comply with rules and regulations adopted by the agency.

The Secretary of State estimates expenditures of \$109,430 (\$104,430 SGF) and an additional 2.0 FTE positions are needed beginning in FY 2001 to implement and carry out the requirements of the act. The estimate includes 1.0 FTE Information Resource Manager (\$62,500), 1.0 FTE clerical position (\$25,000), and associated operating expenditures (\$21,930). Staffing estimates are based upon similar programs in other states.

Estimated registration fees of \$5,000 are expected from annual filings and would offset a portion of the expenditures. However, the bill does not include language establishing a fee fund to receive the registration fees.

Senate Substitute for H.B. 2879 also impacts the Department of Administration.

The Committee did not recommend this item.

D. S.B. 366 (Conference). S.B. 366 amends the Uniform Commercial Code to include language recommended by the National Conference of Commissioners on Uniform

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State Laws.

The agency estimates that implementation of the bill would require \$45,000 for the addition of 2.0 FTE clerical positions due to the mandatory two day turnaround required by the bill beginning in FY 2001. The additional expenditures would be paid through the agency's UCC Fee Fund.

The Committee concurred with this item.

E. GBA No. 2, Item 6, pg. 4—Recapture Presidential Primary Cost.

The Committee concurred with this item.

Commission on Veterans Affairs

Operating Expenditures at the Kansas Veterans' Home at Winfield and GBA No. 2, Item 28, pg. 13—Veterans Home Fee Fund Adjustments. The House Budget Committee and the Senate Subcommittee recommended that State General Fund dollars for operating expenditures for the Veterans' Home be reviewed to determine if adequate funding was provided in the Governor's budget. The Conference Committee removed the expenditure limitation on the Veterans' Home Fee Fund for FY 2001. The Superintendent of the Home had reported to both Committees that an increased rate bed occupation over the Governor's estimates (the Home is scheduled to open May 1, 2000) would result in increased revenues and the need for increased expenditures. The Superintendent estimates a possible State General Fund shortfall of up to \$500,000 for FY 2001.

The Committee concurred with this item.

Operating Expenditures at the Kansas Soldiers' Home at Fort Dodge. The House Budget Committee recommended that operating expenditures for the Soldiers' Home be reviewed to determine if the Governor's recommendation for FY 2001 was sufficient. According to the Commission, current expectations for FY 2001 are that the amount recommended by the Governor (\$5,528,572, including \$712,688 from the State General Fund) will be adequate.

No committee action needed. Information only.

Planning Funds for the State Veterans' Cemeteries Program. The House Budget Committee recommended that the Commission's request for \$50,000 (State Institutions Building Fund) in FY 2001 for planning costs for cemetery construction at Winfield and WaKeeney be reviewed. The planning costs would be reimbursed by the federal Veterans Administration once construction of the cemeteries begins. The FY 2000 budget includes \$100,000 (State Institutions Building Fund) for planning costs for the cemeteries at Fort Riley (\$75,000) and Winfield (\$25,000). The Commission reported to the Senate Subcommittee that delays in the transfer of the Fort Riley land could result in this money being made available for planning for the other cemeteries in FY 2001. In order to ensure flexibility in the cemetery construction program, the Commission is requesting the \$50,000 (State Institutions Building Fund) be added in FY 2001.

The Committee did not recommend this item.

Department of Social and Rehabilitation Services**A. Caseload Estimates.** Staff of the Kansas Legislative Research Department,

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the Division of the Budget, the Kansas Department on Aging (KDOA) and the Department of Social and Rehabilitation Services (SRS) met on April 7 to develop consensus caseload estimates on agency programs for FY 2000 and FY 2001. Consensus was reached on expenditure estimates for Temporary Assistance for Families, General Assistance, regular medical assistance, and adult care facilities (including nursing facilities, nursing facilities for mental health). In total, estimated State General Fund expenditures are increased by \$4,185,031 in FY 2000 and \$11,598,944 in FY 2001. State General Fund expenditures for programs operated by SRS were increased by \$25,031 in FY 2000 and \$3,506,944 in FY 2001. Programs operated by the Department on Aging require an additional \$4,160,000 in FY 2000 and \$8,092,000 in FY 2001. The following tables summarize the October 1999 and April 2000 caseload estimates and the resulting differences:

			October Estimate	April Estimate	Difference
<u>FY 2000</u>					
Cash Assistance					
	Temporary Assistance for Families	All Funds	\$ 43,440,000	\$ 42,300,000	\$ (1,140,000)
		SGF	31,433,070	31,433,070	0
	General Assistance	All Funds	\$ 4,040,000	\$ 4,170,000	\$ 130,000
		SGF	4,040,000	4,170,000	130,000
Medical Assistance		All Funds	\$ 600,000,000	\$ 610,000,000	\$ 10,000,000
		SGF	207,204,355	207,204,355	0
Adult Care Homes					
	Nursing Facilities (KDOA)	All Funds	\$ 264,600,000	\$ 275,000,000	\$ 10,400,000
		SGF	105,840,000	110,000,000	4,160,000
	Nursing Facilities - Mental Health	All Funds	\$ 13,100,000	\$ 13,100,000	\$ 0
		SGF	9,427,969	9,323,000	(104,969)
Subtotal - Adult Care Facilities		All Funds	\$ 277,700,000	\$ 288,100,000	\$ 10,400,000
		SGF	\$ 115,267,969	\$ 119,323,000	\$ 4,055,031
<u>FY 2001</u>					
Cash Assistance					
	Temporary Assistance for Families	All Funds	\$ 43,090,000	\$ 41,680,000	\$ (1,410,000)
		SGF	31,433,070	31,433,070	0
	General Assistance	All Funds	\$ 4,040,000	\$ 4,170,000	\$ 130,000
		SGF	4,040,000	4,170,000	130,000
Medical Assistance		All Funds	\$ 633,314,000	\$ 651,500,000	\$ 18,186,000
		SGF	207,836,493	211,345,878	3,509,385
Adult Care Homes					
	Nursing Facilities (KDOA)	All Funds	\$ 271,270,000	\$ 291,500,000	\$ 20,230,000
		SGF	108,508,000	116,600,000	8,092,000
	Nursing Facilities - Mental Health	All Funds	\$ 13,800,000	\$ 13,786,000	\$ (14,000)
		SGF	9,932,441	9,800,000	(132,441)
Subtotal - Adult Care Facilities		All Funds	\$ 285,070,000	\$ 305,286,000	\$ 20,216,000
		SGF	\$ 118,440,441	\$ 126,400,000	\$ 7,959,559

The Committee concurred with this item.

B. Omnibus Review Items

1. Federal Medical Assistance—FY 2000 Reduction in federal Medical Assistance Fund (House Budget Committee and Senate Subcommittee). The House Budget Committee on Social Services and the Senate Subcommittee reviewing the SRS budget recommended that during the Omnibus Session the federal Medical Assistance Fund be reduced by \$509,147 to reflect the decrease in state match in the Homeless Mentally Ill Project made by the Governor in **GBA #1, Item 7**.

The Committee concurred with this item.

2. Follow up on Child Support Enforcement Plan (House Budget Committee). The House Budget Committee on Social Services reviewing the Child Support Enforcement Program notes that the Governor's reduction coupled with the loss of federal funding will cut the funds available for enforcement contracts by approximately 45 percent in FY 2001. Therefore, the Department is requested to present a revised plan for managing the Program within the existing resources.

The Committee took no action.

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3. Follow up on the Temporary Assistance to Needy Families (House Budget Committee). The House Budget Committee on Social Services recommended the Department begin discussions with Community mental Health Centers, substance abuse treatment centers, Kansas Legal Services, and the Department of Human Resources to make recommendations on ways in which the state can meet the federal requirement for two-parent work in the Temporary Assistance to Needy Families Program. The recommendations and agency plan for meeting the work requirement are to be reviewed during the Omnibus Session.

The Committee took no action.

4. Follow up Information on Providing Prenatal Coverage under the HealthWave Program (House Budget Committee). The House Budget Committee on Social Services felt that enough information was not yet available on providing prenatal coverage under the HealthWave program to make an informed recommendation during the regular budget review. Therefore, the Department is to report updated information to the Budget Committee during the Omnibus Session.

The Committee took no action.

5. Child Support--FY 2000 Reduction in federal Child Support Enforcement Fund (House Budget Committee and Senate Subcommittee). The House Budget Committee on Social Services and the Senate Subcommittee reviewing the SRS budget recommended that during the Omnibus Session the Child Support Enforcement Fund should be reduced by \$3,821,747 in FY 2000 to reflect the decrease in state match made by the Governor.

The Committee concurred with this item.

6. Follow Up on Reimbursement to Freestanding Psychiatric Hospitals (House Appropriations Committee). The House Appropriations Committee directed the Department of Social and Rehabilitation to report back prior to the Omnibus Session on data collected to equalize the rates for the freestanding psychiatric hospitals in Kansas.

The Committee did not recommend this item.

7. Follow Up on Continuing the Homeless Mentally Ill Project (House Appropriations Committee). The House Appropriations Committee directed the Department to examine their uncommitted resources to continue the Homeless Mentally Ill Project in FY 2001 and report back prior to the Omnibus. The Governor removed all funding for the program in FY 2000 and FY 2001; however, the Department did fund \$238,000 from existing resources to continue the program in two areas of the state for FY 2000. The 1999 Legislature approved \$750,000 from the State General Fund for the program in FY 2000.

The Committee did not recommend this item.

8. Follow Up on the Expanded Role of the Council of Community Members (House Budget Committee). The House Budget Committee reviewing the Mental Retardation Institutions made the following recommended changes to the role of Council of Community Members to:

- Review and approve the annual plan submitted by the Community Developmental Disability Organization for managing the waiting list within the funding appropriated;
- Oversee the implementation of the service reduction provisions of the contract between SRS and the Community Developmental Disability

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Organizations and will have a role in the approval of any plan of care in the region which exceeds normal tier rates or average use;

- Approve Community Developmental Disability Organization agreements with newly affiliating community service providers in the region;
- Assess each Community Developmental Disability Organization's regulatory implementation practices annually;
- Expand the membership of the Council to include representatives from the greater "community" where the services take place, such as local business people who can bring special skills or expertise needed while the majority of the councils are to remain consumers; and
- The Department of Social and Rehabilitation Services will use a rotating peer review system to assess and recommend best practice improvements for any Community Developmental Disability Organization.

The Budget Committee directed the Department to report at Omnibus on the progress of these changes and on feedback received from the public. The Conference Committee in Substitute for SB 326 added a proviso that in any area where a community developmental disability organization (CDDO) provides treatment and care services for persons with developmental disabilities and a community services provider or providers also provides treatment and care services in the area in which the CDDO provides such treatment and services, the CDDO shall present a plan to the Secretary of Social and Rehabilitation Services for approval that demonstrates how the CDDO will impartially provide, directly or by subcontract, information about any and all community services that are available in such area to persons with developmental disabilities and the family members and that delineates the role that other community service providers may have in the dissemination of services information to consumers.

The Committee took no action on this item.

9. Review the Budget Structure of the Crisis Stabilization Center at the University of Kansas Medical Center (Senate Subcommittee). The Senate Subcommittee recommended that the budget structure of the Crisis Stabilization Center be reviewed during the Omnibus Session to determine if a cost sharing arrangement can be developed between the Department of Social and Rehabilitation Services, the KU Hospital Authority, the community mental health centers, and other involved entities. The Subcommittee expresses concern over the future of the Crisis Stabilization Center being operated at the University of Kansas Medical Center Hospital. With the reduction in state psychiatric hospital beds nationally, an array of crisis and community-based support services are critical in serving the needs of individuals with serious mental illness. On such alternative is the use of local hospital beds for stabilization of individuals. Generally the hospital beds are used for short term stays which allow the community mental health staff time to develop alternative crisis plans while the person is in a safe environment.

The Committee took no action on this item.

10. Follow Up on Definitions of a Child In Need of Care (House Budget Committee). The House Budget Committee requested that the Department review and clarify definitions of a Child In Need of Care, especially in the area of protective custody, and report back to the Budget Committee for Omnibus consideration. However, in

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House Substitute for S.B. 326 the language was added as a proviso and the Department is to report back at the beginning of the 2001 Legislative Session.

The Committee took no action on this item.

11. Follow Up on the Medicaid Pharmacy Budget (Senate Subcommittee).

The Senate Committee recommends that the Medicaid Pharmacy budget be reviewed during the Omnibus Session as the Legislative Post Audit Report on the Medicaid Program's Use of Generic Drugs was released after the Senate Subcommittee reported (late March). The Conference Committee in House Substitute for S.B. 326 deleted \$10.0 million all funds, including \$4.0 million from the State General Fund of the pharmacy budget and added a proviso which states that the Secretary shall not increase the average wholesale price discount above 12 percent; shall provide a statewide uniform dispensing fee that is applicable in all areas except in rural areas of the state or in cities and counties where competition does not exist for pharmacy business, and shall establish a unit dosage dispensing fee.

The Committee took no action on this item.

12. Review of the Community Mental Health Funding cuts (Senate Subcommittee). The Senate Subcommittee recommends that the reconsideration should be given to the funding of community grants used for case managers which was reduced by \$600,000 from the State General Fund in the Governor's recommendation for FY 2000.

The Committee concurred with this item, and also added a proviso for SRS to maximize federal dollars and still reach desired outcomes and added \$600,000.

13. Home and Community Based Services Waiver Programs (House Budget Committee and Senate Subcommittees). The House Budget Committee on Social Services and the Senate Subcommittees reviewing the SRS budget recommend that consideration be given to the following issues during the Omnibus Session:

- The recommendations on the definitions of Needs vs Wants of consumers served by the Home and Community Based Services for the Mentally Retarded and the Physically Disabled by the task force of stakeholders.
- The House Budget Committee recommends that reconsideration be given to the issue of waiting lists for services in the Home and Community Based Services Waiver Programs.
- The projected shortfall in FY 2001 for the HCBS/DD waiver is \$4,228,527 all funds, including \$1,691,411 from the State General Fund.
- The projected shortfall in FY 2001 for the HCBS/PD waiver is \$3,834,556 all funds, including \$1,533,822 from the State General Fund.

The Committee took no action on this item.

14. The Children's Initiatives Funded Program (Conference Committee). The Conference Committee in House Substitute for S.B. 326 deleted all of the Children's Initiatives Funded Programs in FY 2001 to be reconsidered during the Omnibus Session.

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The following are the reductions:

Program	Children's Initiatives Fund	All Funds
HCBS/Children's Mental Health	\$ 1,000,000	\$ 2,500,000
Family Centered System of Care	5,000,000	5,000,000
HCBS/MRDD	3,000,000	7,500,000
HCBS/PD	1,800,000	4,500,000
Best Children's Programs Practices Research	250,000	250,000

This item was covered under tobacco money spending.

C. Bills

1. S.B. 248 (Enrolled) creates the Kansas Intergovernmental Transfer Program to receive additional federal funding for nursing homes through the Kansas Medicaid Program. The bill also establishes the Senior Services Trust Fund, Senior Services Fund, State Medicaid Match Fund, HCBS Programs Fund, and the Long-Term Care Loan and Grant Fund. The Conference Committee in House Substitute for S.B. 326 created and appropriated the State Medicaid Match Fund and the HCBS Programs Fund. The Intergovernmental Transfer Fund, the Senior Services Fund, and the Long-Term Care Loan and Grant Fund need to be established in the appropriations bill for FY 2001.

The Committee concurred with this item.

2. H.B. 2814 (In the second house) creates the Senior Pharmacy Assistance Program to provide financial assistance to eligible individuals for the purchase of prescription drugs. The House position would begin enactment as of April 1, 2001 and the Senate positions would be July 1, 2001. The bill would be funded from the Senior Services Fund under the Kansas Intergovernmental Transfer Program (S.B. 248).

The Committee concurred with this item.

3. S.B. 530 (First House) creates a centralized unit for the collection and disbursement of child support payments through the Child Support Enforcement Division of SRS. The Department is required to collaborate with the Kansas Supreme Court in establishing the Kansas Payment Center. The fiscal note states that money for the payment center is included in the Governor's FY 2001 budget. However, if the bill fails to pass in the worst case scenario, could result in federal penalties and the loss of \$36.8 million in federal funds in FY 2001 as the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 required centralized processing of support payments as a key element for improving child support laws and procedures. Under the original federal penalty provision, Kansas was at risk of losing all federal funds for the IV-D program and a percentage of the TANF block grant. For states unable to meet the original 1999 implementation date, a 1999 federal law provides a graduated scale of IV-D penalties starting at 4 percent of federal financial participation and eliminates the related penalty against TANF. The new law also provides for waiver of all or part of the penalty for any state that completes implementation during federal fiscal year 2000. Based upon the current implementation schedule, Kansas expects to qualify for the partial waiver, limiting its penalty risk to 1 percent of administrative costs if the bill is enacted.

The Committee concurred with this item. They added proviso language (Attachment 17) and also requested that this be pulled from the Omnibus Bill if

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passes.

4. S.B. 633 (First House) makes changes to the Adoption and Safe Families Act to comply with federal regulations. In addition, the introduced bill created two subcategories of Children in Need of Care: children in need of protection and youth in need of community services; however, these provisions were removed by the Senate Judiciary Committee. The impact of this action, according to the Department of Social and Rehabilitation Services, is that the Child Welfare System is now underfunded by \$10.6 million all funds, including \$6.0 million from the State General Fund.

No action taken on this item.

D. GBA No. 2, Item 12, pg. 6—Medical and Public Assistance Caseloads.

The Committee concurred with this item.

E. GBA No. 2, Item 13, pg. 6—Shift Public Assistance Caseload Savings to State General Fund.

The Committee concurred with this item.

F. GBA No. 2, Item 14, pg. 7—Foster Care.

The Committee concurred with this item.

G. GBA No. 2, Item 15, pg. 7—Savings in the Medicaid Plan.

The Committee concurred with this item.

H. GBA No. 2, Item 16, pg. 8—Home and Community Based Services Programs Fund.

The Committee concurred with this item.

I. GBA No. 2, Item 17, pg. 9—Intergovernmental Transfer.

*The Committee concurred with this item. Noted following differences, however, on pp. 9 of Governor's recommendations: \$70 million - Senior Trust Fund
\$25 million-State General Fund
\$5 million-Nursing Facilities Loan/Grant*

Department on Aging

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

B. Omnibus Review Items

1. Follow Up on the Nutrition Program Grants (House Budget Committee and Senate Subcommittee). The Secretary of Aging is directed to update the House Budget Committee and the Senate Subcommittee on the Nutrition Services Grants Program with regard to the impact of the possible reduction of \$450,000 in FY 2001 on the area nutrition sites. In addition, the Secretary is to report on the possibility of waiting lists due to a lack of volunteers to deliver the meals is also to be reviewed during the Omnibus Session.

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The Committee added \$114,000 to this program. Report from Connie Hubbell, Secretary of Department of Aging referenced during actions. (Attachment 18)

2. The Retired Senior Volunteer Program (House Budget Committee and Senate Subcommittee). The House Budget Committee and the Senate Subcommittee reviewing the Department on Aging recommended reconsideration of the Retired Senior Volunteer Program funding for FY 2001. In FY 1999, grants of \$2,500 each were awarded to 15 service providers which were used to fund the administrative function of recruiting and connecting retired senior volunteers with not-for-profit volunteer organizations such as Red Cross Blood Mobile, Toys for Tots, and tutoring elementary school children. The 15 service providers connected 5,812 volunteers with not-for-profit organizations in Kansas. The volunteers provided 866,000 hours of work to the organizations during the fiscal year. During FY 2000 the funding was cut from \$50,000 to \$25,000. The Governor recommended \$25,000 from the State General Fund in FY 2001.

The Committee added \$12,500 to this program.

3. Wage Pass-Through Program (House Budget Committee and Senate Subcommittee). The House Budget Committee and the Senate Subcommittee recommended that the Wage Pass-Through Program which was implemented during the 1999 Legislative Session with passage of S.B. 126 be reviewed during the Omnibus Session for possible funding.

The Committee agreed to increase the wage to \$2.50.

4. Hesston Senior Center Program (House Budget Committee). The House Budget Committee recommends review of the Hesston Senior Center Program including performance outcomes and any other program information provided to the Committee prior to the Omnibus Session. The state funding for the program was eliminated in the Governor's FY 2001 recommendations. In the current year, funding of \$10,000 from the State General Fund was provided.

No action taken on this item.

5. Senior Companion Program (Senate Subcommittee). The Senate Subcommittee recommends that the committee revisit the issue of the Senior Companion Program at Ft. Hays State University during the Omnibus Session for possible consideration of state funding. In FY 1999 the Department on Aging provided \$50,000 from the State General Fund.

The Committee agreed to add \$25,000 to this program

6. Environmental Modification Grant Program (Senate Subcommittee). The Senate Subcommittee recommended Omnibus consideration of funding for the eliminated Environmental Modifications Grant Program in FY 2001. However, the Conference Committee on House Substitute for S.B. 326 provided \$100,000 from the State General Fund for the program in FY 2001.

The Committee took no action on this item.

7. Home and Community Based Services for the Frail Elderly Waiver Program (House Budget Committee). The House Budget Committee wanted to review the recommendations of the task force of stakeholders on the definitions of Needs vs Wants of consumers served by the Home and Community Based Services for the Frail Elderly during the Omnibus Session.

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The Committee took no action on this item.

C. Bills

1. S.B. 248 (Enrolled) creates the Kansas Intergovernmental Transfer Program to receive additional federal funding for nursing homes through the Kansas Medicaid Program. The bill also establishes the Senior Services Trust Fund, Senior Services Fund, State Medicaid Match Fund, HCBS Programs Fund, and the Long-Term Care Loan and Grant Fund. The Conference Committee in House Substitute for S.B. 326 created and appropriated the State Medicaid Match Fund and the HCBS Programs Fund. The Intergovernmental Transfer Fund, the Senior Services Fund, and the Long-Term Care Loan and Grant Fund need to be established in the appropriation bill for FY 2001.

Action on this was taken care of in Governor's Budget Address

2. H.B. 2814 (In the second house) creates the Senior Pharmacy Assistance Program to provide financial assistance to eligible individuals for the purchase of prescription drugs. The House position would begin enactment as of April 1, 2001 and the Senate positions would be July 1, 2001. The bill would be funded from the Senior Services Fund under the Kansas Intergovernmental Transfer Program (S.B. 248).

No action taken. Will be taken care of on Floor of the Senate

3. H.B. 2700 (In Conference) would allow adult care homes and home health care agencies to acquire criminal background information from a private contractor approved by the Kansas Bureau of Investigation. The Department on Aging would be affected by passage of H.B. 2700 and estimates the impact at \$61,250 (all funds), including \$24,500 from the State General Fund to comply with the provisions of the bill.

The Committee agreed to let House of Representatives take care of this.

D. GBA No. 2, Item 17, pg. 8—Intergovernmental Transfer.

The Committee concurred with this item.

E. GBA No. 2, Item 18, pg. 9—New Funds.

The Committee concurred with this item.

F. GBA No. 2, Item 19, pg. 9—Intergovernmental Expenditures.

The Committee concurred with this item.

G. GBA No. 2, Item 20, pg. 11—HCBS/FE Waiver.

The Committee concurred with this item.

H. GBA No. 2, Item 21, pg. 11—Transfer Language.

The Committee concurred with this item.

I. GBA No. 2, Item 22, pg. 11—KSIT Rate Setting Dollars.

The Committee concurred with this item.

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J. GBA No. 2, Item 23, pg. 12—Operating Expenditures Correction.

The Committee concurred with this item.

Kansas Bureau of Investigation

A. Kansas City Kansas Forensic Laboratory (Senate Capital Improvements Subcommittee). The agency requested an FY 2000 supplemental appropriation of \$231,000 from the State General Fund to complete the Kansas City, Kansas satellite laboratory. During the 1999 Legislative Session, \$240,000 was appropriated to cover costs associated with remodeling the laboratory on the campus of Kansas City Kansas Community College. However, the original costs increased by \$48 per square foot from \$80 to \$128 per square foot, resulting in the agency's request for \$144,000 in additional remodeling costs. In addition, \$87,000 was requested to finance the purchasing of equipment for the firearms section because federal funds which had been anticipated were not available.

The Committee did not agree with this item.

C. SB 423 (Law). SB 423 expands the requirement that a \$150 Kansas Bureau of Investigation laboratory analysis fee be assessed against the defendant to cover all DUI cases involving a conviction or diversion. Current law limited the DUI fee assessment to those cases involving drugs or controlled substances. The agency estimates that SB 423 will generate \$100,000 in additional revenue which would be deposited in the Forensic Laboratory Materials Fee Fund (a no limit fund). The primary use of the fund has been to match federal grant moneys and for operation of the agency's laboratories. Also, the agency states that the additional revenue could be used to offset State General Fund financed expenditures within the Laboratory Division.

The Committee concurred with this item.

D. HB 2700 (Conference Committee). HB 2700, would amend current procedures and allow the operator of an adult care home or home health agency to receive a copy of the criminal history furnished to the Secretary of Health and Environment by the Kansas Bureau of Investigation, including information not relative to whether the subject of the criminal history has been convicted as an adult of any crime or has been adjudicated as a juvenile. The agency indicates that \$10,000 from the State General Fund of additional expenses would be incurred with the passage of this legislation due to the KBI's duties regarding the approval of contractors who would be conducting record checks instead of the agency itself. However, those additional expenses incurred by the agency would be offset by revenues received from the Department of Health and Environment for conducting those criminal history checks.

Currently, the potential employer requests the Secretary of Health and Environment to provide information that relates to a person who is being considered for employment by an adult care home or home health agency for the purpose of determining whether the subject is prohibited from being employed in such home or agency. The Secretary is authorized to receive such information from the KBI (the request and response are transmitted by computer linkage). If the potential employee has no criminal history record, the KBI informs the Secretary who, in turn, informs the adult care home or home health agency operator requesting the information that the potential employee is not prohibited from employment by KSA 1999 Supp. 39-970 or KSA 1999 Supp. 65-5117. If the subject of the investigation has a criminal history record, the KBI sends a record of adult convictions and juvenile adjudications to the Secretary and the legal staff of the Department of Health and Environment review this

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record and determine whether the suspect has been convicted of a crime that would disqualify them for employment.

The Committee concurred with this item.

Parole Board

A. Additional Board Member Position (House Budget Committee and Senate Subcommittee). In the *Governor's FY 2001 Budget Report*, 1.0 FTE Board member position and the corresponding funding were deleted to reflect the Governor's recommendation to reduce the Board from 4.0 to 3.0 members. SB 347, reducing the Board's membership from 4.0 to 3.0, was introduced during the 1999 Session, and passed the Senate. However, the bill did not pass the House. Therefore, \$108,910 (including fringes) from the State General Fund, and 1.0 FTE position should be considered for restoration to the agency's budget in FY 2001.

The Committee did not recommend this item.

Sentencing Commission

A. The Criminal Justice Information System (House Budget Committee). During the 2000 Legislative Session, the House Budget Committee was informed that the completion of the Criminal Justice Information System (CJIS) was nine months behind schedule, and that the CJIS project director had been transferred to another state agency. The House Budget Committee suggested that CJIS expenditures, and the project as a whole, should be consolidated into one budget document and a proviso added directing all agencies to submit CJIS expenditures to the Sentencing Commission, thereby creating a unified budget. Additionally, the House Committee considered transferring the CJIS Project Manager to the Sentencing Commission and having the Manager report to the Director of the Sentencing Commission. The House Budget Committee recommended reviewing the CJIS project at Omnibus.

The Committee concurred with this item.

B. Highway Forfeiture Funds (House Budget Committee and Senate Subcommittee). Under the Governor's FY 2000 recommendation, \$75,000 (from the Highway Forfeiture Fund) was used to offset \$75,000 in State General Fund expenditures. However, K.S.A. 60-4117 (d)(3) states ". . . moneys in the Kansas Bureau of Investigation state forfeiture fund, Kansas Highway Patrol state forfeiture fund, Kansas Department of Corrections forfeiture fund and the special law enforcement trust funds shall not be considered a source of revenue to meet normal operating expenses" Therefore, both the House Budget Committee and Senate Subcommittee recommended a proviso be added in the Omnibus bill to allow the agency to expend funds from the Highway Forfeiture fund for normal operating expenditures for FY 2000. A proviso was also added to SB 326 to allow the agency to expend those funds for normal operating expenses during FY 2001.

The Committee concurred with this item.

C. GBA No. 2, Item 43, pg. 20—Criminal Justice Information System (CJIS).

The Committee concurred with this item.

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Adjutant General

A. GBA No. 2, Item 44, pg. 20—Disaster Relief (Technical Adjustment).

The Committee concurred with this item.

Highway Patrol

A. GBA No. 2, Item 45, pg. 21—Increased Gasoline Expenses.

The Committee concurred with this item.

B. GBA No. 2, Item 46, pg. 21—MCSAP Program Expansion.

The Committee concurred with this item.

Citizens' Utility Ratepayer Board

A. Enhancement Request (Senate Subcommittee and House Budget Committee.) The agency requests enhancements of \$148,349 (special revenue funds) in FY 2001 including \$40,000 for additional professional services (consulting) and 2.0 additional FTE— one staff attorney and one secretary. An additional staff attorney, for a total of three, would address a heavy caseload and permit specialization in the areas of gas, electric, and telephone cases. Currently, the agency has an office specialist but no secretary. Both Committees recommended considering this request at Omnibus.

Letter of request for additional money from Walker Hendrix, Citizen's Utility Ratepayer Board. (Attachment 19)

Rep. Petty made a motion to add \$70,775 to budget for one attorney and one staff member. Rep. Gilstrap seconded the motion, and the motion failed on a voice vote.

The Committee did not recommend this item.

State Corporation Commission

A. HB 2782 (Conference Committee). As passed by the House, HB 2782 would create the Well Plugging Assurance Fund to receive certain revenues now deposited in the Conservation Fee Fund, and would authorize expenditures from the new fund for investigating abandoned wells, and well plugging or site remediation when drilling of the wells began after July 1, 1996. Certain balances in the Conservation Fee Fund would be transferred to the new fund on July 1, 2000. Because the new fund would earn interest, interest receipts to the SGF would decrease by approximately \$22,000. To the extent that expenditures for investigation or other administrative expenses are shifted, the aggregate limit applying to the Public Service Regulation Fund, the Motor Carrier License Fees Fund, and the Conservation Fee Fund could be reduced.

Senate Substitute for House Bill 2782 would make several changes to the statutes pertaining to the Abandoned Oil and Gas Well Fund, administered by the Commission. A change in the fee structure for financial assurance filings would shift approximately \$150,000 of revenue from the Conservation Fee Fund to the Abandoned Oil and Gas Well Fund, and add an estimated \$5,050 of such revenue. Expenditures from the

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Abandoned Oil and Gas Well Fund would be authorized for administrative expenses, and the fund would be made subject to a spending limit. To the extent that such expenditures are currently budgeted from the Conservation Fee Fund, the aggregate limit applying to the Public Service Regulation Fund, the Motor Carrier License Fees Fund, and the Conservation Fee Fund could be reduced.

The Commission reports that should Senate Sub for HB 2782 pass, it would require \$76,045 of new expenditures in FY 2001 for a plugging coordinator: \$65,720 in salaries and wages, including \$12,720 for fringes, and \$10,325 for other operating expenditures, of which \$4,500 would be one-time capital outlay. The approved budget for the Conservation Program contains one new FTE funded from current resources.

The Committee concurred with this item.

Juvenile Justice Authority

A. Topeka Juvenile Correctional Facility Overcrowding Issues (Senate Subcommittee). The Senate Subcommittee recommended that the facility carefully review population numbers and projected operating expenditures and present the numbers to the Committee during Omnibus. The facility initially requested \$1.9 million in FY 2001 for operating expenditures for 57 additional beds to be used for overcrowding emergencies. The agency then requested a revised \$1.4 million. It had originally requested \$742,313 in FY 1999 to operate the overcrowding beds, but used only \$36,000. The remainder was carried forward to FY 2000 to operate the same beds. The Senate Subcommittee concluded that the facility is experiencing difficulty in accurately estimating projected operating expenditures.

An additional issue the Senate Subcommittee noted was that although the facility has increased its juvenile offender bed capacity from 219 to 276 to meet overcrowding needs, it has only increased new staff by 4.0 FTE from FY 1999 to FY 2001. The 4.0 FTE new staff are part of the facility's Ancillary Services and serve juvenile offenders in a social worker capacity. The number of staff from the facility's Youth Services division, who are involved with the daily management and supervision of juvenile offenders, has not increased, but remained at 146.0 FTE. With an average daily population of 242 reported at the end of FY 1999 and a current population of 267 juvenile offenders, the ratio of Youth Services staff to juvenile offender has increased from 1.66 to 1.83.

The Subcommittee further noted that the agency has compensated for lack of staff by maximizing the use of expensive overtime compensation, which contributes to a higher operating cost of the 57 overcrowding beds and places additional pressures on staff. The total overtime cost is \$111,057 in FY 2000, which is \$83,700 more than the amount used in FY 1999. The facility requested \$215,628 in FY 2001 for overtime. For FY 2001, the Governor recommended \$46,336 and the Legislature concurred. The Senate Committee directed the facility to examine the effectiveness of using overtime compensation from a safety and cost standpoint and to address the issue of using unclassified temporary positions in place of overtime for FY 2001. The Committee further directed the facility to report this information to the Committee during Omnibus.

Temporary staff will be used to reduce overtime staff. Can operate within the Governor's budget.

B. Construction of Proposed Juvenile Correctional Facilities (Conference Committee). The Conference Committee on SB 326 recommended delaying the agency's proposed facility construction budget of \$10,000,000 (SIBF) until Omnibus. The funds were requested to be used to commence construction on the agency's proposed

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juvenile maximum-security facility in Topeka and Larned replacement facility for FY 2001.

C. Children's Initiatives Funding for Prevention and Intervention/Graduated Sanctions Grants (Conference Committee). As with all expenditures from the Children's Initiatives Fund in FY 2001, the Conference Committee on SB 326 recommended delaying \$7,000,000 in FY 2001 from the Children's Initiatives Fund for prevention and intervention/graduated sanctions block grant funding until Omnibus.

Under tobacco funding

Emergency Medical Services Board

A. Rural Health Options Grant Fund (House Budget Committee, Senate Subcommittee, and GBA No. 2, Item 48, pg. 21). Both the House Budget Committee and Senate Subcommittee requested that a "Rural Health Options Grant Fund" be established as a no-limit fund. The fund is to receive transferred funds from Kansas Department of Health and Environment for FY 2000 and for future fiscal years. The funds will be used for expense reimbursements for a project to study rural Emergency Medical Services issues with regard to Community Access Hospitals. A federal grant of \$10,000 currently resides with KDHE and can be used by the agency for the remainder of FY 2000, provided the fund is established.

The Committee concurred with this item.

B. KSIP Funds (Senate Subcommittee and GBA No. 2, Item 47, pg. 21). The Senate Subcommittee requested that the agency have flexibility in spending \$34,047 of its FY 2000 KSIP funds for general operating expenditures to adjust for an apparent oversight in S.B. 39 that lapsed State General Fund monies. The recommendation of flexibility would make no change to the Governor's FY 2000 operating expenditures recommendation of \$826,956 from the State General Fund for FY 2000. The flexibility can be achieved by inserting the following proviso into the Omnibus bill that allows KSIP funds to be used for general operating expenditures: "In addition to the other purposes for which expenditures may be made by the above agency from the KSIP account established in state general fund for the above agency under the Kansas savings incentive program pursuant to section 91 of chapter 132 of the 1999 Session Laws of Kansas for the fiscal year ending June 30, 2000, expenditures may be made by the above agency from the KSIP account of the above agency in state general fund for fiscal year 2000 for operating expenditures: Provided, That expenditures for operating expenditures from the KSIP account of the above agency in state general fund for fiscal year 2000 shall not exceed \$34,047."

The Committee concurred with this item.

State Library

A. GBA No. 2, Item 36, pg. 17—Children's Access Network.

The Committee concurred with this item.

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Board of Healing Arts

A. S.B. 599 (Conference Committee). This bill, as amended by the House Committee on Health and Human Services, would create a new licensure act under which physician assistants are to be licensed and regulated, and would require that all administrative proceedings under the act created by the bill be conducted in accordance with the Kansas Administrative Procedures Act. The House Committee amendments also authorize the Board of Healing Arts to bring an action for an injunction against violations of the laws created by the bill. The Board estimates that this bill as amended would increase the number of licensure certificate mailings at a cost of \$850 for FY 2001. The amount would be needed to pay for mailing licensure certificates to approximately 360 physician assistants, for developing application and reinstatement regulations, and for additional publication expenditures to amend rules and regulations.

The Committee concurred with this item.

Department of Agriculture

A. H.B. 2674 (Governor). H.B. 2674 privatizes the Corn, Grain Sorghum, Soybean, and Wheat Commissions. The first three commissions are organized with the Department of Agriculture. Each commodity will have its own commission elected by producer members who will serve three-year terms. The new commissions may not have less than seven members and each commission may, by majority vote, appoint two additional members to serve at-large.

For FY 2001 the bill transfers the balance of all funds and liabilities associated with the old grain commissions to each of the newly created commissions. The old funds are then abolished. The bill provides for the transfer of the property of the old Wheat Commission to the newly created wheat commission.

The assessments on the commodities imposed under the bill will be remitted to the Secretary of Agriculture. The Secretary will then deposit the moneys in a private bank account established in the name of the appropriate commission. The bill gives the Secretary of Agriculture the power to (1) hire clerical and other personnel deemed necessary to carry out the act; (2) establish record keeping requirements deemed necessary by the commodity commissions; (3) inspect and audit any records required to be kept by the act; and (4) contract with any of the commissions for the collection of the assessments and to enter into any other contracts necessary to carry out the provisions of the bill.

The bill also establishes the Grain Commodities Commission Services Fund. The bill provides that all costs and expenses incurred by the Department in providing services to the commodity commissions will be paid from the fund.

Passage of H.B. 2674 would result in a revenue reduction in FY 2001 of \$509,787 to the State General Fund and \$9,082,953 to all funds. The State General Fund reduction would include the loss of \$100,000 that the four commodity commissions transferred to the General Fund for administrative costs and \$409,787 in interest revenue. For the Agriculture Department in FY 2001, this would cause a reduction in expenditures of \$4,172,301 from other funds and a reduction of 1.3 FTE positions. For the Wheat Commission in FY 2001, this would cause a reduction in expenditures of \$3,432,606 and a reduction of 8.0 FTE positions.

The Committee concurred with this item.

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B. S.B. 388 (Conference). S.B. 388 would enact the Kansas Water Banking Act. The bill would allow for the chartering of water banks which would be private not-for-profit corporations. The water banks would provide safe deposit accounts for the deposit of unused water from a bankable water right for future use. Water banks may provide services to facilitate the sale or lease of water rights, in accordance to the Kansas Water Appropriations Act, and would be prohibited from owning, buying, or selling water rights.

The water bank's charter must be approved by the Chief Engineer of the Division of Water Resources in the Department of Agriculture. Water banks would be chartered for a period of not more than seven years at which time the bank would be subject to a review by an evaluation team lead by the Kansas Geological Survey (KGS).

A provision of the bill would require water banks to pay all costs incurred by the Division of Water Resources and the KGS for assistance and services including costs for personnel. Payments received from the water banks would be deposited into either the Water Resources Cost Fund or the Geological Survey Cost Fund as appropriate to reimburse costs incurred by either the Division of Water Resources or the KGS.

In order to implement provisions of the bill, the Department of Agriculture indicates that in FY 2001, \$76,029 from the State General Fund and 3.0 unclassified temporary positions would be required. This estimate includes \$46,317 for 1.0 Environmental Scientist III position, \$10,578 for 1.0 Environmental Scientist II position, \$5,334 for 1.0 Office Assistant III position, and \$13,800 for travel and subsistence. The agency indicates that the Environmental Scientist II and Office Assistant III positions would not begin until the last quarter of FY 2001.

The Committee did not recommend this item.

C. S.B. 664. (Conference). S.B. 664 would allow the Agriculture Department to fund more of the Division of Plant Health from other funds rather than the State General Fund. The bill would allow an additional \$75,000 to be funded from other funds. Specifically, it would permit \$35,000 from both the Feeding Stuffs Fee Fund and the Fertilizer Fee Fund and \$5,000 from the Agricultural Liming Materials Fee Fund. The Senate version of the bill allows the use of these funds for FY 2001; the House version of the bill allows the use for FY 2001 and FY 2002.

The Governor's recommendation for FY 2001 includes the funding from these additional sources, but not in the same combination. The Governor's recommendation, which was approved by the Legislature, includes an additional \$24,992 from the Feeding Stuffs Fee Fund, \$24,923 from the Fertilizer Fee Fund, and \$22,256 from the Agricultural Liming Materials Fee Fund.

The Committee concurred with this item.

D. Convert 4.0 special project positions to full time unclassified positions in the Meat and Poultry Inspections Program (Technical Correction). During the 1999 session, for FY 2000, the Governor recommended and the Legislature approved four special project veterinarian positions to be converted to full time unclassified positions in the Meat and Poultry Inspections Program. However, the corresponding language is not included in either of the appropriations bills for FY 2000 (See 1999 *Session Laws*, Chapter 132, Sec. 82.) or for FY 2001 (S.B. 326).

The Committee concurred with this item.

E. GBA No. 2, Item 54, pg. 24–Fee Fund.

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The Committee concurred with this item.

Kansas Agricultural Remediation Board

A. S.B. 501 (Law). The bill enacts the Agricultural and Specialty Chemical Remediation Act. The act addresses the costs to voluntarily clean agricultural or specialty chemicals that pose a threat to human health or the environment. The act has two aspects: the first being a Remediation Linked Deposit Loan Program and the second being a Remediation Reimbursement Program. The Reimbursement Program is discussed in this section of the memorandum, and the Loan Program is discussed in the State Treasurer's section.

The bill creates the Kansas Agricultural Remediation Board to administer the reimbursement program. The Board consists of five members appointed by the Governor and would represent agricultural retailers, agricultural producers, agricultural processors, specialty chemical distributors or retailers, and agricultural and specialty chemical registrants. Representatives of the Department of Agriculture and the Kansas Department of Health and Environment will serve as ex officio members. The Board will have the following powers, duties, and functions:

- Administer the Remediation Reimbursement Program and the newly created Kansas Agricultural Remediation Fund;
- Adopt rules and regulations concerning the terms and conditions of any reimbursements from the fund;
- Adopt rules and regulations establishing criteria for classification and prioritization of properties for purposes of the Remediation Linked Deposit Loan Program and the Remediation Reimbursement Program;
- Establish operating standards and procedures for approval of projects, application procedures, appeals procedures, and priority determinations;
- Appoint or contract for administrative services subject to a \$150,000 limit;
- Annually provide for an independent audit of the fund; and
- Annually report to the Governor, the Senate Committee on Energy and Natural Resources, and the House Committee on Environment.

The bill establishes annual environmental assessments to be deposited into the newly created Remediation Fund:

- \$100 by each custom blender of fertilizer;
- \$20 for each commercial fertilizer required to be registered;
- \$60 for each agricultural chemical required to be registered, except for agricultural chemicals classified as an antimicrobial pesticide as defined by federal law;
- \$80 to be paid by each pesticide dealer required to be registered; and

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- \$.0005 per bushel of storage capacity of each public grain warehouse licensed by the state or the federal government.

The imposition of the assessments would cease when on April 1 of any year the fund has a balance of \$5 million or more. The assessments would resume when on any following April 1 the balance is \$1.5 million or less. The fund would be allowed to receive interest earnings. In S.B. 326, the Legislature authorized the transfer of \$426,223 from the Grain Inspection Fee Fund to the Remediation Fund. For FY 2001 the expenditure limitation on the Remediation Fund is set at \$0.

The Remediation Reimbursement Program and the Kansas Agricultural Remediation Fund are automatically abolished by the start of FY 2011.

Governor's veto message of Section 76 in SB 501 (Attachment 21)
The Committee concurred with this item.

B. GBA No. 2, Item 49, pg. 22–Agricultural Remediation Programs.

The Committee concurred with this item.

Wheat Commission

A. H.B. 2674 (Governor). H.B. 2674 privatizes the Corn, Grain Sorghum, Soybean, and Wheat Commissions. The first three commissions are organized with the Department of Agriculture. Each commodity will have its own commission elected by producer members who will serve three-year terms. The new commissions may not have less than seven members and each commission may, by majority vote, appoint two additional members to serve at-large.

For FY 2001 the bill transfers the balance of all funds and liabilities associated with the old grain commissions to each of the newly created commissions. The old funds are then abolished. The bill provides for the transfer of the property of the old Wheat Commission to the newly created wheat commission.

The assessments on the commodities imposed under the bill will be remitted to the Secretary of Agriculture. The Secretary will then deposit the moneys in a private bank account established in the name of the appropriate commission. The bill gives the Secretary of Agriculture the power to (1) hire clerical and other personnel deemed necessary to carry out the act; (2) establish record keeping requirements deemed necessary by the commodity commissions; (3) inspect and audit any records required to be kept by the act; and (4) contract with any of the commissions for the collection of the assessments and to enter into any other contracts necessary to carry out the provisions of the bill.

The bill also establishes the Grain Commodities Commission Services Fund. The bill provides that all costs and expenses incurred by the Department in providing services to the commodity commissions will be paid from the fund.

Passage of H.B. 2674 would result in a revenue reduction in FY 2001 of \$509,787 to the State General Fund and \$9,082,953 to all funds. The State General Fund reduction would include the loss of \$100,000 that the four commodity commissions transferred to the General Fund for administrative costs and \$409,787 in interest

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revenue. For the Agriculture Department in FY 2001, this would cause a reduction in expenditures of \$4,172,301 from other funds and a reduction of 1.3 FTE positions. For the Wheat Commission in FY 2001, this would cause a reduction in expenditures of \$3,432,606 and a reduction of 8.0 FTE positions.

The Committee concurred with this item.

B. Clarify the elimination of restricted use funds (Technical Correction). In S.B. 39, for FY 2000, the Legislature approved a reduction of \$237,000 from the expenditure limitation of the Wheat Commission Fee Fund. This is the amount that was not requested by the agency to be released by the State Finance Council for a new marketing plan. In interpreting S.B. 39, the Division of Accounts and Reports has applied this reduction to the agency's routine operations and not to the remaining restricted use funds.

The Committee concurred with this item.

State Fair

A. Financing of the facilities master plan (House Appropriations Committee). The State Fair Board states that the implementation of its facilities master plan will cost \$36,147,920. The construction period is estimated to take a minimum of six years. The agency initially requested this amount be paid by the State General Fund over a period of six years, approximately \$6 million per year. The State Fair now suggests that this project could be financed from the following four funding sources.

Funding Source	% Share	Amount
State's Share	64.0%	\$ 23,134,669
Private Support/Routine Rehab. & Repair	16.7%	6,036,703
State Fair Board's Share	11.0%	3,976,271
City of Hutchinson and Reno County	8.3%	3,000,277
TOTAL	<u>100.0%</u>	<u>\$ 36,147,920</u>

The State Fair further suggests that the shares of the state, agency, and local governments could be financed through the issuance of bonds which could be paid over a ten-year period. The local governments first bond payment could be scheduled for January 2002. The agency states that the local government contributions is contingent upon state funding. Under this proposal, the agency would cover the cost of inflation during the construction period through either private support or the agency's budget for routine rehabilitation and repair.

The Committee did not recommend this item.

B. Financing of code compliance projects (Joint Committee on State Building Construction). The State Fair Board has incorporated the ADA, EPA, and fire code compliance projects into its facilities master plan. For FY 2001, the State Fair initially planned for \$150,000 from the State General Fund to be spent on code compliance projects. The Legislature has not approved any funds specifically for code compliance projects in the budget year. The agency now states that the following structures could be worked upon without conflicting the master plan.

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Code Compliance Projects
(in descending order of priority)

Structure	Amount
Grandstand	\$ 440,000
Medora Restrooms	12,210
Beef Judging Arena	189,885
Administration	231,440
Rabbit Barn	26,695
Parking Stalls	193,545
New Restrooms	40,000
TOTAL	<u>\$ 1,133,775</u>

In April 1998, the State Fair Board completed a study of ADA, EPA, and fire code compliance projects. The total cost was estimated to be \$4,354,498. For FYs 1999-2000, an aggregate of \$925,000 has been appropriated. This includes \$870,000 from the State General Fund and \$55,000 from the State Fair Capital Improvement Fund.

State Fair Capital Improvement Fund*	Actual FY 1999	Agency Est. FY 2000	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001
Beginning Balance	\$ 390,947	\$ 527,946	\$ 527,946	\$ 653,496	\$ 521,147
Transfer from Fee Fund	300,000	300,000	300,000	300,000	300,000
SGF Demand Transfer	260,000	300,000	300,000	300,000	300,000
Interest	17,078 **	30,000	30,000	30,000	30,000
Private Donations	1,750	0	0	0	0
Net Receipts	<u>\$ 578,828</u>	<u>\$ 630,000</u>	<u>\$ 630,000</u>	<u>\$ 630,000</u>	<u>\$ 630,000</u>
Total Funds Available	\$ 969,775	\$ 1,157,946	\$ 1,157,946	\$ 1,283,496	\$ 1,151,147
Less: Expenditures	<u>441,829</u>	<u>504,450</u>	<u>636,799</u>	<u>600,000</u>	<u>600,000</u>
Ending Balance	<u>\$ 527,946</u>	<u>\$ 653,496</u>	<u>\$ 521,147</u>	<u>\$ 683,496</u>	<u>\$ 551,147</u>
Ending Balance as a Percentage of Expenditures	119.5%	129.5%	81.8%	113.9%	91.9%

* For FYs 1999-2001 the Legislature has approved a "no limit" expenditure limitation on the State Fair Capital Improvement Fund.

** Interest was transferred from the State Fair Surplus Fund which was used in the grandstand renovation. This fund, along with the other obsolete grandstand funds, was abolished in SB 326.

Kansas State Fair priority list (Attachment 22)
The Committee did not recommend this item.

Animal Health Department

A. GBA No. 2, Item 50, pg. 22—National Poultry Improvement Plan.

Letter of request from George Teagarden, Livestock Commr, (Attachment 23)

The Committee concurred with this item.

State Conservation Commission

A. GBA No. 2, Item 51, pg. 23—Released encumbrances of the State Water Plan Fund.

State Water Plan Fund, FY2001, review from Legislative Research Department

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presented (Attachment 24)

The Committee concurred with this item.

Kansas Water Office**A. GBA No. 2, Item 52, pg. 23—Equus Beds Groundwater Research.**

The Committee concurred with this item.

B. GBA No. 2, Item 53, pg. 23—Water Marketing Fund.

The Committee concurred with this item.

School for the Blind

A. GBA No. 1, Item 12, pg. 6—Decrease KSIP expenditures (House Budget Committee). The Governor decreases his FY 2000 recommendation by \$1,676 from the State General Fund. As the GBA explains, the amount available in the current fiscal year to be spent in the School's Kansas Savings Incentive Program (KSIP) account should be \$8,324 and not \$10,000. The Budget Committee believes this to be a technical adjustment to the FY 2000 budget.

The Committee concurred with this item.

B. Expenditure Limitation on General Fees Fund (House Budget Committee). For FY 2000, the Governor's budget recommendation includes an additional \$10,000 to be spent from the General Fees Fund. However, S.B. 39 does not increase the expenditure limitation which is currently set at \$9,349. (See 1999 *Session Laws*, Chapter 132, Sec. 60(b).) The Budget Committee believes this to be a technical adjustment to the FY 2000 budget.

The Committee concurred with this item.

Behavioral Sciences Regulatory Board

A. Review fee structure. The Senate Subcommittee on the Behavioral Sciences Regulatory Board recommended the review of the agency fee structure at Omnibus. The fees are as follows:

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Profession	Current Fee	Statutory Maximum
Social Worker		
Application KSA 65-6314(a)(2)	\$100	\$150
Original License	N/A	N/A
Renewal KSA 65-6314(a)(1)	\$100	\$150
Temporary License KSA 65-6314(a)(7)	\$50	\$50
Reinstatement KSA 65-6313(d); 65-6314(a)(1)	\$200	\$300
Psychologist		
Application KSA 74-5310(a)	\$75	\$150
Original License KSA 74-5310(a)	\$175	\$200
Renewal KSA 74-5319	\$200	\$200
Temporary License KSA 74-5316	\$30	\$15
Reinstatement KSA 74-5320	\$400	\$400
Professional Counselor		
Application KSA 65-5808(1)(a)	\$75	\$100
Original License KSA 65-5808(a)(2)	\$150	\$175
Renewal KSA 65-5808(a)(4)	\$150	\$150
Temporary License KSA 65-5808(a)(10)	\$150	\$150
Reinstatement KSA 65-5808(a)(5)(9)	\$300	\$300
Masters Level Psychologist		
Application KSA 74-5365(a)	\$75	\$200
Original License KSA 74-5365(a)	\$175	\$200
Renewal KSA 74-5365(a)	\$175	\$200
Temporary License KSA 74-5366(f)	\$100	\$100
Reinstatement KSA 74-5366(d)	\$350	\$400
Licensed Marriage and Family Therapist		
Application KSA 65-6411(a)(1)	\$75	\$150
Original License KSA 65-6411(a)(2)	\$150	\$175
Renewal KSA 65-6411(a)(4)	\$150	\$175
Temporary License KSA 65-6406	\$150	\$150
Reinstatement KSA 65-6411(a)(5)&(7)	\$150+	\$175
(Plus an additional \$5 for every 30 days the application is late.)		
Registered Alcohol and Other Drug Abuse Counselor		
Application KSA 65-6603(b)	\$100	\$100
Original License	N/A	N/A
Renewal KSA 65-6603(b)	\$100	\$100
Temporary License	N/A	N/A
Reinstatement KSA 65-6603(c)	\$200	\$200

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Fee Fund Analysis

Resource Estimate	Actual FY 1999	Agency Est. FY 2000	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001
Beginning Balance	\$ 344,468	\$ 386,547	\$ 386,547	\$ 396,096	\$ 431,043
Net Receipts	415,709	475,000	475,000	499,000	499,000
Total Funds Available	\$ 760,177	\$ 861,547	\$ 861,547	\$ 895,096	\$ 930,043
Less: Expenditures	373,630	465,451	430,504	439,121	424,641
Ending Balance	<u>\$ 386,547</u>	<u>\$ 396,096</u>	<u>\$ 431,043</u>	<u>\$ 455,975</u>	<u>\$ 505,402</u>
Ending Balance as Percentage of Expenditures	103.5%	85.1%	100.1%	103.8%	119.0%

The Committee took no action on this item. This issue will be put in a summer study.

Kansas Department of Human Resources

A. \$1.6 Million State General Fund for Welfare-to-Work State Match (House Budget Committee). The House Budget Committee recommended a review of the agency request for \$1.6 million State General Fund in FY 2001 to provide the final state match necessary to access the \$3.2 million in federal money still available to the state. The Welfare to Work program provides transitional assistance which moves hard-to-employ welfare recipients living in high poverty areas into unsubsidized employment and economic self-sufficiency. This is done through job readiness, placement, and post-employment services; vouchers for placement, readiness, and post-employment services; and job retention or support services for hard-to-employ welfare recipients. Current welfare to work programs can continue for 6 to 18 months without the match, depending on the service delivery area.

The Committee took no action on this item.

B. GBA No. 2, Item 26, pg. 12—Authority to Relocate Office Space.

The Committee concurred with this item and noted that net proceeds from sale of buildings go only into a "Sell the buildings fund".

C. GBA No. 2, Item 27, pg. 13—New Federal Funds.

The Committee concurred with this item.

Kansas State Historical Society

A. \$100,000 State General Fund for Rehabilitation and Repair Projects (House Budget Committee). The House Budget Committee on the State Historical Society and the Joint Committee on State Building Construction recommended review of the agency request for \$100,000 from the State General Fund in FY 2001 for rehabilitation and repair projects at Omnibus. The agency requested the funds to cover emergency repairs at the historic sites and Kansas History Center. The agency received \$100,000 State General Fund in FY 2000 and \$334,573 State General Fund in FY 1999.

The Committee did not recommend this item.

B. \$121,000 Economic Development Initiatives Fund for rehabilitation and

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repair projects at the Fort Hays Blockhouse (\$50,000) and First Territorial Capitol (\$70,000) (House Committee). The House Committee recommended review of the agency request for \$121,000 in FY 2001 for rehabilitation and repair projects at the Fort Hays Blockhouse and First Territorial Capitol after the conference committee on S.B. 326 removed the \$121,000 Economic Development Initiatives Fund money for the projects. The Conference Committee recommended the agency complete the projects with existing funds.

The Committee did not recommend this item.

C. GBA No. 2, Item 35, pg. 17—Capital Improvement Project.

The Committee did not recommend this item.

The Committee requested a proviso be added to read as sub-committee report specific recommendations.

Kansas Human Rights Commission

A. Request for 1.0 FTE for Information/Education Staff (Senate Subcommittee). The Senate Subcommittee on the Kansas Human Rights Commission recommended the review of the agency request for 1.0 FTE position in FY 2001 for additional information/education staff. The agency is requesting \$36,472 (salary and benefits) from the State General Fund for this position. The agency is requesting the additional staff to further their mission of eliminating human rights violations.

The Committee concurred with this item.

B. Review Request for Reclassification of 18 Investigative Supervisors and Special Investigators (House Budget Committee). The House Budget Committee recommended the review of the agency request for reclassification of 18 Investigative Supervisors and Special Investigators. According to the agency, the requested reclassifications are necessary for Investigative Supervisors and Special Investigators, based on their level of responsibility. The Division of Personnel Services has recommended a re-authorization of those positions which would allow the agency to promote the 4 Special Investigator IIs (pay grade 24) to Public Service Administrator IIs (pay grade 27) and the 17 Special Investigator Is (pay grade 22) to IIs (pay grade 24). The cost of the re-authorization would be \$21,127 (salary and benefits) from the State General Fund for FY 2001.

The Committee did not recommend this item.

Homestead Property Tax Refunds

A. Supplemental Request for \$1.5 million State General Fund in FY 2000 (Senate Subcommittee). The Senate Subcommittee on the Homestead Property Tax Refund program recommended review of the agency's budget when the Department of Revenue could provide more accurate estimates of refunds. The Subcommittee recommended the addition of funds if the agency could not pay all claimants. In years when funding for the program did not cover all claims, the agency stopped processing claims until the following fiscal year, usually from mid-May to July. The program has processed 53,955 refund claims and paid a total of \$13,509,506 in refunds so far in FY 2000. The average refund to date is \$250. The program has 7,000 claims left to process as of April 19 and a balance of \$292,643 in the refund account. The agency indicates that it will need to stop processing claims for FY 2000 at the end of April or

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beginning of May if they do not receive the supplemental request.

The Committee concurred with this item.

B. GBA No. 2, Item 25, p. 12—Property Tax Refunds.

The Committee concurred with this item.

Kansas Legislative Research Department

A. Omnibus Review Items (House Appropriations Committee). The House Appropriations Committee requested that the agency report back to the Committee for consideration at Omnibus information on the following items: (a) The cost and efficiency of utilizing a voice mail system with the agency; (b) The adequacy of travel funding for staff who are on a committee of the National Council of State Legislatures or the Council of State Governments; (c) Options for establishing a program of granting compensatory time for staff of the agency; and (d) The cost, effectiveness, and options for establishing a deferred compensation program for the staff of this agency which would be similar to the deferred compensation program for legislative leadership staff.

Letter from Legislative Research Dept, received (Attachment 25)

No action taken on this item

Legislature

A. Legislative, Congressional, and State Board of Education Redistricting (House Appropriations Committee and Senate Committee). The House Appropriations Committee and the Senate Ways and Means Committee both requested that possible additional funding for legislative, congressional, and State Board of Education redistricting be reviewed at Omnibus. The redistricting will occur in the 2002 Session of the Legislature. The agency had initially requested \$1.2 million (State General Fund) in FY 2001 for redistricting costs (consultants, computer software, training, etc.). Since that initial request, bids have been solicited, negotiations have been completed and the latest estimate for redistricting is \$700,000 in FY 2001, \$415,000 in FY 2002 and \$76,000 in FY 2003 (all from the State General Fund). The Governor recommended and the Legislature has approved \$500,000 (State General Fund) in FY 2001 in 2000 House Substitute for Senate Bill 326. The fully fund the agency's request would require an additional \$200,000 in FY 2001, \$415,000 in FY 2002, and \$76,000 in FY 2003 (all from the State General Fund).

The Committee did not recommend this item.

B. Remodel Room 143-N in the Statehouse (Senate Committee). The Senate Ways and Means Committee requested that further consideration be given at Omnibus for remodeling costs associated with Room 143-N in the Statehouse. The proposal would change Room 143-N from Senate offices into a committee hearing room. The request by the agency for the remodeling was \$500,000 (State General Fund) in FY 2001. The Committee noted that the Secretary of State vacated the Statehouse in January, 2000. The Committee also maintained that if an appropriation is not made by the 2000 Legislature, the vacated Secretary of State space will remain largely vacant for another year.

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The Committee did not recommend this item.

C. Full-Time Legislative Secretarial Pool (House Appropriations Committee).

The House Appropriations Committee requested that the Director of Legislative Administrative Services report back to the Committee at Omnibus about the costs of establishing a full-time legislative secretarial typing pool. The pilot project would provide five full-time secretaries to those legislators who do not have permanent staff available to them during the interim period of the fiscal year. The secretaries could also be mentors to new session-only clerical personnel and help staff interim committees. The estimated net cost according to the Director of Legislative Administrative Services for five FTE positions in FY 2001 would be \$92,340 (State General Fund).

The Committee did not recommend this item.

D. H.B. 2570 - Public Safety Task Force (Conference Committee). H.B. 2570 as amended by the Senate Ways and Means Committee creates an eleven member Task Force on Consolidation of Public Safety Agencies to study the possible consolidation of state public safety agencies. The Task Force would consist of 11 members including: one member of the House Appropriations Committee to be appointed by the Speaker of House; one member of the House Judiciary Committee to be appointed by the Speaker of the House; one member of the House appointed by the Minority leader of the House; one member of Senate Ways and Means Committee to be appointed by the President of the Senate; one member of the Senate Judiciary Committee appointed by the President of Senate; one member of the Senate to be appointed by the Senate Minority Leader; and five members to be appointed by the Governor. Two of the Governor's appointments would come from local law enforcement agencies. None of the Governor's appointments could be members of the Legislature.

The Task Force would be charged with reviewing the feasibility and efficiencies that could be achieved by consolidating all public safety functions of state agencies. Those state agencies and functions include, but are not limited to : the Kansas Highway Patrol; the State Fire Marshal; the Ombudsman of Corrections; the Juvenile Justice Authority; the Kansas Parole Board; the Kansas Bureau of Investigation; the Board of Emergency Medical Services; the Division of Emergency Management of the Adjutant General's Office; the Department of Corrections; the Kansas Sentencing Commission; and the Alcoholic Beverage Control program of the Department of Revenue. The Task Force would be authorized to meet at any place in the state on call of the chairperson, but is required to meet at least quarterly. The Task Force would be required to submit a final report of its findings and recommendations on or before January 1, 2001.

Expenditures for the Task Force, including legislator compensation, subsistence, mileage and clerical assistance for FY 2001 are estimated at \$9,916 (State General Fund). The exact fiscal note would depend on who was appointed to the Task Force and the number of meetings held during FY 2001.

The Committee concurred with this item.

E. H.B. 2780 - Long-Term Care Services Task Force (Conference Committee). H.B. 2780 as amended by the Senate Committee on Public Health and Welfare, would create a 20-member Task Force on Long-Term Care Services to study state and federal laws and regulations that impact on services provided by the public and private sector to citizens who are consumers of long-term care services, the financing of such services, the effectiveness of partnering activities between state agencies and long term care providers, and other matters as the Task Force deems appropriate. Seven members of the Task Force are to be appointed by the Legislative Coordinating Council,

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three of whom are to be consumers of long-term care, three providers of long-term care, and one a trustee or board member of a long-term care facility. Two members are to be appointed by the President of the Senate and the Speaker of the House. Of the two appointments, one is to be a member of the House Committee on Appropriations and one a member of the Senate Committee on Ways and Means. An additional two members are to be appointed by the Senate President, and the Minority Leader of the Senate is to appoint two members. In each case, one appointee is to be a member of the Senate Committee on Public Health and Welfare and one a member of the Senate Committee on Financial Institutions and Insurance. Two additional members are to be appointed by the Speaker of the House, and two members appointed by the Minority Leader of the House. In each case, one appointee is to be a member of the House Committee on Health and Human Services and one a member of the House Committee on Insurance. The Secretaries of Social and Rehabilitation Services, Aging, and Health and Environment or their designees make up the remaining members of the Task Force. The authorization for the Task Force would expire on July 1, 2005.

Expenditures for the Task Force, including legislator compensation, subsistence, mileage and clerical assistance for FY 2001 are estimated at \$31,944 (State General Fund). The exact fiscal note would depend on who was appointed to the Task Force and the number of meetings held during FY 2001.

The Committee concurred with this item, however for only \$25,000.

Office of the Governor

A. GBA No. 2, Item 3, page 2—Coordinator Position for Workforce Development Issues.

The Committee concurred with this item.

Selected Agencies

A. GBA No. 2, Item 56, page 24—Revenue Loss--Production Loan.

No action was taken on this item pending more information.

B. GBA No. 2, Item 57, page 24—Four-Year Vacancies.

The Committee concurred with this item.

C. GBA No. 2, Item 58, page 25—Three-Year Vacancies.

The Committee concurred with this item.

D. GBA No. 2, Item 61, page 26—Retirement Reductions.

The Committee concurred with this item.

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University of Kansas

A. Capital Improvement Projects (Senate Committee and Conference Committee Recommendation and GBA No. 2, Item 32, page 15). During its consideration of the capital improvements budget of the University of Kansas, the Senate Subcommittee on Capital Improvements was presented with two capital improvement projects which were approved by the Board of Regents and submitted to the Legislature after submission of the institution's budget request. These projects had been reviewed and recommended by the Joint Committee on State Building Construction but due to the timing of the submission of the projects, had not been considered by the Governor. The Subcommittee, and subsequently the full Committee, recommended the projects be deferred for consideration in the Omnibus Appropriation Bill. The House had added the projects, but during Conference Committee, the House concurred with the Senate to defer consideration of the items pending possible receipt of a Governor's Budget Amendment on the projects. The two projects are:

- a. Authorization for the expenditure of \$560,000 from existing resources in FY 2000 to renovate a portion of Strong Hall for administrative space for the College of Liberal Arts and Sciences. No new expenditures would be required.

The Committee concurred with this item.

- b. Authorization of the issuance of up to \$17.0 million in bonds in FY 2001 for the construction of a Student Recreation Center on the Lawrence campus. The bonds would be repaid with student fees. No expenditures would be required in FY 2001.

The Committee concurred with this item.

B. Senate Bill No. 388 (Conference). SB 388 would enact the Kansas Water Banking Act. The bill would allow for the chartering of water banks which would be private not-for-profit corporations leasing water from holders of water rights that have been deposited in the bank. The water banks also would provide safe deposit accounts for the deposit of unused water from a bankable water right which is placed in the bank for use in future years. A water bank may be a groundwater bank or a surface water bank, or both. Water banks may provide services to facilitate the sale or lease of water rights and would be prohibited from owning, buying, or selling water rights. The House version of the bill would authorize the Director of the Kansas Geological Survey (KGS) to convene a team to evaluate the operation of a water bank *not later than five years* after the establishment of a water bank. The staff of the KGS would provide staff assistance to the evaluation team. An additional provision of the bill would require water banks to pay all costs incurred by the KGS for assistance and services including costs for personnel. Payments would be deposited into the Geological Survey Cost Fund, which is established in the bill. Because of the provision that provides up to a five-year period before the convening of the evaluation team, it is doubtful that any expenditures will be incurred by the KGS in FY 2001, but the fund created in the bill could be appropriated.

The Committee did not recommend this item.

Kansas State University

A. GBA No. 2, Item 34, Page 16—Authority to Issue Bonds for Ackert Hall Addition.

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The Committee concurred with this item.

**Kansas State University Extension Systems
and Agriculture Research Programs**

A. SB 534 (Law). SB 534 establishes a center of excellence on sustainable agriculture and alternative crops at Kansas State University. Some of the functions and duties of the center would be to emphasize research, education, outreach, and marketing for sustainable agriculture and alternative food, fiber and medicinal crops; expand small farm research; develop and distribute a guide of all state services for small farms and value added agriculture; and focus research on value added processes and new crops that offer low-volume, high margin niche opportunities. Subject to appropriations, the bill authorizes expenditures for a coordinator for the center and associated operational expenses. The University estimates total FY 2001 expenditures of \$60,000 from the State General Fund and 1.0 FTE position to fund the new center. The funding would include \$50,960 for the salary of a Coordinator and \$9,040 in other operating expenditures.

The Committee concurred with this item.

State Department of Education

A. Revised School Finance Estimates. Savings in general and supplemental general state aid totaling \$13.7 million have been identified, based on revised school finance estimates made April 6, 2000. The savings are attributable to reduced enrollments and result in reductions of \$5.0 million in FY 2000 and \$8.7 million in FY 2001.

The revised estimates are shown below. (Numbers are in thousands.)

	Previous Est. FY 2000	Revised Est. FY 2000	Savings FY 2000	Previous Est. FY 2001	Revised Est. FY 2001	Savings FY 2001	Two-Year Savings
Gen. State Aid	\$ 1,788,199	\$ 1,783,204	\$ 4,995	\$ 1,820,567	\$ 1,812,181	\$ 8,386	\$ 13,381
Supp. Gen. State Aid	72,821	72,800	21	82,059	81,773	286	307
TOTAL	<u>\$ 1,861,020</u>	<u>\$ 1,856,004</u>	<u>\$ 5,016</u>	<u>\$ 1,902,626</u>	<u>\$ 1,893,954</u>	<u>\$ 8,672</u>	<u>\$ 13,688</u>

Note: The savings shown for FY 2000 are in addition to savings previously identified of \$6,846,896 for general state aid and \$4,025,365 for supplemental general state aid, or a total of \$10,872,261.

The Committee recommended concurring with Governor's Budget recommendation.

Financing. Prior to first adjournment, the Legislature approved funding in House Sub. for SB 326 that would fully fund school finance in FY 2001, prior to the revision. That funding includes \$7,761,000 from the Flexible Spending Fund for general state aid. A comparison of approved funding for FY 2001 and the revised estimates is shown below (in thousands):

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	House Sub. for SB 326	Revised Estimates	Savings
General State Aid			
State General Fund	\$ 1,813,086	\$ 1,804,420	\$ 8,666
Flex. Spend. Fund	7,761	7,761	0
Subtotal	<u>\$ 1,820,847</u>	<u>\$ 1,812,181</u>	<u>\$ 8,666</u>
Supp. Gen. State Aid			
SGF	\$ 81,779	\$ 81,773	\$ 6
TOTAL	<u>\$ 1,902,626</u>	<u>\$ 1,893,954</u>	<u>\$ 8,672</u>

Note: The \$7,761,000 for FY 2001 from the Flexible Spending Fund appropriated for general state aid in House Sub. for SB 326 includes \$280,000 that should have been appropriated for supplemental general state aid. However, the issue is moot now because the numbers have been revised and will be reposted.

The Committee concurred with this item.

Reappropriation. Legislative policy in recent years has been to reappropriate any savings from the current year to the following year in order to reduce the appropriation of new money and to give the State Department flexibility to use any savings in the current year in the event that the estimates are low and additional money is needed. For FY 2001, the Governor recommended, and the Senate concurred, that the savings should be lapsed and not reappropriated. It was the House's intention to reappropriate the savings, but the bill was not correctly posted. Based on the revised estimates, there are savings in FY 2000 of \$11,841,896 in general state aid and \$4,046,365 in supplemental general state aid, for a total of \$15,888,261, which either would lapse at the end of the current fiscal year or could be reappropriated to FY 2001. Without further action by the Legislature, the savings will lapse.

The Committee concurred with this item, and reappropriated identifiable savings of up to \$2 million that would go to in-service and amount over that would lapse.

B. Revised Estimate for KPERS-School. On April 17, 2000, revisions were made to estimated expenditures for KPERS-School in FY 2000, resulting in the identification of savings of \$1,588,062, which reduce expenditures from an estimated \$89,476,651 to \$87,888,589. The Legislature has the option of allowing the savings to lapse or to be reappropriated in order to reduce the amount of new money needed for FY 2001. The State Department of Education would prefer that the amount be reappropriated so that, if the revised estimates are understated, there still would be money available in the current year to fully fund the KPERS-School entitlement. In addition, an error has been discovered that occurred in FY 1999 and resulted in overpayments of \$978,774. Because the money already has been transferred to KPERS and is not in the State Department's account, the Legislature could reduce the appropriation for FY 2001 and allow KPERS to apply the savings to next year's expenditure. With this adjustment, KPERS-School expenditures for FY 2001 are estimated to be \$88,742,868.

The exhibits below show estimated funding for KPERS-School in FY 2001, assuming that savings in FY 2000 are lapsed (option 1) and that they are reappropriated (option 2):

Option I FY 2000 Savings Lapsed	Option II FY 2000 Savings Reappropriated
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Governor's Recommendation	\$ 83,230,735	Governor's Recommendation	\$ 83,230,735
<u>Add</u> : Adjustment for KPERs rate increase	6,490,997	<u>Add</u> : Adjustment for KPERs rate increase	6,490,907
<u>Less</u> : KPERs overpayment for FY 2001 Revised Expenditures	(978,774)	<u>Less</u> : KPERs overpayment	(978,774)
	<u>\$ 88,743,868</u>	TOTAL Revised Expenditures	\$ 88,742,868
		<u>Less</u> : Savings reappropriated from FY 2000 already accounted for	(504,371)
		<u>Less</u> : Current year savings	(1,588,062)
		TOTAL NEW MONEY APPROPRIATED	<u>\$ 86,650,435</u>

The Committee concurred with this item and agreed with Governor's Budget amount.

C. Programs Funded from the Children's Initiatives Fund (Deferred to Omnibus). Programs in the State Department's budget that the Governor recommended be funded from tobacco money total \$7,277,833 for FY 2001 and are the following:

Parent Education. The Governor recommends \$5,944,833 for parent education, of which \$1,277,833 is tobacco money and \$4,667,000 is from the State General Fund. The current appropriation totals \$5,372,058, of which \$777,833 is tobacco money.

Four-Year-Old At-Risk Program. The Governor recommends \$1.0 million in general state aid to expand the four-year-old at-risk program from 1,794 children to 2,232, an increase of 438. (HB 2810, discussed below, would statutorily expand the program to implement the Governor's recommendation.)

School Violence Prevention (Experimental Wraparound). The Governor recommends \$500,000 for the second year of the school violence prevention program, a competitive grant program designed to reduce school violence, substance abuse, school dropouts, and delinquency. The program requires a 25 percent local match and is for school districts that have developed a collaborative program with a community mental health system. In FY 2000, 8 school districts received grants out of 16 that applied.

Technology Infrastructure. The Governor recommends \$4.5 million to establish a state education technology network known as "KAN-ED." The network would provide Internet connectivity to school districts and public libraries.

Items addressed under tobacco funding

D. Structured Mentoring Program (Consider in Omnibus). The Senate Subcommittee on the State Department's budget flagged for Omnibus consideration funding of the structured mentoring program, should additional funding become available. The program began in FY 1999 and is funded for FY 2000 with \$965,250 from the State General Fund. The Governor recommends no funding for the program in FY 2001. The State Board requested \$1,265,169. Thirty-one grant applications were received in FY 2000, of which 22 have been funded. Grants must be matched locally dollar-for-dollar and support programs to improve students' skills and raise academic achievement in the areas of reading, mathematics, language arts, and Spanish language arts through the use of trained mentors.

Proposal of Senators Kerr, Lawrence & Umbarger for Reading Recovery program was presented. (Attachment 26)

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Committee agreed to following:

- 1) Allow up to \$160,000 special education dollars to be drawn down by school districts who have a fully qualified Reading Recovery teacher leader
- 2) \$250,000 special education money be made available for vision screening and vision therapy
- 3) \$1 million for structured mentoring reading program coordinator teachers

E. Educational Excellence Grants (Consider in Omnibus). This item was flagged for Omnibus consideration by the Senate Subcommittee on the State Department's budget in the event that revenue constraints are relieved. Educational excellence grants are funded in FY 2000 at \$1,584,000 from the State General Fund, but are not funded in the Governor's FY 2001 budget. Grants are made to school districts on a competitive basis for special enhancements and innovative programs and must be matched 100 percent at the local level. The State Board's request for FY 2001 of \$1.6 million would fund around 20 grants, or about one-quarter of the number of applications. Grants in FY 2000 were awarded on the basis of proposals that focused on aligning curriculum, instruction, and assessment with state standards; that increased productivity through the use of technology; and that focused on school reform aimed at all students or schools reaching standards of excellence.

The Committee did not recommend this item.

F. Reading and Vision Research (Consider in Omnibus). The House Budget Committee on the State Department's budget recommended Omnibus consideration of providing \$250,000 from the Intergovernmental Transfer Program to fund research on vision problems. The recommendation followed a review of results of research the 1998 Legislature funded through the Kansas Optometric Association with an appropriation of \$27,000 for FY 1999. Research indicates that 20 percent of children entering kindergarten will have some form of vision problem and that the percentage doubles to 40 percent by high school. The proposed research project would expand the number of students involved from 60 in the earlier study to 160 and expand the vision problems addressed to include convergence insufficiency, convergence excess, and accommodation problems, conditions that cannot be corrected with glasses or contact lenses. Under the proposal, vision therapy would be provided students at 12 sites by participating optometrists. Most of the cost of the project would be for treatment of students (\$192,000). Other costs would be for diagnosis eye examinations (\$17,500), transportation expenses for parents (\$20,000), and other costs.

The Committee addressed this item earlier in Item D

G. Increased Funding for State Department Operating Budget (Consider in Omnibus). The House Budget Committee recommended Omnibus consideration of an additional \$329,407 from available funding sources for the State Department's operating budget for FY 2001. Under the Governor's recommendation, the portion of the operating budget funded from the State General Fund has been reduced by \$803,353, or 8.3 percent, compared to the current year. The State Department requested restoration of \$329,407, which consists of \$118,465 to reduce the shrinkage rate from 5 percent to 3 percent (the historical level in recent years), \$67,668 for technology equipment, \$52,483 to restore a position cut in 2000 SB 39, and \$90,791 for other items, such as travel.

The Committee concurred with this item, and also added \$35,000 for attorneys fees

H. Discretionary Grant Funding (Consider in Omnibus). The House Budget Committee recommended Omnibus consideration of funding for discretionary grants, which are grants allocated by the State Board for programs it considers meritorious. Programs funded in the current year total \$100,000 from the State General Fund and

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consist of \$30,000 for the Kansas Cultural Heritage Center, \$35,000 for Environmental Education, and \$35,000 for the Kansas Foundation for Agriculture. Although the Governor recommended no funding for the grants in FY 2001, the Legislature appropriated \$30,000 from the Economic Development Initiatives Fund for the Kansas Foundation for Agriculture in House Sub. for SB 326.

The Committee did not recommend this item.

I. HB 2810 (Law). HB 2810 makes two changes in current law:

Four-Year-Old At-Risk Students. The bill increases the number of children served in the four-year-old at-risk program from 1,794 pupils to 2,230, an increase of 436 children. The fiscal impact of this provision in FY 2001 is an additional \$1.0 million for general state aid.

Under tobacco funding

Juvenile Detention Facilities. School districts receive state aid equal to the lesser of actual costs of educational services provided to children in juvenile detention facilities and the Flint Hills Job Corps Center or two times Base State Aid Per Pupil, based on the greatest number of pupils served on one of three counting dates: September 20, November 20, or April 20. HB 2810 adds six new facilities to the list of participating centers and deletes two that no longer are operating. The new facilities are St. Francis Academy at Atchison, St. Francis Academy at Ellsworth, St. Francis Academy at Salina, St. Francis Center at Salina, Clarence M. Kelley Youth Center at Topeka, and Clarence M. Kelley Youth Center at WaKeeney. The centers that have closed and are deleted are Charter Wichita Behavior Health System and Parkview Passages Residential Treatment Center of Topeka. The bill is effective upon publication in the *Kansas Register*, but there is no fiscal impact in FY 2000 because the increase in the number of pupils served in the new facilities is offset by the closure of the other two centers. Under the Governor's recommendation, the recommended appropriation for FY 2001 of \$4,509,310 would pay for services provided to 610 students under current law. The provisions of HB 2810 increase the estimate of the number of students to be served by 116, at an additional cost of \$870,931.

The Committee concurred with this item.

J. SB 432 (Conference). SB 432 originally concerned criminal history checks of applicants for initial employment with school districts, but now has been expanded to include provisions of four other bills: SB 519, relating to suspension and expulsion of pupils; HB 2794, mastery of basic skills; HB 2799, the Mentor Teacher Program, and HB 2801, National Board certification of teachers. The total fiscal impact of the bill would be an additional \$93,753 for state agency operations and 1.0 FTE new position in FY 2001. The material below addresses only those portions of the bill that would have a fiscal impact.

Mastery of Basic Skills Program. The State Board of Education would be required to prepare a strategy for identifying, developing, and implementing a mastery of basic reading skills program in kindergarten and each of grades one through three of school districts based upon the goal of mastery of basic reading skills by pupils upon completion of the third grade. The bill directs the State Board to:

- Identify state standards and outcomes of mastery of basic reading skills in kindergarten and each of grades one through three;
- Prepare a plan for monitoring the progress of pupils in achieving mastery of basic reading skills; and

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- Specify the means to be used for determining mastery of basic reading skills at each applicable grade level by pupils upon completion of grade 3.

The State Board's strategy also must address what school districts must do to provide interventions for pupils who do not make satisfactory progress toward mastering basic reading skills, such as summer school and additional school days. The State Board is required to report to the 2001 Legislature its strategy and proposed plan to implement the basic reading skills program, including an estimate of the cost of program implementation. The State Board must develop program standards during the 2001-02 school year, and implement the plan in the 2002-03 school year.

The State Department intends to reallocate existing staff to assist in developing the program, but does estimate additional costs of \$25,000 in FY 2001 associated with travel and subsistence for a committee consisting of elementary school teachers, reading specialists, early childhood educators, and teacher educators who will be charged with identifying standards and helping to develop and implement the program.

The Committee did not recommend this item.

Kansas Mentor Teacher Program. SB 432 would establish the Kansas Mentor Teacher Program whereby grants would be paid to school districts to pay stipends for experienced teachers who serve as mentors to probationary teachers. School districts that elect to participate would have to meet State Board of Education criteria for approved mentor teacher programs and would be eligible to receive \$1,000 for each mentor teacher who provides support for probationary teachers. The State Board of Education must develop rules and regulations to administer the program by January 1, 2001. Responsibilities of the State Board include establishing criteria for evaluating and approving mentor teacher programs, identifying the criteria for qualification of certificated teachers to serve as mentors, prescribing guidelines for selecting mentor teachers, providing mentor teacher training programs, and evaluating the effectiveness of the program.

The grant program would be implemented for the 2001-02 school year (FY 2002). Not included in the bill, but part of the agreement reached by House and Senate conferees on SB 432, is the plan that funding for the grants should come from any unanticipated savings in general state aid at the end of FY 2001. In this respect, funding for the Mentor Teacher Program would be like that portion of the inservice education program that, for the last several years, has come from general state aid savings. The conferees on SB 432 specified that funding for the Mentor Teacher Program should take precedence over any other programs funded from general state aid savings. The State Department estimates that 1,000 teachers would be involved in the program during its first year, at a cost of \$1,000 per teacher, for a total of \$1.0 million in FY 2002. Because the conferees on SB 432 anticipate that the program would be funded from savings for general state aid, no new appropriation would be needed. However, to carry out the conference committee agreement, either the 2000 Legislature or the 2001 Legislature would have to include a new fund in the State Department's budget for the Kansas Mentor Teacher Program and attach a proviso to the appropriation for general state aid specifying that any balances in the fund at the end of June 30, 2001, would be transferred to the Kansas Mentor Teacher Program and that this transfer would take precedence over any other transfer the Legislature might authorize, such as for inservice education.

For FY 2001, the State Department is requesting the addition of \$68,753 from the State General Fund for operating costs and one new position to develop the standards

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and provide the training to mentor teachers that the bill would require. The amount consists of \$44,100 for the salary of 1.0 FTE new Education Program Consultant, \$9,653 for associated operating costs, and \$15,000 for committee work to develop standards and criteria and to provide training.

The Committee concurred with this item.

National Board Certification. The bill would establish the National Board for Professional Teaching Standards Certification Incentive Program under which a teacher who attains National Board certification would be issued a Master Teacher's Certificate by the State Board of Education that would be valid for ten years. A teacher employed by a school district who has attained National Board certification would be paid an annual incentive bonus of \$1,000.

Although the ten-year certificate would be new policy, it is current policy to award one-time bonuses of \$1,000 for each teacher who receives National Board certification. For FY 2001, \$39,000 is included in the State Department's budget for this purpose. It is estimated that the cost of the program after four years would be \$270,000, assuming that 80 teachers attain National Board Certification during that period.

The Committee took no action on this item.

K. GBA No. 2, Item 31, pg. 14—Increase Per Pupil State Aid.

The Committee concurred with this item.

L. GBA No. 2, Item 32, pg. 14—KPERs School Retirement Contribution Costs.

The Committee concurred with this item.

Judicial Branch

A. District Magistrate Judge for the 9th Judicial District (McPherson County). Both the House Budget Committee and the Senate Subcommittee on the Judicial Branch budget identified the addition of a District Magistrate Judge for the 9th Judicial District as a funding priority if revenue constraints are relieved. The position would cost \$60,046 and would be for a district in which civil and criminal case filings have increased by more than 100 percent in the last ten years. Information presented to the subcommittees indicates that the three District Court Judges assigned to the 9th Judicial District presently have the fourth highest caseload per judge in the state and that delays in scheduling hearings and addressing other business before the court are regular occurrences. The District presently has no magistrate judge positions.

No action taken by Committee on this item.

B. S.B. 150 (Conference Committee). 1999 S.B. 150 concerns child custody, parental rights, and other issues relating to children. The portion that would have a fiscal impact on the Judicial Branch concerns expanding the definition of "interested party" to include grandparents with whom the child does not reside among those persons or entities who must be notified by mail whenever there is a hearing under the Child in Need of Care Code. According to the Office of Judicial Administration, this requirement would impose additional work on district court clerks amounting to 8,720 hours per year. These hours equate to 4.2 new FTE Court Clerk positions, at an annual cost of \$22,596 per clerk, including fringe benefits, for a total cost of \$94,903. According to the Office of

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Judicial Administration, urban areas where there are high caseloads would be most affected by the increase in workload.

The Committee did not recommend this item.

C. S.B. 506 (House General Orders). Both subcommittees that considered the Judicial Branch budget endorsed legislation that would increase docket fees. One of the main differences between the House and Senate versions of the bill is that the docket fee increase would generate \$4.4 million in FY 2001 under the Senate version and \$3.9 million under the House version. Both versions of the bill provide that docket-fee funded salary increases are for nonjudicial personnel only and both versions would increase the amount of docket fee revenue credited to the Access to Justice Fund by about \$150,000. The House version of the bill also would expand the number of judges on the Court of Appeals from 10 to 14 over a four-year period, beginning July 1, 2001. More detailed information is below:

1. Salary upgrade of nonjudicial personnel. S.B. 506 would increase docket fees in order to pay for a one-time upgrade of nonjudicial personnel salaries totaling \$3.9 million, an increase of about 11 percent over the current year. Components of the increase are \$324,160 for an upgrade of Court Service Officers, \$1.2 million for a 2.5 percent Cost of Living Adjustment, and \$2.4 million for an overall upgrade of most other salaries (some salaries at the top of the pay scale would not share in this upgrade). The upgrade is in addition to the regular 2.5 step increase nonjudicial employees would receive in FY 2001. Under the Senate version of the bill which generates more docket fees, the upgrade and maintenance of the upgrade would be paid for from docket fees for the foreseeable future. Under the House version, maintenance of the upgrade most likely would impact the State General Fund in FY 2002 or FY 2003. The House Budget Committee on the Judicial Branch budget identified the general upgrade of nonjudicial personnel salaries and the specific upgrade of Court Service Officers as items to consider at the end of the Session if additional docket fee revenue became available. The only action that would need to be taken in the Omnibus bill if S.B. 506 passes would be to appropriate the new Nonjudicial Salary Initiative Fund, into which would be credited the additional docket fee revenues. The Legislature would have to decide whether the Fund would have an expenditure limitation or be a "no limit" fund. The Judicial Branch has indicated that its proposed upgrade will cost \$3,892,392 in FY 2001 and that it would not spend more than that, regardless of the amount of docket fee revenue that would be available.
2. Increased Funding for the Access to Justice Fund. Both versions of S.B. 506 would increase docket fee revenues to the Access to Justice Fund, which currently is the fund paying for a \$150,000 contract with Kansas Legal Services, Inc., to provide statewide foster care legal services. The Senate version of the bill would shift the \$150,000 from increased docket fee revenues that otherwise would have gone to the Nonjudicial Salary Initiative Fund (the fund that pays for the salary upgrade), while the House version would take the \$150,000 from docket fee revenues that otherwise would go to the State General Fund. While S.B. 506 does not specify how the increased revenues to the Access to Justice Fund would be spent, both subcommittees were interested in generating enough money to continue the contract with Kansas Legal Services, Inc., in FY 2001 and both subcommittees identified the contract as an item they wanted to address at the end of the Session if additional revenues became available. (The House Budget Committee

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specified that consideration should be contingent upon the availability of additional docket fee revenues, while the Senate Subcommittee did not specify a specific source of revenue. However, the Subcommittee's recommendation was prior to its consideration of S.B. 506.)

3. Expansion of the Court of Appeals. The House version of the bill incorporates the provisions of H.B. 3051, which would expand the Court of Appeals from 10 to 14 judges by adding one new judge a year over a four-year period. The total cost of adding four new judges is estimated to be \$1,416,344, or \$354,086 per judge. For each judge, the cost includes the judges salary, two support staff, one-time expenditures for office equipment and furniture, and one-time costs to remodel space vacated by the Attorney General. However, the House proposal is that one new judge would be added each year, beginning July 1, 2001, and ending July 1, 2004. Therefore, there would be no fiscal impact until FY 2002.

The Committee concurred with this item with a limit to \$3.9 million to their budget.

Attorney General

A. Statewide D.A.R.E. Program. Consideration of the Governor's recommended FY 2001 expenditure of \$159,956 from the Children's Initiatives Fund for the statewide Drug Abuse Resistance Education (D.A.R.E.) Program was deferred to the end of the session. Funding began for the program in FY 2000 (\$165,300 from tobacco money) after the 1999 Legislature located the statewide office in the Office of the Attorney General. Prior to that, training for an estimated 300 local law enforcement officers who participate in school and community D.A.R.E. programs was provided by the Topeka Police Department through federal funding, which now has ended. Training provided by the state office is not available elsewhere in Kansas. The staff for the program consists of the D.A.R.E. Coordinator, who was hired February 1, 2000, and a Secretary III, who was hired March 7, 2000. The office provides training to local D.A.R.E. officers, coordinates locally-funded activities and curricula, and will develop an evaluation tool to demonstrate the effectiveness of the program in Kansas. The office also will work with the Southeast Kansas Education Service Center (Greenbush) to partner in developing data from the "Communities That Care Survey," which is administered to students in more than 80 percent of Kansas schools. Currently, 550 elementary schools, 50 middle schools, and 8 high schools in 62 counties have programs. According to information provided by the Attorney General, more emphasis has been placed on elementary school programs in order to influence students before they are subject to peer pressure, but a goal of the statewide office is to expand the program at the middle and high school level where students are exposed to more risky behavior.

The Committee concurred with this item, money to be taken from Crime Victims Fund.

Special request received from Kansas Judicial Council for \$15,000 for cost of a study concerning court fees, etc. (Attachment 27) The Committee recommended this funding.

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Department of Health and Environment

A. Children's Initiatives Funding. The Conference Committee recommended the deletion of all funding recommended by the Governor from the Children's Initiatives Fund pending further review. These reductions total \$4.25 million, and include the Healthy Start Home Visitor Program (\$250,000), the Infants and Toddlers Program (\$500,000), Smoking Cessation and Prevention Grants (\$500,000), and Kansas Health Foundation Community Partnership Grants (\$3,000,000).

The Senate Committee's recommendation had shifted the \$3.0 million for Kansas Health Foundation Grants to grants to local health departments on a competitive basis to develop prevention based, outcomes-driven programming, and/or community partnerships for delivery of services (such as nurse home visitation programs).

Considered under tobacco funding bill

B. Food Inspection Program. The Senate Subcommittee recommended that State General Fund expenditures for the food inspection program be reviewed at Omnibus to determine if that funding is needed in light of SB 661 which was introduced by the Senate Committee. The bill, if implemented, would allow for fees to be charged to grocery stores and food processing plants thus increasing revenues to the Food Inspection Fee Fund and allowing for decreased reliance on State General Fund dollars. SB 661 was introduced by the Senate Committee on Ways and Means and referred to the Senate Committee on Public Health and Welfare. Prior to first adjournment, no action had been taken on the bill. FY 2001 budgeted expenditures for the program are \$1,904,686, including \$350,039 from the State General Fund.

The Committee did not recommend this item.

C. Temporary Licenses for Daycare Centers. The House Committee recommended review of the issue of extending temporary licenses for daycare centers for an additional 90 days. The Committee recommended that the possibility of incorporating the provisions of HB 3005 into the Omnibus appropriation bill be examined if HB 3005 had not passed the Legislature. Currently, the bill is in a conference committee. The Senate Committee on Public Health and Welfare amended the bill to make clear that the authority to extend temporary permits does not require the approval of the Secretary of Social and Rehabilitation Services, thereby making the extension conform with the procedure for issuing the original temporary permit.

The Committee did not recommend this item.

D. Statewide Hepatitis B Immunization Initiative - Request For Information. The House Budget Committee requested that the Department provide information on its plan for a statewide hepatitis B immunization program. According to the Department, the current plan for hepatitis B immunizations is a voluntary program targeted at children entering the peak years of risk (the teen and young adult years) rather than requiring the vaccine for school entry. The planned initiative will be funded with federal immunization funds. According to the Department, these federal dollars cannot be used for a mandated school entry requirement. Currently, efforts focus on delivery of vaccine to younger children, with publicly-funded vaccine now available to uninsured children through age 9 and at age 11. Many older children currently at ages 10 through 17 have not received the vaccine and will not receive it under current programs. The Department would like to embark on a campaign to improve the immunization coverage rate for hepatitis B of adolescents in Kansas through improvement of access to free vaccine. The following is a brief synopsis of the Department's plan:

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The objective is to increase the level of immunization protection in the adolescent population of Kansas by offering free vaccine to children under 18 who are currently not eligible to receive publicly funded hepatitis B vaccine and do not have private insurance coverage. The target is to approximately double the current level of protection among adolescents by immunizing 34,000 of these children during the campaign's first phase. The first phase will last six months from its starting date, currently projected for July 2000. The free vaccine campaign will be centered around the provision of free vaccine through local health departments. Local health departments will be encouraged to establish outreach activities to facilitate access to the vaccine for the target population. Enrollment of local health departments and individuals will be voluntary. The public information staff of the Department will have a lead role in developing the statewide media campaign, including developing, printing, and distributing brochures to advertise the campaign to the public.

The Committee took no action on this item.

E. Public Water Systems - Request For Information. The House Budget Committee requested information regarding the cause in the decrease in compliance with the federal Safe Drinking Water Act and how much of this decrease is the result of changed federal standards; the exact number of systems which will be out of compliance and the cost of bringing these systems into compliance; and a list of systems which the Department expects to address through the revolving loan program for upgrading in the next five years.

According to the Department, the decrease in compliance has resulted from a combination of increased requirements for treatment and monitoring combined with decreased staff in the Bureau of Water to oversee such requirements. The Department's estimate attributes 80 percent of the non-compliance to tougher standards. The stricter federal regulations require that water served to the public be a better quality and the regulations require more detailed monitoring, record keeping, and reporting. According to the Department, there are roughly a dozen new federal rules planned to be phased in over the next decade. Some of the most significant are not yet proposed, or are not final. Detailed information on new rules and those systems which would be impacted has been provided by the Department.

The Committee took no action on this item.

F. Use of Medicaid Funds for the Aids Drug Assistance Program (ADAP) Maintenance of Effort - Request for Information. The House Budget Committee requested information regarding the possibility of state Medicaid funds being incorporated into the calculations for Kansas' maintenance of effort for ADAP. This would require identification of how many Medicaid dollars are spent on HIV/AIDS activities, but would not actually require increased expenditures in either program. According to the Department, in the event that additional state funding is necessitated for ADAP in the future, it is possible that Medicaid funds could be used in the following fiscal years to meet the maintenance of effort that would be established. This sort of budgeting is being used in a few states currently.

According to information presented by the Department to the Budget Committee, federal dollars allocated for the program were sufficient for the federal fiscal year ending March 31. The Department will return to the 2001 Legislature with revised estimates for the current federal fiscal year.

The Committee took no action on this item.

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G. S.B. 501 (Law). S.B. 501 enacts the Agricultural and Specialty Chemical Remediation Act to address corrective action costs for release of agricultural or specialty chemicals that pose a threat to human health or the environment. The Act has two components: a Remediation Linked Deposit Loan Program and a Remediation Reimbursement Program. The bill also creates the Kansas Agricultural Remediation Board. The part of the bill that affects the Department of Health and Environment is contained in New Section 8, which establishes the Remediation Reimbursement Program under which eligible persons may be reimbursed for the costs of corrective action approved by the Department of Health and Environment or taken in accordance with requests or orders issued by the Department relative to agricultural and specialty chemical remediation activities. S.B. 501 also creates the Kansas Agricultural Remediation Fund, into which would be credited certain assessments on fertilizer blenders, commercial fertilizer, agricultural chemicals, pesticide dealers, and storage capacities of public grain warehouses.

The Department reports that it will need 1.0 FTE position and \$56,272 from special revenue funds to implement the program in FY 2001. Requested expenditures consist of \$45,989 for the salary of 1.0 FTE Environmental Geologist II, \$5,250 for ongoing operating expenditures, and \$5,033 for one-time costs of furniture and office equipment. According to the agency, the position would provide oversight of the remediation projects. The Department reports that costs associated with the bill would be paid for from the existing Voluntary Cleanup Fund.

The Committee took no action on this item.

H. S.B. 513 (to Governor). S.B. 513 would exempt hair braiding from the list of professions regulated by the State Board of Cosmetology. However, the bill would require anyone who braids hair who wants to be exempt from the practice of cosmetology to complete a self-test included in a brochure prepared by the Department of Health and Environment. The bill directs the Secretary of Health and Environment to prepare the brochure and include in it information about infection control techniques that are appropriate for hair braiding outside the salon setting. The brochure and the self-test would be available through the Department's website or by mail, upon request. Anyone requesting the brochure would be charged a fee that would cover the Department's printing costs. The applicant would be required to keep the brochure and completed self-test at the location at which the individual is braiding hair.

The Department of Health and Environment reports that costs associated with developing, printing, and mailing the brochure can be absorbed within the existing budget. Fees received to cover the cost of preparing the brochure could be credited to the existing Health and Environment Publication Fee Fund established by K.S.A. 75-5662. However, a proviso needs to be attached to the Fund to make it clear that the Fund can be used for purposes related to S.B. 513.

The Committee concurred with this item.

I. H.B. 3020 (to Governor). H.B. 3020 establishes the Sunflower Army Ammunition Plant Remediation Trust Fund which will be administered by the Secretary of Health and Environment to pay qualified expenses of remediation of environmental contamination at the Sunflower Army Ammunition Plant. Funding for the trust fund will come from any proceeds received by the Department of Health and Environment from the payment obligation surety bonds furnished by the Oz Entertainment Company pursuant to a consent decree agreement. All expenditures from the trust fund would be subject to the appropriation process.

There is no fiscal impact as the result of the bill in FY 2001, according to the

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Department of Health and Environment. However, it is necessary to appropriate the fund created by the bill (the "Sunflower Army Ammunition Plant Remediation Trust Fund") in the Department's budget. The Department would prefer that the fund have a "no limit" expenditure limitation because of the difficulty in predicting whether any proceeds from the payment of obligation surety bonds furnished by the Oz Entertainment Company will be paid to the Department.

The Committee concurred with this item.

J. H.B. 2700 (Conference). H.B. 2700 would amend statutes relating to persons who are prohibited from being employed by an adult care home or a home health agency. The bill would add certain specified crimes to the list of crimes that result in a prohibition on employment by the adult care home or home health agency. The bill also would allow the operator of an adult care home or home health agency to be deemed in compliance with the statute if the operator receives the same or better criminal history information from a private contractor approved by the Kansas Bureau of Investigation. In addition, the Secretary of Health and Environment would be required to provide each person who requests information about a potential adult care home or home health care employee the criminal history record information provided to the Secretary by the Kansas Bureau of Investigation, regardless of whether the information relates to an adult conviction or juvenile adjudication that is one of the crimes that would result in barring the potential employee from working for the adult care home or home health agency. Within three business days, the Secretary must inform the potential employer whether the criminal history information reveals that the subject of the information has not been convicted of an offense that would result in the subject being prohibited from being employed in an adult care home or home health agency.

According to the Department of Health and Environment, the impact of the bill on the agency would be due to the short turnaround time in which to provide criminal history information (within three business days) and the fact that a copy of the criminal history information now would be required to be provided within three business days to each person who requests information about a potential adult care home or home health care employee. The Department is requesting a new position and \$34,026 from the State General Fund, which consists of \$23,180 for 1.0 FTE Office Assistant III and \$10,846 for other operating expenditures, including postage to mail the criminal history information in response to an estimated 30,000 requests per year.

The Committee concurred with this item

K. GBA No. 2, Item 26, pg. 12—Infant Toddler Program Funding.

The Committee concurred with this item

Department of Corrections

A. Community Corrections Funding (Senate and House Recommendation).

Both committees recommended a review of community corrections funding during the omnibus session. The Governor's recommendation for community corrections funding in FY 2001 was a reduction of \$500,000 from funding in the current year and a reduction of almost \$2.0 million from the agency's current services request. Subsequent to the recommendation for omnibus consideration, the Conference Committee on **House Substitute for SB 323** added funding totaling \$1,629,484 (including \$879,484 SGF) for enhanced community corrections. Therefore, the grants will total \$15,342,159, an increase of \$1,151,040 over the current fiscal year.

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The Committee took no action on this item.

B. El Dorado and Topeka Correctional Facility Capital Improvement Projects (Senate and House Recommendation). Both committees recommended a review of the current status of the inmate population projections and alternatives to prison expansion which might become available. Both Committees removed the Governor's recommended funding of \$17.3 million for new construction at El Dorado (\$10.0 million in bonds and \$7.3 million in federal Violent Offender Incarceration/Truth in Sentencing Grant funds). Subsequent to the recommendation for omnibus consideration, the Conference Committee on **House Sub. for SB 323** added funding for a number of capacity and prison bed space demand reductions which are discussed below. The only prison beds space expansion in the Conference Committee recommendation is remodeling of the J Cellhouse at Topeka, as well as a new laundry facility and staff training building.

The Committee took no action on this item.

C. SB 472 (Law). SB 472 modifies the penalty for conviction of a misdemeanor while on postrelease supervision, which requires the offender to be confined for not more than the remaining time of postrelease supervision as determined by the Kansas Parole Board. Old law requires the offender to serve for the conviction of either a new felony or misdemeanor the balance of their postrelease supervision without good time credits. SB 472 differentiates between new felony and misdemeanor convictions, and is more lenient for misdemeanors. The Kansas Sentencing Commission projects a 18-54 annual reduction in bed space needs and the Division of the Budget anticipates reduced Department of Corrections' SGF inmate operating expenditures between \$49,500 and \$148,500, annually.

The Committee took no action on this item.

D. Topeka Correctional Facility (HB 2624 in Conference Committee). HB 2624 includes provisions of HB 3018 and SB 275 and provides correctional facility employees an incentive package to retain staff at the Reception and Diagnostic Unit as the duties are transferred to El Dorado Correctional Facility. The incentive package is modeled after the package provided employees of Topeka and Winfield State Hospitals and includes right of first refusal, continuation of health coverage and death benefits, and payment for accumulated sick leave. The Department of Corrections has proposed postponement of the transfer of the Reception and Diagnostic Unit until late in calendar year 2001, fiscal year 2002. Additional provisions provide for an 85 point (combination of age and years of service) retirement option for participants in KPERs Correctional retirement.

The Committee took no action on this item.

E. House Sub. for SB 323 (Conference Committee). The Senate Ways and Means and House Appropriations Conference Committee on SB 326, the appropriations bill for FY 2001 and FY 2002, recommended the consolidation of a number of issues related to adult corrections into an omnibus corrections bill.

Items contained in House Sub. for SB 323, the Corrections Mega Bill include the following:

1. Day Reporting Centers

Day reporting centers funding of \$1.9 million in FY 2001 for one-half year funding and \$3.8 million in FY 2002 for a full year funding. The Department of Corrections is required to contract for the operation of the centers because the federal crime bill funds (Violent Offender Incarceration/Truth in Sentencing grants) will fund the operation of

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programs if (a) they make available bedspace, and (b) if they are run by private companies. The plan anticipates three day reporting centers which include drug testing, reporting, and electronic monitoring in Kansas City, Topeka, and Wichita.

2. Community Corrections Funding Increase

Additional Community Corrections funding is included in two programs.

- a. \$750,000 for the Conditional Violator Grant which funds projects designed to divert offenders who would otherwise return to prison. The Governor did not fund the project after two years of funding. The grant is funded from the ending balance of the Correctional Industries fund.
- b. \$879,484 SGF increases the average daily population served by Community Corrections. The increase is based on funding the anticipated impact on local Community Corrections organizations of the proposed legislative package in this bill.

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3. New Construction

- a. Included is \$4.4 million in bonding authority for projects at the Topeka Correctional Facility to address the female inmate bedspace demands. Includes \$2,140,000 to renovate the J-Cellhouse (the current male reception and diagnostic unit), a new laundry (\$764,600), and a new staff training center (\$386,175). The last two items are a result of the intent to remove the minimum custody correctional unit from the grounds of the former Topeka State Hospital to facilitate the property's disposition. Included in the bonding authority as well is \$1.1 million to repair the fire damage of the Correctional Industries Building at Lansing Correctional Facility.
- b. A proviso is included in the bill prohibiting the Kansas Development Finance Authority from any bond issuance for prison construction without specific legislative authorization.
- c. Add \$300,000 from the Correctional Institutions Building Fund to renovate or construct program space at Larned Correctional Mental Health Facility for the Chemical Dependency Recovery Program. These funds, in addition to \$750,000 State Institutions Building Fund in the SRS budget for construction or renovation of housing for the sexual predators as well as \$568,000 shifted from the Larned hospital to the prison, will make 30 maximum custody prison cells available.

4. Legislation Changes

The Conference Committee includes the following legislation in Sub. for SB 323, all of which targets low-level, primarily non-violent offenders who tend to violate the conditions of their post release supervision or probation and occupy prison beds for a brief period of time which would otherwise be available for violent offenders. The anticipated bed space savings from the Kansas Sentencing Commission on the bill is 924 beds in FY 2001 by diverting offenders.

No part of the legislative proposal adjusts Sentencing Guidelines to reduce the length of time any offender is required to spend in prison.

- a. Sub. for HB 2683 passed the Senate on March 31, 2000. Contents of the bill include:
 - i. Prohibition on racial profiling
 - ii. SB 491 which passed the Senate but not the House
 - iii. Increases local jail time availability as a condition of probation from 30 to 120 days (not retroactive)
 - (1) Mandatory placement of probation conditional violators to community corrections or other alternative sanction (with public safety exception)
 - (2) Graduate and reduce some postrelease supervision lengths for some offenders (excludes N1-N4 and D1-D2)
 - iv. SB 665 which passed the Senate
 - (1) N9 and N10 probation condition violators not revoked to prison, but to an alternative sanction (retroactive)
 - (2) Combine criminal history H and I (not retroactive)
 - (3) Graduate probation periods for levels N8-10 and D3-D4 (retroactive)
 - (4) No postrelease supervision for probation condition violators who serve

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sentence (excludes departures and sex offenders) (retroactive)

- b. SB 490 passed the Senate and the House. The Senate version is included herein.
- i. Establishes a target population for community corrections programs and requires court services to establish a risk needs assessment to provide consistency of population, needs, and services, as well as the effectiveness of the programs.

Anticipated Fiscal Impact

The anticipated fiscal impact of the various provisions of Substitute for SB 323 are difficult to determine. The Division of the Budget and the Department of Corrections did not provide any information regarding fiscal impacts, other than to note offenders diverted from prison to community corrections might add \$2,653 per offender, the current per unit rate for community corrections, and offenders diverted from prison would decrease the prison cost at approximately \$5,500 per offender.

Neither the Division of the Budget nor the Department of Corrections provided any information regarding the bills' impact on diminished prison population growth, and subsequent operational and construction savings in the state's correctional system. In general, the fiscal impact on other agencies, local units of government, the judicial system are not available as well.

The fiscal impact data provided by the Division of the Budget and the Department of Corrections on the components of Sub. for SB 323, can be summarized briefly :

1. HB 2638 the prohibition against the practice of racial profiling by law enforcement would have no anticipated fiscal impact for the state.
2. SB 490 establishing the community corrections target population. The Division of the Budget fiscal note reported potentially off-setting funding shifts between prison costs and additional community corrections costs. Subsequent to the inclusion of SB 490 in Substitute for SB 323, the Office of Judicial Administration asserts additional costs of \$641,160 SGF to hire 20.0 additional court service officers to supervise an unspecified amount of offenders who may no longer be eligible for community corrections.

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

3. SB 491 and SB 665 reducing supervision lengths and other modifications is without an overall fiscal impact statement from the Division of the Budget and the Department of Corrections. The administration presumes reduced bed space demands, estimated at 924 in FY 2001, and approximately 850 for each of the next nine years, which would be offset to some degree by increased costs to community corrections and court services. However, supervision lengths are reduced by one-half for many offenders, so caseload reductions must be considered as well for community corrections and court service supervision. Subsequent to the inclusion of SB 490, SB 665, and SB 491 in Sub. for SB 323, the Office of Judicial Administration asserts that court service caseloads warrant the addition of 61.0 court service officers and \$1,976,888 SGF, although the agency is not requesting the positions.

The Committee recommended adding back #5, #2 and #8 from Summary of Bedspace Savings (See attachment 34), and to add 100 beds in Ellsworth. add training facility & laundry in Topeka, the correctional industries & maintenance shop at Lansing, the new RDU money so it can be operated as additional space, and that non-judicial salaries (SB506) be added to SB323 if permissible by Revisor.

F. GBA No. 2, Item 37, Page 17—Capacity Expansion Project at Ellsworth Correctional Facility.

G. GBA No. 2, Item 38, Page 18—Federal Grant Award.

The Committee concurred with this item.

H. GBA No. 2, Item 39, Page 18—Offender Programs.

The Committee concurred with this item.

I. GBA No. 2, Item 40, Page 19—New Correctional Officer Position—Lansing Correctional Facility.

The Committee concurred with this item.

J. GBA No. 2, Item 41, Page 19—Delay RDU Relocation—El Dorado Correctional Facility.

The Committee concurred with this item.

Department of Wildlife and Parks

A. Technical Corrections. Inadvertently double counted the addition of \$391,621 Wildlife Fee Fund from the Governor's GBA No. 1. The agency appropriation should be reduced \$391,621 to properly reflect the Legislature's concurrence with the Governor's recommendation.

The Committee concurred with this item

B. SB 568. (Law). Increases the total number of nonresident antlered deer firearm permits issued to not more than 10 percent (from the current 5.0 percent) of the total number of resident deer firearm permits authorized for a season in a management area. Non-resident deer archery permits are increased to 15 percent. Eliminates the cap on the nonresident antlerless deer firearm and archery permits in areas where no resident limit exists. The Secretary is allowed to issues no more than 50 percent of the total number of nonresident deer permits to landowners and tenants applying for them, but the permits may be transferred to any resident or nonresident. The bill further

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

requires the establishment of a toll free telephone number to report crop damage allegedly due to big game, and to provide other big game permit information. Additional provisions impose increased penalties for the illegal taking of big game.

The Department of Wildlife and Parks reports the increased issuance of hunting permits will bring in additional revenue to the Wildlife Fee Fund of \$921,010. Anticipated costs are estimated at \$14,280 Wildlife Fee Fund for the administration of new permitting as well as required hotline services and public notice provisions.

No action needed on this item.

C. SB 316 (Conference Committee). SB 316 would require annual and temporary state park motor vehicle permit fees for those 65 years of age or older and individuals with disabilities at one-half the current fee rate (one-half rate=\$14.75). The bill also require seniors to pay one-half the current fee rate for hunting and fishing licenses (one-half=\$7.50), which was stricken on the House floor. The Department of Wildlife and Parks projects no anticipated increased expenditures from this bill, although Park Fee Fund revenues are projected to increase by as much as \$400,000 and licenses would provide as much as \$300,000 in state revenue and \$215,000 in federal funds.

No action needed on this item.

Special request from Department of Wildlife & Parks for funding for continuation of renovation of facilities to comply with ADA standards. (Attachment 28)

The Committee concurred with this request.

Additional Requests:

Kansas Insurance Department requested two items as part of the omnibus appropriations bill. 1) Establish a "Surety Bond and Escrow Payment Fund" and 2) Add \$12,000 for FY 2000 and FY 2001 for external review proceedings. (Attachment #21)

The Committee concurred with this item.

Senator Morris moved to approve the Committee Meeting minutes from March 23, 24, 28, 31 and April 5, 6 & 7. Senator Salmans seconded the motion, and motion carried with no opposition.

The Committee recessed. Reconvened on Monday, April 24, at 10:00 a.m.

In-depth discussion was held between the Committee members and SRS staff on how community grants work. It was noted that New Hampshire has an incentive financing program, and it is almost totally funded by Federal monies

Laura Howard, SRS, gave an overview of how SRS plans to draw down additional Federal matching funds. (Attachment 29)

Ellen Piekalkiewicz, Association of Community Mental Health Centers, also offered information about how we could draw down more Federal funds. She testified that mental health centers do not feel they are remiss in helping clients get Medicaid.

Senator Morris suggested that we go to New Hampshire to look at how they have attained their success.

Senator Salisbury presented a letter from the Kansas Public Broadcasting Council requesting approval for the issuance of bonds up to a limit of \$6 million for funding the conversion of Kansas

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

public television stations to digital. (Attachment 30) Senator Salisbury made a motion to authorize this authorization with a proviso that KCPT pay their proportionate share from Missouri, and further that sale of these bonds should be issued so they not impact the 2001 budget. Senator Gilstrap seconded the motion, and the motion passed.

A memo from the Kansas Insurance Department was distributed concerning the status of the unpaid claims of Horizon Health Plan, Inc. (Attachment 31) SRS was the only client of Heartland Health, Inc. The Committee agreed by consensus to get \$1 million from intergovernmental transfer for payment toward the \$4.3 million owed providers.

By consensus the Committee added \$14,000 to the wildlife fee fund to fund SB 658, the deer bill.

The Committee agreed that out of the \$1.6 million projected to be in the fee fund of social welfare that \$600,000 for mental health should be funded.

Construction of new facilities for the Juvenile Justice Authority was considered.

Thaine Hoffman, State Architect's Office, reviewed the design on the JJA Maximum Security Facility at Topeka and the Medium Security Facility at Larned. (Attachment 32 and Attachment 33) The present budget is approximately \$5 million over on Larned and slightly less over on the Topeka facility. Jim Frazier, JJA, said there are no kitchen facilities in the Larned facility. The Committee concurred that it wants more beds at the proposed Larned facility.

Commissioner Murray, JJA, said double-bunking was not planned because of accreditation issues and that juvenile facilities need a different type facility over adult facilities. He said 20% double-bunking is allowed for accreditation by ACA. In response to Senator Salmans, Murray said that if ACA accreditation were given up, they could still operate the facility. JJA feels the state architect's plan meets their needs at both facilities. The proposed Topeka facility would be maximum security. Rooms are large enough to double-bunk. YCAT school is crowded now. They do not want to put juvenile offenders with mentally ill juveniles.

Hoffman said he could look at additional ways in which to put in the additional facilities as needed within the current projected cost. Senator Salmans said Labette seems to be working well with the dormitory concept. The total projected construction costs of the projects is \$60.5 million. Utilities at Larned are currently planned for tunnels instead of overhead. There was interest in having only one superintendent in Topeka over both Topeka facilities and having a commons area between the facilities for food service, school, etc.

The population at Larned would be considered a danger to themselves and to the community. Commissioner Hale explained that these inmates would be classified by the courts and by the Reception & Diagnostic Unit.

The Committee was in agreement on building a maximum security facility in Topeka and also rebuilding a facility in Larned.

Senator Lana Oleen presented the Joint JJA Committee report. It has met for the past three years. She gave Summary of Bedspace Savings information and Prevention Grant to Communities reports to the Committee. (Attachment 34 and Attachment 35) Oleen said it must be remembered that juvenile offenders are different than adult offenders, and there is a great difference in the way they should be treated as they all come out of the facility. She felt that a dorm-style section is a viable possibility. Per her studies she feels the term an offender stays needs to be extended.

Frazier said that current operational costs in Topeka are \$55,876 per bed without overcrowding. With the current overcrowding the cost is \$44,336. The projected cost is \$43,818. The Committee questioned whether they are building the most cost-efficient facility. Senator Downey expressed her concern that the committee had not received answers for many questions, concerning overcrowding, accreditation, schools. Senator Petty also expressed concern about the

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

number and the classification of beds.

Commissioner Murray said serious, chronic or violent behavior qualifies a juvenile for one of the beds in a facility. He said that offender would be a danger to the public or he would not have that classification.

Senator Salisbury moved to concur with the Governor's recommendation with \$60 million for capital improvements in four facilities. Senator Salmans seconded the motion.

Senator Ranson made a substitute motion to concur with the Governor's recommendation with \$60 million for capital improvements in four facilities, and that there must be one chief administrator, a unified staff and every effort made to consolidate whatever can be consolidated, also to include 30 additional beds at Larned by adding them to new construction or by utilizing the Myers Building, but keeping within the \$60 million budget. Senator Jordan seconded the substitute motion. The motion carried with no opposition.

If the Legislature chooses to pay off debt service there must be a bill. The House will introduce this bill. Representative Lawrence made a motion that the Senate introduce the same bill. Rep. Salisbury seconded the motion. The motion passed.

The Committee recessed and reconvened at 9:30 on April 25.

After further discussion about the \$1 million intergovernmental transfer for payment towards Horizons unpaid claims, the committee remained with their earlier consensus of this payment. Added language was suggested. (Attachment 36)

To put the State General Fund into balance the Committee agreed to the following:

1. Add \$800,000 to the PD waiver to fund the 2001 state-medicaid match fund shortfall
2. \$2.6 million reduction in the SGF for the PD waiver
3. Increase \$2.6 million for State medicaid match funds
4. Revenue transfer of \$27.6 flexible spending account rather than \$25 million

The Committee then took up the issue of tobacco funds.

Alan Conroy, Legislative Research, led the discussion. He presented the following documents:

Current Children's Initiatives Fund (tobacco) (Attachment 37)

Children's Initiatives Fund (tobacco) when the House Adjustments were recommended (Attachment 38)

Children's Initiatives Fund Program/Project (Attachment 39)

Tobacco Settlement Payments, (Attachment 40)

HB 2558 Tobacco Settlement Payments (Attachment 41)

He reviewed the Governor's recommendations individually.

Joyce Cussimano, Kansas Children's Cabinet, gave information concerning the Cabinet's wishes. (Attachment 42)

She also presented a Summary of Smart Start Site Visit in North Carolina (Attachment 43)
In-depth committee discussion was held concerning Smart Start.

Tele-Kid Care was discussed. (Attachment 44)

Senator Jordan presented a letter from the University of Kansas requesting funding of \$1 million to assist with purchase of brain development imaging machine. (Attachment 45) No action was taken on this request.

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

The following actions were taken in regards to the appropriation of the tobacco monies.

Add \$70,000 per Governor's recommendation to enhance Community Access Network catalog for State Library
\$250,000 for Healthy Start/Home Visitor program
\$500,000 for Infants & Toddlers Program
Vaccine Purchases - No
Newborn Screening Equipment Grants - \$3 million, but must be for early prevention services with demonstrated favorable outcomes
Smoking Cessation/Prevention - \$1 million (for programs with proven outcomes)
Juvenile Prevention Program Grants - \$5 million
Juvenile Graduated Sanctions Grants - \$2 million
Community Management Info Systems Grants - No
Children's Mental Health Initiative - \$1 million
Family Centered System of Care - \$5 million
HCBS Services for Mentally Retarded - \$3 million
HCBS Services for Physically Disabled - \$1.8 million
Best Children's Programs Practices Research - No
Statewide DARE program - No
Parent Education \$1.2 million
Four-year old at-risk Programs - \$1 million
School Violence Prevention - \$500,000
Kan-Ed - No
Community School Education - \$250,000
Tele-Kid Health Care Link - \$250,000

After agreeing to the above funding, there is \$3.6 million left over in the tobacco fund.

The Committee agreed to lapse any leftover monies. Horizons funding should be taken out after the first money.

SB 506, non-judicial salaries, cannot be funded into SB 323, as requested earlier in the meeting. Senator Feleciano made a motion to amend HB 2027 by taking out all existing provisions and inserting the provisions of SB 506, then recommend it favorable for passage. Senator Ranson seconded the motion, and the motion passed with all Committee members voting aye on roll call vote.

Senator Salisbury moved to give \$600,000 EDIF funds to tourism promotion grants. Senator Downey seconded the motion.

Senator Downey made a substitute motion to add \$200,000 EDIF funds for attraction development grants and \$150,000 for local outdoor recreation grants, and remainder of funds into State General Fund. Senator Petty seconded the motion. The motion failed.

The Committee agreed by consensus to put \$500,000 in capital outlay for ABTS and the Board of Regents fund and the remainder to tourism promotion grants in the Department of Commerce.

Senator Feleciano moved to prepare a bill for introduction for tuition equity adjustment for Wichita State University. Senator Ranson seconded the motion, and the motion passed.

Senator Lawrence moved and Senator Salmans seconded a motion to introduce the bill. Motion carried.

The meeting adjourned at 1:00 P.M.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 4-20-00

NAME	REPRESENTING
Marc Hamann	DOB
Dick Werth	KDWP
MATT Fletcher	InterHAB
Deb Thielen	Shawnee Comm. MHC
Mark Tallman	KASB
Jim Allen	KEC & KFRC
Jacquie Dakes	SQE
Jim Gundlach	Houngone MHC
Sherry Brown	Commerce & Housing
John Kussman	League of KS municipalities
John Peterson	Ks Governmental Consultant
Jim Youally	USD #512
Bob Ardu	CPRF
Jacquie Dakes	SQE
Nana Fenton	Johnson County

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 4-24-00

NAME	REPRESENTING
Julia Thomas	DOB
Nancy Lindberg	AS
Jeff Bottberg	Kansas State Asst. Sec.
Ellen Piskiewicz	Assoc. of CMHCs
July Miller	K. Assn. of Counties
Tom Bruno	MGA
Josie Tetter	KCDD
Matt Fletcher	INTERHAB
Laura Howard	SRS
Ron McMurry	KDOT
Johanna Murren	League of KS Municipalities
Mike Huffles	First Guard
John Peterson	Ks Governmental Consulting
Dodie Weathers Johnson	Ks Action for Children
STEVE KEARNEY	Ks ACTION FOR CHILDREN
Shannon Jones	SILCK
John Pepperdine	American Cancer Society
Terri Roberts	Kansas State Nurses Assn.
M. J. Kellum	KSKI

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 04-24-00

NAME	REPRESENTING
<i>Halley Finney</i>	<i>Ks. Public Health Assn.</i>
<i>Jocque Dakes</i>	<i>SDF</i>
<i>Marlin Fern</i>	<i>KU</i>
<i>Larry Klemm</i>	<i>League of KS Municipalities</i>
<i>Marcie Leo</i>	<i>Sedgwick County</i>
<i>Sarah Plinsky</i>	<i>Johnson County</i>
<i>Joyce Custumano</i>	<i>Ks Children's Cabinet</i>
<i>KEVIN GRAHAM</i>	<i>KSC</i>
<i>Paul Jones</i>	<i>KSC</i>
<i>Charles Simmons</i>	<i>KDOC</i>
<i>Jon Josseland</i>	<i>KU</i>
<i>Laura Howard</i>	<i>SRS</i>
<i>Nancy Lindberg</i>	<i>AG</i>
<i>Denise Apt</i>	<i>USA / KCK Pub Sch -</i>
<i>Cynthia Smith</i>	<i>KCPL</i>
<i>Andy Sorensen</i>	<i>KAPF</i>
<i>Linn McDonald</i>	<i>KALC</i>

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 04-25-00

NAME	REPRESENTING
Dickilyn Helsel	Budget
David Miles	Associated Press
Diane Doltz	SRS
Paul M. Klotz	ACME Ks, Inc.
Judy Mohr	16. ans of Counties
Jim Murphy	KDHE
Bonnie Pennie	Families Together, Inc.
Janie Torres	KCDN
MATT FLETCHER	INTRCHAS
John Rasmussen	League of KS Municipalities
Jan Shaw	KS Smokeless Kids Initiative
ROB MERRY	KDOT
Sal M. Danni	KSD E
Ron Riddle	✓
Mike Huffles	Ks. Govt. Consulting
Marlow Reed	KU
SHELBY MICK	TFRC
Denise Axt	USA / KCR schools -
Jim L. Lytle	WSCA

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 04-25-00

NAME	REPRESENTING
Sandia Braden	Civic Council of Greater KC
Joe Muscimino	Ks Children's Cabinet

STATE WATER PLAN FUND, FY 2000

	Gov. Rec. FY 2000	LEG. ADJ. FY 2000	LEG. APPR. FY 2000
Agency/Program			
State Conservation Commission			
Buffer Initiative	128,721	0	128,721
Conservation District Aid	1,032,750	0	1,032,750
Multipurpose Small Lakes	231,000	0	231,000
Nonpoint Source Pollution Asst.	3,124,846	0	3,124,846
Riparian and Wetland Program	125,000	0	125,000
Water Resources Cost Share	4,549,693	0	4,549,693
Water Rights Purchase	0	0	0
Watershed Dam Construction	845,426	0	845,426
Total--State Conservation Commission	10,037,436	0	10,037,436
Kansas Water Office			
Assessment and Evaluation	0	0	0
Basin Assessment	25,000	0	25,000
Cheney Agricultural Nonpoint Source	25,000	0	25,000
Federal Cost-Share Programs	100,000	0	100,000
GIS Data Access and Support Ctr.	162,800	0	162,800
GIS Data Base Development	250,000	0	250,000
Groundwater Condition Eval.	75,000	0	75,000
Kansas Water Resource Research Institute	0	0	0
MOU Operation and Maintenance	489,663	0	489,663
PMIB Loan Payment for Storage	267,394	0	267,394
Public Information	30,000	0	30,000
Public Water Supply--GIS	0	0	0
Stream Gauging Program	400,000	0	400,000
Stream Team	0	0	0
Tech. Assist. to Water Users	440,000	0	440,000
Water Resource Education	70,000	0	70,000
Water Quality in Upper Arkansas River	75,000	0	75,000
Weather Modification	360,000	0	360,000
Total--Kansas Water Office	2,769,857	0	2,769,857
Department of Wildlife and Parks			
River Recreation	0	0	0
Stream Monitoring	50,000	0	50,000
Total--Wildlife and Parks	50,000	0	50,000
Department of Agriculture			
Best Management Practices	0	0	0
Floodplain Management	110,619	0	110,619
Interstate Water Issues	193,157	0	193,157
Subbasin Management Plan	685,000	0	685,000
Total--Department of Agriculture	988,776	0	988,776
Health and Environment			
Assessment of Sediment	125,000	0	125,000
Contamination Remediation	1,390,000	0	1,390,000
Local Environmental Protection Program	1,800,000	0	1,800,000
Nonpoint Source Program	925,000	0	925,000
TMDL Initiatives	0	0	0
Use Attainability Analysis	0	0	0
Total--Health and Environment	4,240,000	0	4,240,000
KCC--Well Plugging	400,000	0	400,000
Total Water Plan Expenditures	18,486,069	0	18,486,069

	Gov. Rec. FY 2000	LEG. ADJ. FY 2000	LEG. APPR. FY 2000
State Water Plan Resource Est.			
Beginning Balance	1,196,771	0	1,196,771
Revenues			
State General Fund Transfer	5,940,000	0	5,940,000
Economic Development Fund Transfer	2,000,000	0	2,000,000
Municipal Water Fees	3,650,000	0	3,650,000
Industrial Water Fees	1,300,000	0	1,300,000
Stock Water Fees	290,000	0	290,000
Pesticide Registration Fees	920,000	0	920,000
Fertilizer Registration Fees	3,010,000	0	3,010,000
Fines	70,000	0	70,000
Sand Royalty Receipts	358,031	0	358,031
Returned Funds/Transfers In	2,261,742	0	2,261,742
Total Receipts	19,799,773	0	19,799,773
Total Available	20,996,544	0	20,996,544
Less Expenditures	18,486,069	0	18,486,069
Ending Balance	2,510,475	0	2,510,475

SENATE WAYS & MEANS COMMITTEE
April 20, 2000
Attachment 1

STATE WATER PLAN FUND, FY 2001

Agency/Program	Gov. Rec. FY 2001	LEG. ADJ. FY 2001	LEG. APPR. FY 2001
State Conservation Commission			
Buffer Initiative	80,000	0	80,000
Conservation District Aid	1,035,500	0	1,035,500
Multipurpose Small Lakes	230,000	0	230,000
Nonpoint Source Pollution Asst.	3,000,000	0	3,000,000
Riparian and Wetland Program	200,000	0	200,000
Water Resources Cost Share	4,450,000	0	4,450,000
Water Rights Purchase	0	0	0
Watershed Dam Construction	805,000	0	805,000
Total--State Conservation Commission	9,800,500	0	9,800,500
Kansas Water Office			
Assessment and Evaluation	200,000	0	200,000
Basin Assessment	0	0	0
Cheney Agricultural Nonpoint Source	0	0	0
Federal Cost-Share Programs	250,000	0	250,000
GIS Data Access and Support Ctr.	177,300	0	177,300
GIS Data Base Development	250,000	0	250,000
Groundwater Condition Eval.*	70,000	0	0
Kansas Water Resource Research Institute	0	0	0
MOU Operation and Maintenance	429,787	0	429,787
PMIB Loan Payment for Storage	270,387	0	270,387
Public Information	30,000	0	30,000
Public Water Supply--GIS	0	0	0
Stream Gauging Program	370,000	0	370,000
Stream Team	0	0	0
Tech. Assist. to Water Users	440,000	0	440,000
Water Resource Education	60,000	0	60,000
Water Quality in Upper Arkansas River	0	0	0
Weather Modification	349,000	0	349,000
Total--Kansas Water Office	2,896,474	0	2,896,474
Department of Wildlife and Parks			
River Recreation	0	0	0
Stream Monitoring	50,000	0	50,000
Total--Wildlife and Parks	50,000	0	50,000
Department of Agriculture			
Best Management Practices	50,000	0	50,000
Floodplain Management	131,849	0	131,849
Interstate Water Issues	202,795	0	202,795
Subbasin Management Plan	647,291	0	647,291
Total--Department of Agriculture	1,031,935	0	1,031,935
Health and Environment			
Assessment of Sediment	50,000	0	50,000
Contamination Remediation	1,397,022	0	1,397,022
Local Environmental Protection Program	1,800,000	0	1,800,000
Nonpoint Source Program	469,430	0	469,430
TMDL Initiatives	220,000	0	220,000
Use Attainability Analysis	200,000	0	200,000
Total--Health and Environment	4,136,452	0	4,136,452
KCC--Well Plugging	400,000	0	400,000
Total Water Plan Expenditures	18,315,361	0	18,315,361

State Water Plan Resource Est.	Gov. Rec. FY 2001	LEG. ADJ. FY 2001	LEG. APPR. FY 2001
Beginning Balance	2,510,475	0	2,510,475
Revenues			
State General Fund Transfer	4,500,000	0	4,500,000
Economic Development Fund Transfer	2,000,000	0	2,000,000
Municipal Water Fees	3,685,000	0	3,685,000
Industrial Water Fees	1,300,000	0	1,300,000
Stock Water Fees	290,000	0	290,000
Pesticide Registration Fees	920,000	0	920,000
Fertilizer Registration Fees	3,087,000	0	3,087,000
Fines	70,000	0	70,000
Sand Royalty Receipts	367,837	0	367,837
Returned Funds/Transfers In	0	0	0
Total Receipts	16,219,837	0	16,219,837
Total Available	18,730,312	0	18,730,312
Less Expenditures	18,315,361	0	18,315,361
Less Transfer to the State General Fund**	395,000	0	0
Ending Balance	19,951	0	19,951

* Includes GBA No. 2, Item 52, pg. 23--Equus Beds Groundwater Research

**Includes GBA No. 2, Item 51, pg. 23--Released Encumbrances of the State Water Plan Fund

**HOUSE, SENATE AND CONFERENCE COMMITTEE RECOMMENDATIONS
ON AGENCY APPROPRIATIONS
AT FIRST ADJOURNMENT**

SENATE WAYS & MEANS COMMITTEE
April 20, 2000
Attachment 2

	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
Governor's Recommendation	\$ 4,426,177,700	\$ 8,685,548,123	39,773.9
House Recommendation	\$ 4,434,984,475	\$ 8,650,127,713	39,799.9
<i>Change From Governor's Recommendation</i>	8,806,775	(35,420,410)	26.0
Senate Recommendation	\$ 4,401,599,614	\$ 8,689,746,657	39,792.9
<i>Change From Governor's Recommendation</i>	(24,578,086)	4,198,534	19.0
Conference Committee Recommendation	\$ 4,399,812,210	\$ 8,647,870,449	39,803.9
<i>Change From Governor's Recommendation</i>	(26,365,490)	(37,677,674)	30.0

#3

**ADJUSTMENTS TO STATE GENERAL FUND REVENUE
RECOMMENDED BY THE GOVERNOR AND NOT CONSIDERED
BY THE LEGISLATURE**

FY 2000:**Department of Agriculture**

Grain Storage Tax Credit (342,000)

FY 2001:**Department of Administration**Emergency Fund transfer (increase over
amount recommended by Legislature) 50,000**Department of Agriculture**

Grain Storage Tax Credit (356,000)

Racing and Gaming Commission

Camptown Racetrack 249,909

Conservation Commission

State Water Plan Released Encumbrances 395,000

Department of Revenue

Increased Compliance Activities 8,550,000

Legislation

SB 501 - Ag. Chemical Remediation Prog. (100,000)

HB 2011 - Integrated Plant 8,110,000

HB 2648 - Bond Transfer Fees (450,000)

HB 2527 - Agricultural Production Loans (1,000,000)

TOTAL - FY 200115,448,909

STATE GENERAL FUND PROFILE
Reflects Governor's Amended Recommendations
(Governor's Budget Amendment No. 2)

Governor's Recommendation

	FY 99	FY 00	FY 01
Beginning Balance	754.0	540.7	313.9
Released Encumbrances	4.5	0.8	0.0
Receipts (April 00 Consensus)	3,978.4	4,159.8	4,423.2
Adjustments in Gov. Rec.	0.0	0.9	0.8
Committee Adjustments	0.0	0.0	0.0
Adjusted Receipts	3,978.4	4,160.7	4,424.0
Expenditures	4,196.2	4,388.3	4,406.3
Ending Balance	540.7	313.9	331.6
Ending Balance as a % of Exp.	12.9	7.2	7.5
Adj. Receipts in Excess of Exp.	(217.8)	(227.6)	17.7
% Change From Prior Year:			
Adjusted Revenues	(1.2)	4.6	6.3
Expenditures	10.5	4.6	0.4

#6

Adjustments to State General Fund Profile Receipts and Expenditures

Receipts:

\$ 8,110 - HB 2011 - Integrated Plant

(1,000) - HB 2527 - Ag Production Loan Program

(450) - HB 2648 - Bond Transfer Fees

(100) - SB 501 - Agricultural Chemical Remediation Program

\$ 6,560 - Increased Receipts

Expenditures:

\$ 8,590 - KPERS Employer Contribution

(13,688) - Revised General and Supplemental State Aid Amount

15,784 - SRS and Aging Revised Caseloads

\$10,686 - Adjusted Expenditures

State General Fund Profile
FY 1998 - FY 2004

Conference Committee Recommendations on House Sub. for S.B. 326

April 4, 2000 Consensus Revenue Estimates

Demand Transfers at Current Law Beginning in FY 2002

S.B. 39 Adjustments in FY 2000

School Aid at \$3,820 Beginning in FY 2002

FY 2000 and FY 2001 Receipts as Further Adjusted by Conference Committee Act

	Actual FY 1998	Increase	Actual FY 1999	Increase	Approved FY 2000	Increase	Projected FY 2001	Increase	Projected FY 2002	Increase	Projected FY 2003	Increase	Projected FY 2004	Increase
Beginning Balance(a)	\$528.8		\$758.5		\$540.0		\$310.7		\$319.2		\$338.5		\$350.1	
RECEIPTS:(b)	4,027.2	343.4 9.3%	3,978.6	(48.6) -1.2%	4,161.1	182.5 4.6%	4,406.3	247.2 5.9%	4,507.8	99.5 2.3%	4,674.6	166.8 3.7%	4,862.5	187.9 4.0%
EXPENDITURES:														
General and Supplemental School Aid (c)	1,539.0	153.2 11.2%	1,748.1	209.1 13.6%	1,861.0	112.9 6.5%	1,894.9	33.9 1.8%	1,888.3	(6.6) -0.3%	1,878.4	(9.9) -0.5%	1,863.2	(15.2) -0.8%
Out-Year Additional KPERS Employer Contributions(d)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.4	13.4	20.3	6.9	27.4	7.1
Higher Education Restructuring - S.B. 345(e)	0.0	0.0	0.0	0.0	0.0	0.0	21.8	21.8	37.6	15.8	54.1	16.5	71.3	17.2
Demand Transfers: (f)	205.1	5.4	219.6	14.5	201.2	(18.4)	184.6	(16.6)	315.0	130.4	353.2	38.2	373.7	20.5
All Other Expenditures(g)	2,055.0	103.6 5.3%	2,228.5	173.5 8.4%	2,329.1	100.6 4.5%	2,298.5	(30.6) -1.3%	2,329.2	30.7 1.3%	2,320.0	(9.2) -0.4%	2,420.0	100.0 4.3%
Available for Other Purposes(h)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(95.0)	(95.0)	37.0	132.0	95.0	58.0
TOTAL Expenditures	3,799.1	263.3 7.4%	4,196.2	397.1 10.5%	4,391.3	195.1 4.6%	4,399.8	8.5 0.2%	4,488.5	88.7 2.0%	4,663.0	174.5 3.9%	4,850.6	187.6 4.0%
Ending Balance(i)	756.7		540.9		310.7		319.2		338.5		350.1		362.0	
Percent of Expenditures	19.9%		12.9%		7.1%		7.3%		7.5%		7.5%		7.5%	
Receipts In Excess of Expenditures	228.1		(217.6)		(230.2)		8.5		19.3		11.6		11.9	

SENATE WAYS & MEANS COMMITTEE
April 20-25, 2000
Attachment 6

State General Fund Profile FY 1998 - FY 2004

Conference Committee Recommendations on House Sub. for S.B. 328

April 4, 2000 Consensus Revenue Estimates
 Demand Transfers at Current Law Beginning in FY 2002
 S.B. 39 Adjustments in FY 2000
 School Aid at \$3,820 Beginning in FY 2001
 FY 2000 and FY 2001 Receipts as Further Adjusted by Conference Committee Action and Legislation (Intergrated Plant)
 ✓ KPERs Employer contribution Increase in FY 2001
 ✓ SRS and Aging Caseload Increases

SENATE WAYS & MEANS COMMITTEE
 April 20-25, 2000
 Attachment 7

	Actual FY 1998	Increase	Actual FY 1999	Increase	Approved FY 2000	Increase	Projected FY 2001	Increase	Projected FY 2002	Increase	Projected FY 2003	Increase	Projected FY 2004	Increase
Beginning Balance(a)	\$528.6		\$758.5		\$540.9		\$315.7		\$320.5		\$345.0		\$361.8	
RECEIPTS:(b)	4,027.2	343.4 9.3%	3,978.6	(48.8) -1.2%	4,161.1	182.5 4.6%	4,415.3	254.2 6.1%	4,503.6	88.3 2.0%	4,669.9	166.3 3.7%	4,857.2	187.3 4.0%
EXPENDITURES:														
General and Supplemental School Aid (c)	1,539.0	153.2 11.2%	1,748.1	209.1 13.6%	1,859.0	107.9 6.2%	1,894.0	38.0 2.0%	1,878.9	(15.1) -0.8%	1,868.5	(10.4) -0.6%	1,853.2	(15.3) -0.8%
Out-Year Additional KPERs Employer Contributions(d)	0.0	0.0	0.0	0.0	0.0	0.0	8.6	8.6	13.4	4.8	20.3	6.9	27.4	7.1
Higher Education Restructuring - S.B. 345(e)	0.0	0.0	0.0	0.0	0.0	0.0	21.8	21.8	37.6	15.8	54.1	16.5	71.3	17.2
Demand Transfers: (f)	205.1	5.4	219.6	14.5	201.2	(18.4)	184.6	(16.6)	315.0	130.4	353.2	38.2	373.7	20.5
All Other Expenditures(g)	2,055.0	103.6 5.3%	2,228.5	173.5 8.4%	2,320.1	100.6 4.5%	2,301.5	(27.6) -1.2%	2,329.2	27.7 1.2%	2,320.0	(9.2) -0.4%	2,420.0	100.0 4.3%
Available for Other Purposes(h)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(95.0)	(95.0)	37.0	132.0	95.0	58.0
TOTAL Expenditures	3,799.1	263.3 7.4%	4,196.2	397.1 10.5%	4,360.3	190.1 4.5%	4,410.5	24.2 0.6%	4,479.1	68.6 1.6%	4,653.1	174.0 3.9%	4,840.6	187.5 4.0%
Ending Balance(i)	756.7		540.9		315.7		320.5		345.0		361.8		378.4	
Percent of Expenditures	19.9%		12.9%		7.2%		7.3%		7.7%		7.8%		7.8%	
Receipts in Excess of Expenditures	228.1		(217.6)		(225.2)		4.8		24.5		16.8		16.6	

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State General Fund Profile
FY 1998 - FY 2004

Conference Committee Recommendations on House Sub. for S.B. 326

April 4, 2000 Consensus Revenue Estimates

Demand Transfers at Current Law Beginning in FY 2002

S.B. 39 Adjustments in FY 2000

School Aid at \$3,820 Beginning in FY 2001

FY 2000 and FY 2001 Receipts as Further Adjusted by Conference Committee Act

Legislation (Intergrated Plant) and Enhanced Collection Efforts

KPERS Employer Contribution Increase in FY 2001

SRS and Aging Caseload Increases

	Actual FY 1998	Increase	Actual FY 1999	Increase	Approved FY 2000	Increase	Projected FY 2001	Increase	Projected FY 2002	Increase	Projected FY 2003	Increase	Projected FY 2004	Increase
Beginning Balance(a)	\$528.6		\$758.5		\$540.9		\$315.7		\$332.1		\$336.6		\$348.4	
RECEIPTS:(b)	4,027.2	343.4 8.3%	3,978.6	(48.6) -1.2%	4,161.1	182.5 4.6%	4,423.9	262.8 6.3%	4,503.6	79.7 1.8%	4,669.9	166.3 3.7%	4,857.2	187.3 4.0%
EXPENDITURES:														
General and Supplemental School Aid (c)	1,539.0	153.2 11.2%	1,748.1	209.1 13.6%	1,856.0	107.9 6.2%	1,894.0	38.0 2.0%	1,878.9	(15.1) -0.8%	1,868.5	(10.4) -0.6%	1,853.2	(15.3) -0.8%
Out-Year Additional KPERS Employer Contributions(d)	0.0	0.0	0.0	0.0	0.0	0.0	8.6	8.6	13.4	4.8	20.3	6.9	27.4	7.1
Higher Education Restructuring - S.B. 345(e)	0.0	0.0	0.0	0.0	0.0	0.0	21.8	21.8	37.6	15.8	54.1	16.5	71.3	17.2
Demand Transfers: (f)	205.1	5.4	219.6	14.5	201.2	(18.4)	184.6	(16.6)	315.0	130.4	353.2	38.2	373.7	20.5
All Other Expenditures(g)	2,055.0	103.6 5.3%	2,228.5	173.5 8.4%	2,329.1	100.6 4.5%	2,298.5	(30.6) -1.3%	2,329.2	30.7 1.3%	2,320.0	(9.2) -0.4%	2,420.0	100.0 4.3%
Available for Other Purposes(h)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(75.0)	(75.0)	42.0	117.0	98.0	56.0
TOTAL Expenditures	3,799.1	283.3 7.4%	4,196.2	397.1 10.5%	4,386.3	190.1 4.5%	4,407.5	21.2 0.5%	4,499.1	91.6 2.1%	4,658.1	159.0 3.5%	4,843.6	185.5 4.0%
Ending Balance(f) Percent of Expenditures	756.7 19.9%		540.9 12.9%		315.7 7.2%		332.1 7.5%		336.6 7.5%		348.4 7.5%		362.0 7.5%	
Receipts in Excess of Expenditures	228.1		(217.6)		(225.2)		16.4		4.5		11.8		13.6	

Agency/Program	Governor's Recommendation FY 2001	Legislative Adjustments FY 2001
Department of Commerce and Housing¹		
Agency Operations	\$ 8,592,909	
Small Business Development Centers	410,000	75,000
Certified Development Companies	400,000	
Kansas Industrial Training/Retraining	3,300,000	
Trade Show Promotion Grants	150,000	
Community Capacity Building Grants	197,000	
Economic Opportunity Initiative Fund	3,500,000	
Existing Industry Expansion	500,000	
Tourism Promotion Grants	852,100	
Mid-America World Trade Center	0	42,000
Mainstreet Grant and Development Prog.	216,800	
Agriculture Product Development	540,000	
Training Equipment Grants	277,500	
Travel Information Centers	115,000	(100,000)
Motion Picture and Television Rebate	75,000	
Kansas Sports Hall of Fame	0	
Eisenhower Museum Grant	300,000	
National Teachers Hall of Fame	300,000	(200,000)
HOME Program	533,022	
Challenger Learning Center	0	
Subtotal - KDCH	<u>\$ 20,259,331</u>	<u>\$ (183,000)</u>
Kansas Technology Enterprise Corporation⁽¹⁾		
Agency Operations	\$ 1,305,499	
Centers of Excellence	4,325,000	
Research Matching Grants	1,246,000	
Business Innovative Research Grants	76,000	
State Small Business Innovation Research	440,000	
Special Projects	79,303	
Commercialization Grants	845,000	
Mid-America Manufact. Tech. Center	950,931	
EPSCoR	2,436,126	763,874
Subtotal - KTEC	<u>\$ 11,703,859</u>	<u>\$ 763,874</u>
Kansas, Inc.⁽¹⁾		
	\$ 336,137	
Board of Regents		
Matching Grants - AVTS	200,000	
Post-secondary Aid - AVTS	6,882,981	
Capital Outlay Aid - AVTS	2,200,000	
Comprehensive Grant Program	0	250,000
Subtotal - Regents	<u>\$ 9,282,981</u>	<u>\$ 250,000</u>
Department of Education - Ag in the Classroom		
	0	30,000
Historical Society		
	0	95,000
Department of Administration		
Public TV Microwave Connection	350,000	
State Water Plan Fund		
	2,000,000	
Wildlife and Parks - Local Gov. Outdoor Recreation		
	475,000	(225,000)
State Fair		
Capital Improvements	100,000	
Operating Expenses	0	134,000
Adjutant General - Kansas National Guard Educational Asst.		
	0	50,000
Arts Commission - Operating Expenses		
	0	119,110
State Library - Grants to Local Libraries		
	0	170,000
	<u>\$ 44,507,308</u>	<u>\$ 1,203,984</u>

TOTAL TRANSFERS AND EXPENDITURES

EDIF Resource Estimate	Gov. Rec. FY 2001	Legislative Adjustments FY 2001
Beginning Balance	\$ 2,243,508	1,450,000
Gaming Revenues	42,500,000	-
Other Income	594,000	606,472
Total Available	<u>\$ 45,337,508</u>	<u>\$ 47,393,980</u> ⁽²⁾
Less: Expenditures and Transfers	<u>\$ 44,507,308</u>	<u>\$ 45,711,292</u>
ENDING BALANCE	<u>\$ 830,200</u>	<u>\$ 1,682,688</u>

1) Does not include expenditures from prior year EDIF allocations.

2) Legislative Adjustments to Other Income include \$306,472 transferred from the Partnership Fund and \$300,000 of enhanced interest earnings.

Agency/Program	Governor's Recommendation FY 2000	Legislative Adjustments FY 2000
Department of Commerce and Housing¹⁾		
Agency Operations	\$ 7,006,215	
Small Business Development Centers	485,000	
Certified Development Companies	475,000	
Kansas Industrial Training/Retraining	3,600,000	
Trade Show Promotion Grants	150,000	
Community Capacity Building Grants	197,000	
Economic Opportunity Initiative Fund	5,000,000	
Existing Industry Expansion	800,000	
Tourism Promotion Grants	952,100	
Mid-America World Trade Center	41,889	
Mainstreet Grant and Development Prog.	216,800	
Agriculture Product Development	540,000	
Training Equipment Grants	300,000	
Travel Information Center Repairs	15,000	
Motion Picture and Television Rebate	75,000	
Kansas Sports Hall of Fame	0	
Eisenhower Museum Grant	800,000	
National Teachers Hall of Fame	0	
HOME Program	0	
Subtotal - KDOCH	<u>\$ 20,154,004</u>	
Kansas Technology Enterprise Corporation¹⁾		
Agency Operations	\$ 1,338,488	
Centers of Excellence	3,552,640	
Research Matching Grants	989,188	
Business Innovative Research Grants	78,000	
State Small Business Innovation Research	440,000	
Special Projects	79,303	
Commercialization Grants	1,490,000	
Mid-America Manufact. Tech. Center	1,797,338	
EPSCoR	3,200,000	
Subtotal - KTEC	<u>\$ 12,942,963</u>	
Kansas, Inc.	\$ 189,563	
Board of Regents		
Matching Grants - AVTS	200,000	
Post-secondary Aid - AVTS	6,707,144	
Capital Outlay Aid - AVTS	2,000,000	
Subtotal - Education	<u>\$ 8,907,144</u>	
Historical Society	0	
Department of Administration		
Public TV Microwave Connection	0	
State Water Plan Fund	2,000,000	
KSU -- Ag Extension		
Ogalala Aquifer Study	0	
Wildlife and Parks		
Local Government Outdoor Recreation	500,000	
State Fair	35,000	
TOTAL TRANSFERS AND EXPENDITURES	\$ 44,728,674	0
EDIF Resource Estimate		
	Gov. Rec.	Legislative
	FY 2000	Adjustments
		FY 2000
Beginning Balance	\$ 3,672,000	-
Gaming Revenues	42,500,000	-
Other Income	800,182 ²⁾	-
Total Available	<u>\$ 46,972,182</u>	<u>1,450,000 ³⁾</u>
Less: Expenditures and Transfers	44,728,674	44,728,674
ENDING BALANCE	\$ 2,243,508	\$ 3,693,508

1) Does not include expenditures from prior year EDIF allocations.

2) This category includes interest income as well as amounts lapsed by the 2000 Legislature.

3) Legislative Adjustments to other income include released encumbrances and enhanced interest earnings.

April 20, 2000

ITEMS FOR OMNIBUS CONSIDERATION

State Treasurer

A. HB 2648 (Governor). One provision of HB 2648 provides that fees paid to the State Treasurer for services provided with the issuance of municipal bonds be credited to the Bond Services Fee Fund in lieu of the State General Fund. Conferees on HB 2559 (the original version of the proposal) indicated that operational efficiencies could be achieved if the Municipal Bond Services Program was operated on a fee basis. The fees for these services have generated between \$430,000 and \$610,000 in recent years. The approved FY 2001 budget for the Municipal Bond Services Program includes \$398,591 from the State General Fund. The State Treasurer has requested that the fees be allowed to accumulate in the Bond Services Fee Fund for a year and that the Municipal Bond Services Program be shifted to fee fund financing in FY 2002.

B. GBA No. 1, Item 4—Local Ad Valorem Tax Reduction Fund (LAVTRF) Payments. Based on actual expenditures, GBA No. 1, Item 4 reduces FY 2000 transfers to the Local Ad Valorem Tax Reduction Fund by \$169,092. Both the House and the Senate recommended that this item be considered at Omnibus.

C. GBA No. 2, Item 11, Page 5 - Bond Service Fees.

D. GBA No. 2, Item 49, Page 22 - Agricultural Remediation Programs.

Department of Administration

A. S.B. 660 (Governor). S.B. 660 authorizes the issuance of up to \$40.0 million in bonds for the renovation of the State Capitol. Implementation of the bill requires the creation of a new special revenue fund in the Department of Administration in FY 2001 with a proviso authorizing the issuance of the bonds and the expenditure of the bond proceeds.

B. Public Broadcasting. The Senate Subcommittee on the budget for the Department of Administration recommended that funding to begin the implementation of digital broadcasting for the state's public broadcasting television stations in FY 2001 be reviewed at Omnibus. The Public Broadcasting Council estimates the initiative will cost \$48.3 million through FY 2004 and requests \$15.0 million from the state, with a minimum FY 2001 investment of \$1,450,000. Of this amount, the approved FY 2001 budget includes \$350,000.

C. GBA No. 2, Item 4, Page 3 - State Emergency Fund Transfer.

D. GBA No. 2, Item 5, Page 3 - Cost Increases at the State Motor Pool.

Department of Revenue

A. S. B. 611 (Law). S.B. 611 creates several new categories of distinctive license plates, including public safety officers, the Kansas Foundation for Agriculture, and veterans plates for motorcycles. The agency estimates that \$34,082 from the Division of Vehicles (DOV) Operating Fund will be required FY 2001 for plate production and computer programming costs.

B. H. B. 2561 (Law). H.B. 2561 creates a new category of motor vehicle certificate of title and incorporates two new kinds of title brands into the vehicle identification number statutes. The agency estimates that \$10,003 from the Division of Vehicles (DOV) Operating Fund will be required in FY 2001 for computer programming costs.

C. H. B. 2883 (Law). H.B. 2883 creates a new crime for theft of motor fuel and requires suspension of driving privileges upon second and subsequent convictions. The agency estimates that \$33,292 from the Division of Vehicles (DOV) Operating Fund will be required in FY 2001 for computer programming costs.

D. Bills In Conference. Several bills impacting the operations of the Department of Revenue are currently pending in conference committee. These include S.B. 12 (sales information contained on appraised value notice), S.B. 59 (sales tax exemption for church contractors), S.B. 124 (adult care home property tax exemption), S.B. 226 (increased revenue from property taxes), S.B. 410 (taxation statutory compliance benefits and incentives), S.B. 429 (DUI suspension of drivers license), S.B. 502 (oil lease property tax refunds), H.B. 2037 (sales tax exemption for railroad and grain storage facilities) and H.B. 2259 (motor vehicle certificates of title). The fiscal notes associated with the various provisions currently included these bills range from no impact to in excess of \$1.0 million for implementation. Many of these bills have been in conference in excess of a year. The final administrative impact of the bills will be dependent on what provisions are adopted by the conference committee and enacted into law.

E. Agency Other Operating Expenses. The Senate Committee recommended consideration at Omnibus of additional funding for FY 2001 other operating expenses for the agency. The approved budget for the agency includes a reduction of \$1.2 million in State General Fund financed other operating expenses from the agency's current services budget.

F. GBA No. 2, Item 9, Page 5 - Legal Defense Costs.

G. GBA No. 2, Item 10, Page 5 - Increase Compliance Activities.

Regents Systemwide

A. General Fees Fund (Tuition) Revised Estimates—Non-Tuition Accountability Institutions (also GBA No. 2, Item 31, pg. 15). Based on Spring 2000 enrollments, the institutions not participating in tuition accountability have submitted revised estimates of tuition revenues for both FY 2000 and FY 2001. The Consensus Tuition Estimating Committee (comprised of staff of the Board of Regents Office, Division of the Budget, and the Legislative Research Department) has concurred with the institutions' revised estimates.

For FY 2000, based on Spring enrollments, a net decrease in available tuition revenue totaling \$44,401 is projected. Based on these revisions, under traditional budgeting methods, State General Fund dollars of \$44,401 would be added to maintain institutional operating budgets at the approved levels. The table below shows the net increase or decrease in available tuition revenue at each institution based on the revised estimates.

For FY 2001, based on Spring enrollments, a net decrease in available tuition revenue totaling \$12,574 is projected. Based on these revisions, under traditional budgeting methods, State General Fund dollars of \$12,574 would be added to maintain institutional operating budgets at the approved levels. The table below shows the net increase or decrease in available tuition revenue at each institution based on the revised estimates.

FY 2000 Revised Tuition Estimates

	<u>Amount Approved</u>	<u>Revised Estimate</u>	<u>Difference</u>
KU Medical Center	\$ 10,827,240	\$ 10,827,240	\$ 0
Emporia State University	8,569,036	8,601,263	32,227
Fort Hays State University	8,771,882	8,770,019	(1,863)
Pittsburg State University	10,663,103	10,588,338	(74,765)
TOTAL	<u>\$ 38,831,261</u>	<u>\$ 38,786,860</u>	<u>\$ (44,401)</u>

FY 2001 Revised Tuition Estimates

	<u>Amount Approved</u>	<u>Revised Estimate</u>	<u>Difference</u>
KU Medical Center	\$ 11,308,864	\$ 11,374,315	\$ 65,451
Emporia State University	9,106,432	9,140,028	33,596
Fort Hays State University	9,036,098	9,036,098	0
Pittsburg State University	11,335,978	11,224,357	(111,621)
TOTAL	<u>\$ 40,787,372</u>	<u>\$ 40,774,798</u>	<u>\$ (12,574)</u>

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Fort Hays State University

A. Technical Adjustment. H. Sub. for S.B. 326 inadvertently over appropriated State General Fund financing for the university in FY 2001 by \$21,641.

Emporia State University

A. Technical Adjustment. H. Sub. for S.B. 326 inadvertently over appropriated State General Fund financing for the university FY 2001 by \$22,445.

Pittsburg State University

A. Technical Adjustment. H. Sub. for S.B. 326 inadvertently over appropriated State General Fund financing for the university FY 2001 by \$26,043.

University of Kansas Medical Center

A. Children's Initiative's Funding. The Conference Committee recommended the deletion of all funding from the Children's Initiatives Fund pending further review at Omnibus. The Governor recommends \$250,000 from the Fund in FY 2001 for the expansion of the TeleKid Health Care Link. In 1998 the University launched a pilot program to deliver medical services to children in school. Using PC based telemedicine technology, the project links the school nurse's office with physicians to provide clinical consultations for students. For FY 2001, the Governor recommends \$250,000 from the Children's Initiatives Fund to extend this program to other portions of the state. KUMC would serve as a facilitator to link local health care providers with schools in their service areas. In those cases where there are no health care providers or if back up medical services are requested, KUMC physicians would be available to provide clinical consultations.

The House Committee also recommended the Omnibus consideration be give to allocating \$1.0 million from the Fund in FY 2001 for pediatric biomedical research.

B. Technical Adjustment. H. Sub. for S.B. 326 inadvertently over appropriated State General Fund financing for the university in FY 2001 by \$58,841.

C. GBA No. 2, Item 38, Page 16 - Wahl Hall Renovation.

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Board of Regents

A. H.B. 2996 (conference). H.B. 2996 modifies the formula for distribution of community college operating grants. The approved FY 2001 budget for the grants assumes the revised formula. Should the bill fail to pass, an additional \$1.0 million would be required to fully fund the existing formula.

B. Postsecondary Vocational Education Funding. The Senate Committee recommended that state funding for postsecondary vocational education be reviewed at Omnibus. The approved budget for FY 2001 includes \$26.4 million for Postsecondary Vocational Education Aid, an increase of \$200,000 (0.8 percent) from the revised current year budget. An additional \$2.7 million is available for Vocational Education Capital Outlay Aid, an increase of \$200,000 (8.0 percent) from the current year.

Department of Commerce and Housing

A. Kansas Industrial Training and Retraining (KIT/KIR). The Senate Subcommittee recommended review of FY 2001 funding for KIT/KIR to determine if additional money should be added to return the program to current levels. The program is currently funded at the amount recommended by the Governor, \$3.3 million (Economic Development Initiatives Fund), this is a reduction of \$300,000 from the current year. The following table shows five years of expenditures for KIT/KIR.

KIT/KIR Expenditures				
Actual FY 1997	Actual FY 1998	Actual FY 1999	Approved FY 2000	Approved FY 2001
\$ 3,244,358	\$ 3,250,000	\$ 3,803,869	\$ 3,600,000	\$ 3,300,000

B. GBA No. 2, Item 8, Page 4 - Sports Hall of Fame.

Kansas Technology Enterprise Corporation

A. Commercialization. The Senate Subcommittee recommended review of FY 2001 funding for the Commercialization program to determine if additional money should be added to return the program to current levels. The program is currently funded at the amount recommended by the Governor, \$845,000 (Economic Development Initiatives Fund), this is a reduction of \$845,000 from the revised recommendation for the current year. Additionally, SB 39 transferred \$490,804 from KTEC to the Economic Development Initiatives Fund, \$200,000 of which was budgeted for Commercialization. This reflects the amount of reappropriated money KTEC was given authority to spend by the 1999

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Legislature. At the present time, KTEC anticipates using KTEC holdings to make up the reduction in Commercialization grants. This will require completely spending down KTEC holdings.

KTEC holdings have been accumulating since FY 1993 to the current level of \$1.7 million. KTEC holdings receives revenues primarily from the Applied Research Matching Fund royalty payments and distributions from the Ad Astra and Commercialization funds, and it is the intent of both KTEC and the Legislature that these revenues eventually should reduce KTEC's reliance on state funding. Expenditures from the account are subject to authorization by the KTEC Board of Directors. Annual receipts to KTEC holdings are volatile and unpredictable and have fluctuated dramatically. There is no guarantee that money expended in FY 2001 to fund the Commercialization program will be recouped in a short period of time.

Kansas Public Employees Retirement System (KPERs)

A. Omnibus Review Item. The House and Senate committees agreed to review fees paid to investment managers and for litigation expenses in order to determine if the expenditure limitation in FY 2000 should be adjusted. The approved FY 2000 limitation is \$26,644,408. The revised KPERs estimate is \$26,011,735, a reduction of \$632,673 in the approved limit set in SB 39 earlier this Session.

B. HB 2034 (Governor) also GBA No. 2, Items 59-60. The bill addresses a number of items affecting state employees, funding KPERs benefits, and implementing certain Governor's recommendations. GBA 2-59 and 2-60 also address revised Governor's recommendations on the subject of the KPERs payments for two programs.

Death and Disability Benefits Moratorium. Among the Governor's recommendations included in HB 2034 as passed is a moratorium on the employer contributions for insurance payments that finance the KPERs death and long-term disability benefits program. The Legislature approved a five quarter holiday whereas the Governor's original recommendation was for four quarters. In GBA 2-59, the Governor concurs with the additional fifth quarter state savings of \$4,164,791 from the State General Fund that already was recognized by the Legislature.

Retirement Contribution Freeze. The Governor's recommended freeze on the state's employer retirement contribution rate in FY 2001 was not included in legislation passed. As a result, the state as a KPERs participating employer legally is obligated to pay the retirement assessment in FY 2001, including the anticipated increase of 0.39 percent. When the *Governor's Budget Report* for FY 2001 was prepared, the amount of funding for the 0.39 percent KPERs increase was omitted from state agency budgets. GBA No. 2-60 adds back for state agency budgets the \$9,430,170 that was omitted previously. The following table summarizes the amount of funding recommended by the Governor to finance the 0.39 percent retirement contribution increase in FY 2001. Most of the KPERs retirement contribution increase of \$9.43 million would be paid in the state's school contribution of

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\$6.49 million. The remaining portion of the state's obligation totals \$2.87 million for the state agencies, with \$2.1 million SGF and \$0.84 million all other funds. The Governor's proposed freeze of the retirement rate did not apply to local KPERS employees.

FY 2001 Financial Impact	
Estimated State KPERS Employer Contributions	
(In Millions)	
Retirement Contribution Increase	
State/School/TIAA	\$ 9.43
Local Units	0.00
Totals	<u>\$ 9.43</u>
State General Fund (a)	<u>\$ 8.59</u>
School Only SGF	\$ 6.49
Source: GBA No. 2, Item 60.	
a) The Division of the Budget notes that \$2.6 million SGF of increased school funding would be paid in FY 2002.	

C. SB 248 (Governor), SB 660 (Governor), HB 2559 (conference committee), HB 2624 (conference committee). At least four bills have administrative impact on KPERS. New investment-related duties are assigned to KPERS by SB 248, SB 660 and HB 2559 for the purpose of investing non-KPERS money in order to earn a higher rate of return. In HB 2624, KPERS would be authorized to assess fees for any services provided in regard to activities not exclusively for the benefit of its members. This provision would authorize KPERS to recoup its own administrative costs and to pay for investment-related services out of non-KPERS funds. SB 248 provides for KPERS investment and management of funds in the Intergovernmental Transfer Program. SB 660 concerns financing restorations for the Capitol and investments by KPERS. Under HB 2559, the proceeds from the sale of the bonds and any tobacco settlement payments not required to pay debt service on the securities would be credited to the Kansas Endowment for Youth Fund consistent with current law on the use of tobacco settlement receipts. KPERS currently is authorized to invest funds from the tobacco settlement. The amount of money that could be available for investment by KPERS would increase dramatically under HB 2559. The Legislature should consider appropriating the Senior Services Trust Fund to KPERS pursuant to SB 248. The Kansas Endowment for Youth Fund already is appropriated to KPERS. No new fund is required to be appropriated to KPERS by SB 660 when KPERS acts as the investment mechanism for unclaimed property in the State Treasury. No new staff is requested by KPERS for administering the provisions of these bills. Any fees collected by KPERS pursuant to HB 2624 for administrative staff related-expenses potentially would reduce the amount of expenditures authorized to be paid from the Agency Operations account of the KPERS Fund. There is no estimate from KPERS regarding these new expenses and a possible offsetting reduction of KPERS Fund expenditures.

In addition, a provision in HB 2624 would authorize a new, lump sum payment option at retirement that could reduce an individual's KPERS defined monthly benefit by no more than 50 percent for life. Up to 50 percent of the actuarially calculated benefit may be taken

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as a lump sum amount under this option. Individuals selecting the lump sum option would be required to choose a lump sum amount based on 10 percent increments. The implementation date would be delayed until FY 2002 in order to give KPERS adequate lead-in time to implement this change. The fiscal note for administrative costs is estimated at \$100,000 in FY 2001 in order to do programming work in preparation of offering this new option.

Kansas Department of Transportation

A. Omnibus Review Item. The Conference Committee on SB 326 removed a proviso added by the House Committee of the Whole. There was a recommendation to review that proviso during the Omnibus period. That proviso would have required KDOT, when acquiring property during FY 2001, to hold a public hearing on the property acquisition in the county where the property is located and to notify owners of area property at least 21 days prior to a hearing. Also it would have required notice to be published in a newspaper providing time and place of such meeting, a general description of the property to be acquired, and the proposed use of such property.

Kansas Racing and Gaming Commission

A. Camptown Race Track – Omnibus Review Item; also GBA No. 2, Item 1—Camptown Racetrack. Both House and Senate Committees recommended review during the Omnibus period for operating costs and staffing level associated with a track reopening. The Executive Director of the Kansas Racing and Gaming Commission notified the Director of the Budget that the current owner of Wichita Greyhound Park has purchased the now closed Camptown track in Frontenac. It has been closed since late 1995 and staff of the Commission who previously worked there were terminated or reassigned. The Commission has approved an application for license to reopen the track and for the not-for-profit organization. An application for track manager was rejected by the Commission. No specific dates for live racing have been approved by the Commission. However, a Commission meeting on April 28, 2000, will consider a request to start simulcasting and parimutuel betting on April 29, 2000.

Additional state personnel and expenditure authority are requested by the Commission in order to staff the facility. The fiscal note submitted by the Commission for staffing and State Racing Fund (SRF) financing totals 9.0 FTE positions and FY 2001 expenses of \$590,198. GBA 2-1 concurs with these estimates. Additional FY 2001 expenses would be paid from other funds totaling \$162,264. GBA 2-1 does not address expenditures from these other funds. Projections of revenue indicate an early cash flow problem in financing the budget items from revenues derived exclusively from the Camptown track and related activities since no start date for racing (either live or simulcasting) has been approved by the Commission. The fiscal impact initially would be a reduction in the projected transfers to the SGRF in FY 2000 and early FY 2001. However, the FY 2001

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revenue estimate is \$884,400, or a net of \$294,000 more than budgeted expenses to be paid from the SRF.

Initial startup costs totaling \$258,653 are estimated and authority to hire nine new staff is requested in FY 2000. GBA 2-1 recommends \$212,393 from the State Racing Fund in FY 2000. GBA 2-1 does not address expenditures of \$46,260 from other funds in FY 2000. Most of the estimated FY 2001 excess revenue of \$294,000 presumably would repay the FY 2000 expenditure of \$212,393 from the State Racing Fund as recommended by the Governor before the track starts live racing and generates parimutuel revenue. The Governor's estimated FY 2000 revenue of \$168,100 presumes parimutuel betting will begin this fiscal year, even though the Commission has not approved live dates for racing. The delay in adding new staff and spending startup funds will be dependent upon approval of this budget request by the Legislature and when the Omnibus bill finally is published in the *Kansas Register*. In 1999, the Omnibus bill became effective on May 20, 1999, when published in the *Kansas Register*.

Camptown Budget Amendment				
Estimated Expenditures	Agency Req. FY 2000	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001
Salaries and Wages	\$ 83,622	\$ 83,622	\$ 405,518	\$ 405,518
Contractual Services	69,270	69,270	164,720	164,720
Commodities	13,776	13,776	19,960	19,960
Capital Outlay	45,725	45,725	0	0
Subtotal—SRF	\$ 212,393	\$ 212,393	\$ 590,198	\$ 590,198
Other Funds	46,260	0	162,254	0
TOTAL—All Funds	<u>\$ 258,650</u>	<u>\$ 212,393</u>	<u>\$ 752,452</u>	<u>\$ 590,198</u>
FTE Positions	9.0	9.0	9.0	9.0

Kansas Lottery

A. Omnibus Review Item; also GBA No. 2, Item 2—Lottery Accounting Change. Both House and Senate Committees recommended review of lottery sales for the Omnibus period. For FY 2000, the Legislature approved estimated lottery sales of \$198 million and projected transfers of \$59.4 million to the State Gaming Revenues Fund (SGRF). A provision in 1999 SB 325 set the SGRF transfer rate to the statutory rate of 30.0 percent in FY 2000. As a result of using approximately \$2.0 million for enhanced prizes, the 1999 Legislature anticipated sales to increase in FY 2000. This adjustment was expected to increase the SGRF transfer by a net of \$732,560 according to the 1999 projection, which, in turn, would be to increase transfers by \$732,560 for the State General Fund (SGF) with total SGF transfers of \$9,400,000 in FY 2000.

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In reviewing the Governor's revised FY 2000 budget recommendations and the Legislature's consideration of \$198 million in sales and \$59.4 million in SGRF transfers, some discussion took place about a penalty provision that was passed by the 1999 Legislature and operative if the Lottery does not achieve the projected FY 2000 sales. Section 5(b) of Chapter 160, 1999 *Session Laws of Kansas*, would penalize the Lottery by up to \$732,560 if the approved FY 2000 SGRF transfers are not achieved. The penalty currently must be paid by June 20, 2000 if sales do not reach \$198 million by May 31, 2000.

In addition, the 2000 Legislature approved in SB 326 a 13th SGRF transfer to be credited on June 30, 2001. GBA No. 2, Item 2 concurs with this additional transfer in FY 2001. The Legislature could consider deferring the June 20, 2000, penalty transfer if FY 2000 sales do not reach \$198 million by May 31, 2000. An additional \$4.5 million is anticipated in the 13th transfer on June 30, 2001. In order to achieve that estimate, the Legislature could consider alternatives to this year's penalty, such as to defer the penalty scheduled at the end of FY 2000, or alternatively, to cancel the penalty. If the penalty is postponed to another date, then it could be added to the 13th FY 2001 estimated transfer. That estimated amount could be raised to \$5.2 million for June 30, 2001. An added benefit would be to enhance the SGF ending balance when the 7.5 percent ending balance law is under pressure.

Lottery sales through March 31, 2000, lag behind the approved sales to date. Two months remain in this fiscal year. This year's transfer rate is based on 30.00 percent. Next year, the Legislature approved the Governor's recommended transfer rate of 30.75 percent in SB 326. The Lottery has begun reducing the amount of prizes to be paid next fiscal year based on having to transfer additional earnings to the SGRF beginning July 15, 2000.

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	SGRF Transfer	Lottery Sales*
June	\$ --	\$ 18,944,359
July	5,683,308	14,951,008
August	4,485,331	13,946,199
September	4,183,867	14,911,064
October	4,472,405	16,440,160
November	4,932,926	13,977,940
December	4,193,382	15,389,849
January	4,616,955	18,624,174
February	5,587,252	16,508,129
March	4,952,439	19,945,032
April	5,983,509	NA
May	NA	NA
June	NA	-
To date	\$ 49,091,374	\$ 163,637,914
Mo. Ave.	4,909,137	16,363,791
Gov. Rec.	\$ 59,400,000	\$ 198,000,000
12 Mo. Ave. for Gov. Rec.	4,950,000	16,500,000
Remaining Difference	\$ 10,308,626	\$ 34,362,086
Remaining Monthly	\$ 5,154,313	\$ 17,181,043

* SGRF transfers are based on the prior month's sales.

Developmental Disabilities Institutions - Systemwide

A. Teacher Salary Increase. The Governor's recommendation and the Legislative approved budget for FY 2001 includes teacher salary increases within the education contracts. The education contract in the FY 2001 approved budget for Kansas Neurological Institute includes an increase of 16.0 percent, while the education contract for Parsons State Hospital and Training Center contains an increase of 4.2 percent. The following table illustrates the adjustment necessary to provide for uniform salary increases across the institutions.

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Percentage Increase	Kansas Neurological Institute	Parsons State Hospital and Training Center	Total
0.5	\$ (29,082)	\$ (6,043)	\$ (35,125)
1.0	(28,132)	(5,226)	(33,358)
1.5	(27,182)	(4,410)	(31,592)
2.0	(26,233)	(3,593)	(29,826)
2.5	(25,283)	(2,777)	(28,060)
3.0	(24,333)	(1,961)	(26,294)
3.5	(23,383)	(1,144)	(24,527)
4.0	(22,433)	(328)	(22,761)
4.5	(21,483)	488	(20,995)
5.0	(20,533)	1,305	(19,228)
5.5	(19,583)	2,121	(17,462)
6.0	(18,634)	2,938	(15,696)
6.5	(17,684)	3,754	(13,930)
7.0	(16,734)	4,570	(12,164)

B. Categorical Aid. For FY 2000, the budgeted school contracts for the institutions include categorical aid based on a rate of \$19,751 for Kansas Neurological Institute and \$20,000 for Parsons State Hospital and Training Center. The current FY 2000 categorical aid rate per eligible teaching unit is estimated to be \$19,770. If this rate is maintained, the school contracts at the institutions would need adjustments. The table below identifies the State General Fund adjustments required.

Institution	Change
Kansas Neurological Institute	\$ 1,862
Parsons State Hospital and Training Center	\$ (1,392)

For FY 2001, the categorical aid rate was budgeted at \$19,815 for Kansas Neurological Institute and \$20,000 at Parsons State Hospital and Training Center. The current FY 2001 categorical aid rate is estimated to be \$20,491. The adjustments in State General Fund required are outlined in the table below.

Institution	Change
Kansas Neurological Institute	\$ 2,230
Parsons State Hospital and Training Center	\$ 1,232

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Mental Health Institutions - Systemwide

A. Teacher Salary Increases. The Governor's recommendation and the Legislative approved budget for FY 2001 includes teacher salary increases within the education contracts. The education contract in the FY 2001 approved budget for Larned State Hospital includes an increase of 5.1 percent, while the education contract for Rainbow Mental Health Facility contains an increase of 6.0 percent. The following table illustrates the adjustment necessary to provide for uniform salary increases across the institutions.

Percentage Increase	Larned State Hospital	Rainbow Mental Health Facility	Total
0.5	\$ (74,075)	\$ (43,541)	\$ (117,616)
1.0	(66,014)	(39,582)	(105,596)
1.5	(57,954)	(35,624)	(93,578)
2.0	(49,893)	(31,666)	(81,559)
2.5	(41,833)	(27,708)	(69,541)
3.0	(33,772)	(23,749)	(57,521)
3.5	(25,712)	(19,791)	(45,503)
4.0	(17,651)	(15,833)	(33,484)
4.5	(9,591)	(11,874)	(21,465)
5.0	(1,530)	(7,916)	(9,446)
5.5	6,531	(3,958)	2,573
6.0	14,591	0	14,591
6.5	22,652	3,959	26,611
7.0	30,712	7,917	38,629

B. Categorical Aid. For FY 2000, the budgeted school contracts for the institutions include categorical aid based on a rate of \$20,000 for Larned State Hospital and \$20,707 for Rainbow Mental Health Facility. The current FY 2000 categorical aid rate per eligible teaching unit is estimated to be \$19,770. If this rate is maintained, the school contracts at the institutions would need adjustments. The table below identifies the State General Fund adjustments required.

Institution	Change
Larned State Hospital	\$ (2,951)
Rainbow Mental Health Facility	\$ (13,115)

For FY 2001, the categorical aid rate was budgeted at \$20,000 for Larned State Hospital and \$20,707 at Rainbow Mental Health Facility. The current FY 2001 categorical aid rate is estimated to be \$20,491. The adjustments in State General Fund required are outlined in the table below.

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Institution	Change
Larned State Hospital	\$ 6,300
Rainbow Mental Health Facility	\$ (3,021)

Kansas Guardianship Program

A. Training Plan (House Budget Committee). The House Budget Committee requested that the agency develop a written plan of action to expand training for staff and volunteers in the areas of self-advocacy, self-determination, and client capacity building and report back with the plan at Omnibus.

Governmental Ethics Commission

A. S.B. 481 (Conference). S.B. 481 adds the Governmental Ethics Commission to the list of agencies which submit a biennial budget. The House version also contains a 20 percent increase in the filing fees paid by candidates for office, political action committees, and lobbyists. The estimated revenue increase for FY 2001 for the agency is approximately \$17,500. The Senate version of the bill does not include the filing fee increase.

The FY 2001 budget recommended by the Governor and approved by the Legislature includes an 11.2 percent increase in the State General Fund appropriation for the agency. This relatively large increase was recommended due to concerns over the balance of the agency's fee fund. The increase in fee revenue should the House version S.B. 481 pass could allow an offset of the State General Fund appropriation.

Secretary of State

A. Census Adjustment (House Budget Committee and GBA No. 2, Item 7, pg. 4—Census Adjustment Operating Costs). The House Budget Committee recommended a review of the estimated expenditures for the census adjustment. This recalculation is a Constitutional requirement for the agency and adjusts the federal census data to exclude nonresident students and military personnel and to count those who are Kansas residents at their place of permanent residence.

Estimated expenditures for the census adjustment total \$397,296 over four fiscal years. The agency had also requested 1.0 FTE Project Manager for FY 2001. Of the total estimated expenditures, approximately \$272,000 is for the contract for database services and support. The estimated expenditures are outlined by category in the table below.

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Estimated Census Adjustment Expenditures

FY 2000

Vendor Contract	\$	20,000
TOTAL FY 2000	\$	20,000

FY 2001

Vendor Contract	\$	194,972
Personnel		
1.0 FTE Project Manager		30,000
Temporaries		76,724
Other Operating Expenditures		18,460
TOTAL FY 2001	\$	320,156

FY 2002

Vendor Contract	\$	45,819
TOTAL FY 2002	\$	45,819

FY 2003

Vendor Contract	\$	11,321
TOTAL FY 2003	\$	11,321

GRAND TOTAL	\$	397,296
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B. S.C.R. 1629 (Law). S.C.R. 1629 calls for a vote on a Constitutional amendment concerning property tax classifications for aircraft and watercraft. The Secretary of State's office is required to publish the suggested amendment in the official newspaper in every county. The estimated cost of publication for the amendment contained in SCR 1629 is \$78,150 State General Fund for FY 2001.

C. Senate Substitute For H.B. 2879 (Governor). Senate Substitute for H.B. 2879 enacts the Uniform Electronic Transactions Act. Included in the provisions of the act is the requirement that entities which certify electronic and digital signatures register with the Secretary of State's office and comply with rules and regulations adopted by the agency.

The Secretary of State estimates expenditures of \$109,430 (\$104,430 SGF) and an additional 2.0 FTE positions are needed beginning in FY 2001 to implement and carry out the requirements of the act. The estimate includes 1.0 FTE Information Resource Manager (\$62,500), 1.0 FTE clerical position (\$25,000), and associated operating expenditures (\$21,930). Staffing estimates are based upon similar programs in other states.

Estimated registration fees of \$5,000 are expected from annual filings and would offset a portion of the expenditures. However, the bill does not include language establishing a fee fund to receive the registration fees.

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Senate Substitute for H.B. 2879 also impacts the Department of Administration.

D. S.B. 366 (Conference). S.B. 366 amends the Uniform Commercial Code to include language recommended by the National Conference of Commissioners on Uniform State Laws.

The agency estimates that implementation of the bill would require \$45,000 for the addition of 2.0 FTE clerical positions due to the mandatory two day turnaround required by the bill beginning in FY 2001. The additional expenditures would be paid through the agency's UCC Fee Fund.

E. GBA No. 2, Item 6, pg. 4—Recapture Presidential Primary Cost.

Commission on Veterans Affairs

Operating Expenditures at the Kansas Veterans' Home at Winfield and GBA No. 2, Item 28, pg. 13—Veterans Home Fee Fund Adjustments. The House Budget Committee and the Senate Subcommittee recommended that State General Fund dollars for operating expenditures for the Veterans' Home be reviewed to determine if adequate funding was provided in the Governor's budget. The Conference Committee removed the expenditure limitation on the Veterans' Home Fee Fund for FY 2001. The Superintendent of the Home had reported to both Committees that an increased rate bed occupation over the Governor's estimates (the Home is scheduled to open May 1, 2000) would result in increased revenues and the need for increased expenditures. The Superintendent estimates a possible State General Fund shortfall of up to \$500,000 for FY 2001.

Operating Expenditures at the Kansas Soldiers' Home at Fort Dodge. The House Budget Committee recommended that operating expenditures for the Soldiers' Home be reviewed to determine if the Governor's recommendation for FY 2001 was sufficient. According to the Commission, current expectations for FY 2001 are that the amount recommended by the Governor (\$5,528,572, including \$712,688 from the State General Fund) will be adequate.

Planning Funds for the State Veterans' Cemeteries Program. The House Budget Committee recommended that the Commission's request for \$50,000 (State Institutions Building Fund) in FY 2001 for planning costs for cemetery construction at Winfield and WaKeeney be reviewed. The planning costs would be reimbursed by the federal Veterans Administration once construction of the cemeteries begins. The FY 2000 budget includes \$100,000 (State Institutions Building Fund) for planning costs for the cemeteries at Fort Riley (\$75,000) and Winfield (\$25,000). The Commission reported to the Senate Subcommittee that delays in the transfer of the Fort Riley land could result in this money being made available for planning for the other cemeteries in FY 2001. In order to ensure flexibility in the cemetery construction program, the Commission is requesting the \$50,000 (State Institutions Building Fund) be added in FY 2001.

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Department of Social and Rehabilitation Services

A. Caseload Estimates. Staff of the Kansas Legislative Research Department, the Division of the Budget, the Kansas Department on Aging (KDOA) and the Department of Social and Rehabilitation Services (SRS) met on April 7 to develop consensus caseload estimates on agency programs for FY 2000 and FY 2001. Consensus was reached on expenditure estimates for Temporary Assistance for Families, General Assistance, regular medical assistance, and adult care facilities (including nursing facilities, nursing facilities for mental health). In total, estimated State General Fund expenditures are increased by \$4,185,031 in FY 2000 and \$11,598,944 in FY 2001. State General Fund expenditures for programs operated by SRS were increased by \$25,031 in FY 2000 and \$3,506,944 in FY 2001. Programs operated by the Department on Aging require an additional \$4,160,000 in FY 2000 and \$8,092,000 in FY 2001. The following tables summarize the October 1999 and April 2000 caseload estimates and the resulting differences:

<u>FY 2000</u>			October Estimate	April Estimate	Difference
Cash Assistance					
	Temporary Assistance for Families	All Funds	\$ 43,440,000	\$ 42,300,000	\$ (1,140,000)
		SGF	31,433,070	31,433,070	0
	General Assistance	All Funds	\$ 4,040,000	\$ 4,170,000	\$ 130,000
		SGF	4,040,000	4,170,000	130,000
Medical Assistance		All Funds	\$ 600,000,000	\$ 610,000,000	\$ 10,000,000
		SGF	207,204,355	207,204,355	0
Adult Care Homes					
	Nursing Facilities (KDOA)	All Funds	\$ 264,600,000	\$ 275,000,000	\$ 10,400,000
		SGF	105,840,000	110,000,000	4,160,000
	Nursing Facilities - Mental Health	All Funds	\$ 13,100,000	\$ 13,100,000	\$ 0
		SGF	9,427,969	9,323,000	(104,969)
Subtotal - Adult Care Facilities		All Funds	\$ 277,700,000	\$ 288,100,000	\$ 10,400,000
		SGF	\$ 115,267,969	\$ 119,323,000	\$ 4,055,031
<u>FY 2001</u>					
Cash Assistance					
	Temporary Assistance for Families	All Funds	\$ 43,090,000	\$ 41,680,000	\$ (1,410,000)
		SGF	31,433,070	31,433,070	0
	General Assistance	All Funds	\$ 4,040,000	\$ 4,170,000	\$ 130,000
		SGF	4,040,000	4,170,000	130,000
Medical Assistance		All Funds	\$ 633,314,000	\$ 651,500,000	\$ 18,186,000
		SGF	207,836,493	211,345,878	3,509,385
Adult Care Homes					
	Nursing Facilities (KDOA)	All Funds	\$ 271,270,000	\$ 291,500,000	\$ 20,230,000
		SGF	108,508,000	116,600,000	8,092,000
	Nursing Facilities - Mental Health	All Funds	\$ 13,800,000	\$ 13,786,000	\$ (14,000)
		SGF	9,932,441	9,800,000	(132,441)
Subtotal - Adult Care Facilities		All Funds	\$ 285,070,000	\$ 305,286,000	\$ 20,216,000
		SGF	\$ 118,440,441	\$ 126,400,000	\$ 7,959,559

B. Omnibus Review Items

1. Federal Medical Assistance—FY 2000 Reduction in federal Medical Assistance Fund (House Budget Committee and Senate Subcommittee). The House Budget Committee on Social Services and the Senate Subcommittee reviewing the SRS budget recommended that during the Omnibus Session the federal Medical Assistance Fund

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be reduced by \$509,147 to reflect the decrease in state match in the Homeless Mentally Ill Project made by the Governor in **GBA #1, Item 7**.

2. Follow up on Child Support Enforcement Plan (House Budget Committee). The House Budget Committee on Social Services reviewing the Child Support Enforcement Program notes that the Governor's reduction coupled with the loss of federal funding will cut the funds available for enforcement contracts by approximately 45 percent in FY 2001. Therefore, the Department is requested to present a revised plan for managing the Program within the existing resources.

3. Follow up on the Temporary Assistance to Needy Families (House Budget Committee). The House Budget Committee on Social Services recommended the Department begin discussions with Community mental Health Centers, substance abuse treatment centers, Kansas Legal Services, and the Department of Human Resources to make recommendations on ways in which the state can meet the federal requirement for two-parent work in the Temporary Assistance to Needy Families Program. The recommendations and agency plan for meeting the work requirement are to be reviewed during the Omnibus Session.

4. Follow up Information on Providing Prenatal Coverage under the HealthWave Program (House Budget Committee). The House Budget Committee on Social Services felt that enough information was not yet available on providing prenatal coverage under the HealthWave program to make an informed recommendation during the regular budget review. Therefore, the Department is to report updated information to the Budget Committee during the Omnibus Session.

5. Child Support--FY 2000 Reduction in federal Child Support Enforcement Fund (House Budget Committee and Senate Subcommittee). The House Budget Committee on Social Services and the Senate Subcommittee reviewing the SRS budget recommended that during the Omnibus Session the Child Support Enforcement Fund should be reduced by \$3,821,747 in FY 2000 to reflect the decrease in state match made by the Governor.

6. Follow Up on Reimbursement to Freestanding Psychiatric Hospitals (House Appropriations Committee). The House Appropriations Committee directed the Department of Social and Rehabilitation to report back prior to the Omnibus Session on data collected to equalize the rates for the freestanding psychiatric hospitals in Kansas.

7. Follow Up on Continuing the Homeless Mentally Ill Project (House Appropriations Committee). The House Appropriations Committee directed the Department to examine their uncommitted resources to continue the Homeless Mentally Ill Project in FY 2001 and report back prior to the Omnibus. The Governor removed all funding for the program in FY 2000 and FY 2001; however, the Department did fund \$238,000 from existing resources to continue the program in two areas of the state for FY 2000. The 1999 Legislature approved \$750,000 from the State General Fund for the program in FY 2000.

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8. Follow Up on the Expanded Role of the Council of Community Members (House Budget Committee). The House Budget Committee reviewing the Mental Retardation Institutions made the following recommended changes to the role of Council of Community Members to:

- Review and approve the annual plan submitted by the Community Developmental Disability Organization for managing the waiting list within the funding appropriated;
- Oversee the implementation of the service reduction provisions of the contract between SRS and the Community Developmental Disability Organizations and will have a role in the approval of any plan of care in the region which exceeds normal tier rates or average use;
- Approve Community Developmental Disability Organization agreements with newly affiliating community service providers in the region;
- Assess each Community Developmental Disability Organization's regulatory implementation practices annually;
- Expand the membership of the Council to include representatives from the greater "community" where the services take place, such as local business people who can bring special skills or expertise needed while the majority of the councils are to remain consumers; and
- The Department of Social and Rehabilitation Services will use a rotating peer review system to assess and recommend best practice improvements for any Community Developmental Disability Organization.

The Budget Committee directed the Department to report at Omnibus on the progress of these changes and on feedback received from the public. The Conference Committee in Substitute for SB 326 added a proviso that in any area where a community developmental disability organization (CDDO) provides treatment and care services for persons with developmental disabilities and a community services provider or providers also provides treatment and care services in the area in which the CDDO provides such treatment and services, the CDDO shall present a plan to the Secretary of Social and Rehabilitation Services for approval that demonstrates how the CDDO will impartially provide, directly or by subcontract, information about any and all community services that are available in such area to persons with developmental disabilities and the family members and that delineates the role that other community service providers may have in the dissemination of services information to consumers.

9. Review the Budget Structure of the Crisis Stabilization Center at the University of Kansas Medical Center (Senate Subcommittee). The Senate Subcommittee recommended that the budget structure of the Crisis Stabilization Center be reviewed

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during the Omnibus Session to determine if a cost sharing arrangement can be developed between the Department of Social and Rehabilitation Services, the KU Hospital Authority, the community mental health centers, and other involved entities. The Subcommittee expresses concern over the future of the Crisis Stabilization Center being operated at the University of Kansas Medical Center Hospital. With the reduction in state psychiatric hospital beds nationally, an array of crisis and community-based support services are critical in serving the needs of individuals with serious mental illness. On such alternative is the use of local hospital beds for stabilization of individuals. Generally the hospital beds are used for short term stays which allow the community mental health staff time to develop alternative crisis plans while the person is in a safe environment.

10. Follow Up on Definitions of a Child In Need of Care (House Budget Committee). The House Budget Committee requested that the Department review and clarify definitions of a Child In Need of Care, especially in the area of protective custody, and report back to the Budget Committee for Omnibus consideration. However, in House Substitute for S.B. 326 the language was added as a proviso and the Department is to report back at the beginning of the 2001 Legislative Session.

11. Follow Up on the Medicaid Pharmacy Budget (Senate Subcommittee). The Senate Committee recommends that the Medicaid Pharmacy budget be reviewed during the Omnibus Session as the Legislative Post Audit Report on the Medicaid Program's Use of Generic Drugs was released after the Senate Subcommittee reported (late March). The Conference Committee in House Substitute for S.B. 326 deleted \$10.0 million all funds, including \$4.0 million from the State General Fund of the pharmacy budget and added a proviso which states that the Secretary shall not increase the average wholesale price discount above 12 percent; shall provide a statewide uniform dispensing fee that is applicable in all areas except in rural areas of the state or in cities and counties where competition does not exist for pharmacy business, and shall establish a unit dosage dispensing fee.

12. Review of the Community Mental Health Funding cuts (Senate Subcommittee). The Senate Subcommittee recommends that the reconsideration should be given to the funding of community grants used for case managers which was reduced by \$600,000 from the State General Fund in the Governor's recommendation for FY 2000.

13. Home and Community Based Services Waiver Programs (House Budget Committee and Senate Subcommittees). The House Budget Committee on Social Services and the Senate Subcommittees reviewing the SRS budget recommend that consideration be given to the following issues during the Omnibus Session:

- The recommendations on the definitions of Needs vs Wants of consumers served by the Home and Community Based Services for the Mentally Retarded and the Physically Disabled by the task force of stakeholders.

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- The House Budget Committee recommends that reconsideration be given to the issue of waiting lists for services in the Home and Community Based Services Waiver Programs.
- The projected shortfall in FY 2001 for the HCBS/DD waiver is \$4,228,527 all funds, including \$1,691,411 from the State General Fund.
- The projected shortfall in FY 2001 for the HCBS/PD waiver is \$3,834,556 all funds, including \$1,533,822 from the State General Fund.

14. The Children's Initiatives Funded Program (Conference Committee). The Conference Committee in House Substitute for S.B. 326 deleted all of the Children's Initiatives Funded Programs in FY 2001 to be reconsidered during the Omnibus Session. The following are the reductions:

<u>Program</u>	<u>Children's Initiatives Fund</u>	<u>All Funds</u>
HCBS/Children's Mental Health	\$ 1,000,000	\$ 2,500,000
Family Centered System of Care	5,000,000	5,000,000
HCBS/MRDD	3,000,000	7,500,000
HCBS/PD	1,800,000	4,500,000
Best Children's Programs Practices Research	250,000	250,000

C. Bills

1. S.B. 248 (Enrolled) creates the Kansas Intergovernmental Transfer Program to receive additional federal funding for nursing homes through the Kansas Medicaid Program. The bill also establishes the Senior Services Trust Fund, Senior Services Fund, State Medicaid Match Fund, HCBS Programs Fund, and the Long-Term Care Loan and Grant Fund. The Conference Committee in House Substitute for S.B. 326 created and appropriated the State Medicaid Match Fund and the HCBS Programs Fund. The Intergovernmental Transfer Fund, the Senior Services Fund, and the Long-Term Care Loan and Grant Fund need to be established in the appropriations bill for FY 2001.

2. H.B. 2814 (In the second house) creates the Senior Pharmacy Assistance Program to provide financial assistance to eligible individuals for the purchase of prescription drugs. The House position would begin enactment as of April 1, 2001 and the Senate positions would be July 1, 2001. The bill would be funded from the Senior Services Fund under the Kansas Intergovernmental Transfer Program (S.B. 248).

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3. S.B. 530 (First House) creates a centralized unit for the collection and disbursement of child support payments through the Child Support Enforcement Division of SRS. The Department is required to collaborate with the Kansas Supreme Court in establishing the Kansas Payment Center. The fiscal note states that money for the payment center is included in the Governor's FY 2001 budget. However, if the bill fails to pass in the worst case scenario, could result in federal penalties and the loss of \$36.8 million in federal funds in FY 2001 as the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 required centralized processing of support payments as a key element for improving child support laws and procedures. Under the original federal penalty provision, Kansas was at risk of losing all federal funds for the IV-D program and a percentage of the TANF block grant. For states unable to meet the original 1999 implementation date, a 1999 federal law provides a graduated scale of IV-D penalties starting at 4 percent of federal financial participation and eliminates the related penalty against TANF. The new law also provides for waiver of all or part of the penalty for any state that completes implementation during federal fiscal year 2000. Based upon the current implementation schedule, Kansas expects to qualify for the partial waiver, limiting its penalty risk to 1 percent of administrative costs if the bill is enacted.

4. S.B. 633 (First House) makes changes to the Adoption and Safe Families Act to comply with federal regulations. In addition, the introduced bill created two subcategories of Children in Need of Care: children in need of protection and youth in need of community services; however, these provisions were removed by the Senate Judiciary Committee. The impact of this action, according to the Department of Social and Rehabilitation Services, is that the Child Welfare System is now underfunded by \$10.6 million all funds, including \$6.0 million from the State General Fund.

D. GBA No. 2, Item 12, pg. 6—Medical and Public Assistance Caseloads.

E. GBA No. 2, Item 13, pg. 6—Shift Public Assistance Caseload Savings to State General Fund.

F. GBA No. 2, Item 14, pg. 7—Foster Care.

G. GBA No. 2, Item 15, pg. 7—Savings in the Medicaid Plan.

H. GBA No. 2, Item 16, pg. 8—Home and Community Based Services Programs Fund.

I. GBA No. 2, Item 17, pg. 9—Intergovernmental Transfer.

Department on Aging

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

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B. Omnibus Review Items

1. Follow Up on the Nutrition Program Grants (House Budget Committee and Senate Subcommittee). The Secretary of Aging is directed to update the House Budget Committee and the Senate Subcommittee on the Nutrition Services Grants Program with regard to the impact of the possible reduction of \$450,000 in FY 2001 on the area nutrition sites. In addition, the Secretary is to report on the possibility of waiting lists due to a lack of volunteers to deliver the meals is also to be reviewed during the Omnibus Session.

2. The Retired Senior Volunteer Program (House Budget Committee and Senate Subcommittee). The House Budget Committee and the Senate Subcommittee reviewing the Department on Aging recommended reconsideration of the Retired Senior Volunteer Program funding for FY 2001. In FY 1999, grants of \$2,500 each were awarded to 15 service providers which were used to fund the administrative function of recruiting and connecting retired senior volunteers with not-for-profit volunteer organizations such as Red Cross Blood Mobile, Toys for Tots, and tutoring elementary school children. The 15 service providers connected 5,812 volunteers with not-for-profit organizations in Kansas. The volunteers provided 866,000 hours of work to the organizations during the fiscal year. During FY 2000 the funding was cut from \$50,000 to \$25,000. The Governor recommended \$25,000 from the State General Fund in FY 2001.

3. Wage Pass-Through Program (House Budget Committee and Senate Subcommittee). The House Budget Committee and the Senate Subcommittee recommended that the Wage Pass-Through Program which was implemented during the 1999 Legislative Session with passage of S.B. 126 be reviewed during the Omnibus Session for possible funding.

4. Hesston Senior Center Program (House Budget Committee). The House Budget Committee recommends review of the Hesston Senior Center Program including performance outcomes and any other program information provided to the Committee prior to the Omnibus Session. The state funding for the program was eliminated in the Governor's FY 2001 recommendations. In the current year, funding of \$10,000 from the State General Fund was provided.

5. Senior Companion Program (Senate Subcommittee). The Senate Subcommittee recommends that the committee revisit the issue of the Senior Companion Program at Ft. Hays State University during the Omnibus Session for possible consideration of state funding. In FY 1999 the Department on Aging provided \$50,000 from the State General Fund.

6. Environmental Modification Grant Program (Senate Subcommittee). The Senate Subcommittee recommended Omnibus consideration of funding for the eliminated Environmental Modifications Grant Program in FY 2001. However, the Conference Committee on House Substitute for S.B. 326 provided \$100,000 from the State General Fund for the program in FY 2001.

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7. Home and Community Based Services for the Frail Elderly Waiver Program (House Budget Committee). The House Budget Committee wanted to review the recommendations of the task force of stakeholders on the definitions of Needs vs Wants of consumers served by the Home and Community Based Services for the Frail Elderly during the Omnibus Session.

C. Bills

1. S.B. 248 (Enrolled) creates the Kansas Intergovernmental Transfer Program to receive additional federal funding for nursing homes through the Kansas Medicaid Program. The bill also establishes the Senior Services Trust Fund, Senior Services Fund, State Medicaid Match Fund, HCBS Programs Fund, and the Long-Term Care Loan and Grant Fund. The Conference Committee in House Substitute for S.B. 326 created and appropriated the State Medicaid Match Fund and the HCBS Programs Fund. The Intergovernmental Transfer Fund, the Senior Services Fund, and the Long-Term Care Loan and Grant Fund need to be established in the appropriation bill for FY 2001.

2. H.B. 2814 (In the second house) creates the Senior Pharmacy Assistance Program to provide financial assistance to eligible individuals for the purchase of prescription drugs. The House position would begin enactment as of April 1, 2001 and the Senate positions would be July 1, 2001. The bill would be funded from the Senior Services Fund under the Kansas Intergovernmental Transfer Program (S.B. 248).

3. H.B. 2700 (In Conference) would allow adult care homes and home health care agencies to acquire criminal background information from a private contractor approved by the Kansas Bureau of Investigation. The Department on Aging would be affected by passage of H.B. 2700 and estimates the impact at \$61,250 (all funds), including \$24,500 from the State General Fund to comply with the provisions of the bill.

D. GBA No. 2, Item 17, pg. 8—Intergovernmental Transfer.

E. GBA No. 2, Item 18, pg. 9—New Funds.

F. GBA No. 2, Item 19, pg. 9—Intergovernmental Expenditures.

G. GBA No. 2, Item 20, pg. 11—HCBS/FE Waiver.

H. GBA No. 2, Item 21, pg. 11—Transfer Language.

I. GBA No. 2, Item 22, pg. 11—KSIT Rate Setting Dollars.

J. GBA No. 2, Item 23, pg. 12—Operating Expenditures Correction.

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Kansas Bureau of Investigation

A. Kansas City Kansas Forensic Laboratory (Senate Capital Improvements Subcommittee). The agency requested an FY 2000 supplemental appropriation of \$231,000 from the State General Fund to complete the Kansas City, Kansas satellite laboratory. During the 1999 Legislative Session, \$240,000 was appropriated to cover costs associated with remodeling the laboratory on the campus of Kansas City Kansas Community College. However, the original costs increased by \$48 per square foot from \$80 to \$128 per square foot, resulting in the agency's request for \$144,000 in additional remodeling costs. In addition, \$87,000 was requested to finance the purchasing of equipment for the firearms section because federal funds which had been anticipated were not available.

C. SB 423 (Law). SB 423 expands the requirement that a \$150 Kansas Bureau of Investigation laboratory analysis fee be assessed against the defendant to cover all DUI cases involving a conviction or diversion. Current law limited the DUI fee assessment to those cases involving drugs or controlled substances. The agency estimates that SB 423 will generate \$100,000 in additional revenue which would be deposited in the Forensic Laboratory Materials Fee Fund (a no limit fund). The primary use of the fund has been to match federal grant moneys and for operation of the agency's laboratories. Also, the agency states that the additional revenue could be used to offset State General Fund financed expenditures within the Laboratory Division.

D. HB 2700 (Conference Committee). HB 2700, would amend current procedures and allow the operator of an adult care home or home health agency to receive a copy of the criminal history furnished to the Secretary of Health and Environment by the Kansas Bureau of Investigation, including information not relative to whether the subject of the criminal history has been convicted as an adult of any crime or has been adjudicated as a juvenile. The agency indicates that \$10,000 from the State General Fund of additional expenses would be incurred with the passage of this legislation due to the KBI's duties regarding the approval of contractors who would be conducting record checks instead of the agency itself. However, those additional expenses incurred by the agency would be offset by revenues received from the Department of Health and Environment for conducting those criminal history checks.

Currently, the potential employer requests the Secretary of Health and Environment to provide information that relates to a person who is being considered for employment by an adult care home or home health agency for the purpose of determining whether the subject is prohibited from being employed in such home or agency. The Secretary is authorized to receive such information from the KBI (the request and response are transmitted by computer linkage). If the potential employee has no criminal history record, the KBI informs the Secretary who, in turn, informs the adult care home or home health agency operator requesting the information that the potential employee is not prohibited from employment by KSA 1999 Supp. 39-970 or KSA 1999 Supp. 65-5117. If the subject of the investigation has a criminal history record, the KBI sends a record of adult convictions and juvenile adjudications to the Secretary and the legal staff of the Department of Health

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and Environment review this record and determine whether the suspect has been convicted of a crime that would disqualify them for employment.

Parole Board

A. Additional Board Member Position (House Budget Committee and Senate Subcommittee). In the *Governor's FY 2001 Budget Report*, 1.0 FTE Board member position and the corresponding funding were deleted to reflect the Governor's recommendation to reduce the Board from 4.0 to 3.0 members. SB 347, reducing the Board's membership from 4.0 to 3.0, was introduced during the 1999 Session, and passed the Senate. However, the bill did not pass the House. Therefore, \$108,910 (including fringes) from the State General Fund, and 1.0 FTE position should be considered for restoration to the agency's budget in FY 2001.

Sentencing Commission

A. The Criminal Justice Information System (House Budget Committee). During the 2000 Legislative Session, the House Budget Committee was informed that the completion of the Criminal Justice Information System (CJIS) was nine months behind schedule, and that the CJIS project director had been transferred to another state agency. The House Budget Committee suggested that CJIS expenditures, and the project as a whole, should be consolidated into one budget document and a proviso added directing all agencies to submit CJIS expenditures to the Sentencing Commission, thereby creating a unified budget. Additionally, the House Committee considered transferring the CJIS Project Manager to the Sentencing Commission and having the Manager report to the Director of the Sentencing Commission. The House Budget Committee recommended reviewing the CJIS project at Omnibus.

B. Highway Forfeiture Funds (House Budget Committee and Senate Subcommittee). Under the Governor's FY 2000 recommendation, \$75,000 (from the Highway Forfeiture Fund) was used to offset \$75,000 in State General Fund expenditures. However, K.S.A. 60-4117 (d)(3) states ". . . moneys in the Kansas Bureau of Investigation state forfeiture fund, Kansas Highway Patrol state forfeiture fund, Kansas Department of Corrections forfeiture fund and the special law enforcement trust funds shall not be considered a source of revenue to meet normal operating expenses . . ." Therefore, both the House Budget Committee and Senate Subcommittee recommended a proviso be added in the Omnibus bill to allow the agency to expend funds from the Highway Forfeiture fund for normal operating expenditures for FY 2000. A proviso was also added to SB 326 to allow the agency to expend those funds for normal operating expenses during FY 2001.

C. GBA No. 2, Item 43, pg. 20—Criminal Justice Information System (CJIS).

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Adjutant General

- A. GBA No. 2, Item 44, pg. 20—Disaster Relief (Technical Adjustment).**

Highway Patrol

- A. GBA No. 2, Item 45, pg. 21—Increased Gasoline Expenses.**
- B. GBA No. 2, Item 46, pg. 21—MCSAP Program Expansion.**

Citizens' Utility Ratepayer Board

A. Enhancement Request (Senate Subcommittee and House Budget Committee.) The agency requests enhancements of \$148,349 (special revenue funds) in FY 2001 including \$40,000 for additional professional services (consulting) and 2.0 additional FTE—one staff attorney and one secretary. An additional staff attorney, for a total of three, would address a heavy caseload and permit specialization in the areas of gas, electric, and telephone cases. Currently, the agency has an office specialist but no secretary. Both Committees recommended considering this request at Omnibus.

State Corporation Commission

A. HB 2782 (Conference Committee). As passed by the House, HB 2782 would create the Well Plugging Assurance Fund to receive certain revenues now deposited in the Conservation Fee Fund, and would authorize expenditures from the new fund for investigating abandoned wells, and well plugging or site remediation when drilling of the wells began after July 1, 1996. Certain balances in the Conservation Fee Fund would be transferred to the new fund on July 1, 2000. Because the new fund would earn interest, interest receipts to the SGF would decrease by approximately \$22,000. To the extent that expenditures for investigation or other administrative expenses are shifted, the aggregate limit applying to the Public Service Regulation Fund, the Motor Carrier License Fees Fund, and the Conservation Fee Fund could be reduced.

Senate Substitute for House Bill 2782 would make several changes to the statutes pertaining to the Abandoned Oil and Gas Well Fund, administered by the Commission. A change in the fee structure for financial assurance filings would shift approximately \$150,000 of revenue from the Conservation Fee Fund to the Abandoned Oil and Gas Well Fund, and add an estimated \$5,050 of such revenue. Expenditures from the Abandoned Oil and Gas Well Fund would be authorized for administrative expenses, and the fund would be made subject to a spending limit. To the extent that such expenditures are currently budgeted from the Conservation Fee Fund, the aggregate limit applying to the Public Service Regulation Fund, the Motor Carrier License Fees Fund, and the Conservation Fee Fund could be reduced.

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The Commission reports that should Senate Sub for HB 2782 pass, it would require \$76,045 of new expenditures in FY 2001 for a plugging coordinator: \$65,720 in salaries and wages, including \$12,720 for fringes, and \$10,325 for other operating expenditures, of which \$4,500 would be one-time capital outlay. The approved budget for the Conservation Program contains one new FTE funded from current resources.

Juvenile Justice Authority

A. Topeka Juvenile Correctional Facility Overcrowding Issues (Senate Subcommittee). The Senate Subcommittee recommended that the facility carefully review population numbers and projected operating expenditures and present the numbers to the Committee during Omnibus. The facility initially requested \$1.9 million in FY 2001 for operating expenditures for 57 additional beds to be used for overcrowding emergencies. The agency then requested a revised \$1.4 million. It had originally requested \$742,313 in FY 1999 to operate the overcrowding beds, but used only \$36,000. The remainder was carried forward to FY 2000 to operate the same beds. The Senate Subcommittee concluded that the facility is experiencing difficulty in accurately estimating projected operating expenditures.

An additional issue the Senate Subcommittee noted was that although the facility has increased its juvenile offender bed capacity from 219 to 276 to meet overcrowding needs, it has only increased new staff by 4.0 FTE from FY 1999 to FY 2001. The 4.0 FTE new staff are part of the facility's Ancillary Services and serve juvenile offenders in a social worker capacity. The number of staff from the facility's Youth Services division, who are involved with the daily management and supervision of juvenile offenders, has not increased, but remained at 146.0 FTE. With an average daily population of 242 reported at the end of FY 1999 and a current population of 267 juvenile offenders, the ratio of Youth Services staff to juvenile offender has increased from 1.66 to 1.83.

The Subcommittee further noted that the agency has compensated for lack of staff by maximizing the use of expensive overtime compensation, which contributes to a higher operating cost of the 57 overcrowding beds and places additional pressures on staff. The total overtime cost is \$111,057 in FY 2000, which is \$83,700 more than the amount used in FY 1999. The facility requested \$215,628 in FY 2001 for overtime. For FY 2001, the Governor recommended \$46,336 and the Legislature concurred. The Senate Committee directed the facility to examine the effectiveness of using overtime compensation from a safety and cost standpoint and to address the issue of using unclassified temporary positions in place of overtime for FY 2001. The Committee further directed the facility to report this information to the Committee during Omnibus.

B. Construction of Proposed Juvenile Correctional Facilities (Conference Committee). The Conference Committee on SB 326 recommended delaying the agency's proposed facility construction budget of \$10,000,000 (SIBF) until Omnibus. The funds were requested to be used to commence construction on the agency's proposed juvenile maximum-security facility in Topeka and Larned replacement facility for FY 2001.

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C. Children's Initiatives Funding for Prevention and Intervention/Graduated Sanctions Grants (Conference Committee). As with all expenditures from the Children's Initiatives Fund in FY 2001, the Conference Committee on SB 326 recommended delaying \$7,000,000 in FY 2001 from the Children's Initiatives Fund for prevention and intervention/graduated sanctions block grant funding until Omnibus.

Emergency Medical Services Board

A. Rural Health Options Grant Fund (House Budget Committee, Senate Subcommittee, and GBA No. 2, Item 48, pg. 21). Both the House Budget Committee and Senate Subcommittee requested that a "Rural Health Options Grant Fund" be established as a no-limit fund. The fund is to receive transferred funds from Kansas Department of Health and Environment for FY 2000 and for future fiscal years. The funds will be used for expense reimbursements for a project to study rural Emergency Medical Services issues with regard to Community Access Hospitals. A federal grant of \$10,000 currently resides with KDHE and can be used by the agency for the remainder of FY 2000, provided the fund is established.

B. KSIP Funds (Senate Subcommittee and GBA No. 2, Item 47, pg. 21). The Senate Subcommittee requested that the agency have flexibility in spending \$34,047 of its FY 2000 KSIP funds for general operating expenditures to adjust for an apparent oversight in S.B. 39 that lapsed State General Fund monies. The recommendation of flexibility would make no change to the Governor's FY 2000 operating expenditures recommendation of \$826,956 from the State General Fund for FY 2000. The flexibility can be achieved by inserting the following proviso into the Omnibus bill that allows KSIP funds to be used for general operating expenditures: "In addition to the other purposes for which expenditures may be made by the above agency from the KSIP account established in state general fund for the above agency under the Kansas savings incentive program pursuant to section 91 of chapter 132 of the 1999 Session Laws of Kansas for the fiscal year ending June 30, 2000, expenditures may be made by the above agency from the KSIP account of the above agency in state general fund for fiscal year 2000 for operating expenditures: Provided, That expenditures for operating expenditures from the KSIP account of the above agency in state general fund for fiscal year 2000 shall not exceed \$34,047."

State Library

A. GBA No. 2, Item 36, pg. 17--Children's Access Network.

Board of Healing Arts

A. S.B. 599 (Conference Committee). This bill, as amended by the House Committee on Health and Human Services, would create a new licensure act under which physician assistants are to be licensed and regulated, and would require that all administra-

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tive proceedings under the act created by the bill be conducted in accordance with the Kansas Administrative Procedures Act. The House Committee amendments also authorize the Board of Healing Arts to bring an action for an injunction against violations of the laws created by the bill. The Board estimates that this bill as amended would increase the number of licensure certificate mailings at a cost of \$850 for FY 2001. The amount would be needed to pay for mailing licensure certificates to approximately 360 physician assistants, for developing application and reinstatement regulations, and for additional publication expenditures to amend rules and regulations.

Department of Agriculture

A. H.B. 2674 (Governor). H.B. 2674 privatizes the Corn, Grain Sorghum, Soybean, and Wheat Commissions. The first three commissions are organized with the Department of Agriculture. Each commodity will have its own commission elected by producer members who will serve three-year terms. The new commissions may not have less than seven members and each commission may, by majority vote, appoint two additional members to serve at-large.

For FY 2001 the bill transfers the balance of all funds and liabilities associated with the old grain commissions to each of the newly created commissions. The old funds are then abolished. The bill provides for the transfer of the property of the old Wheat Commission to the newly created wheat commission.

The assessments on the commodities imposed under the bill will be remitted to the Secretary of Agriculture. The Secretary will then deposit the moneys in a private bank account established in the name of the appropriate commission. The bill gives the Secretary of Agriculture the power to (1) hire clerical and other personnel deemed necessary to carry out the act; (2) establish record keeping requirements deemed necessary by the commodity commissions; (3) inspect and audit any records required to be kept by the act; and (4) contract with any of the commissions for the collection of the assessments and to enter into any other contracts necessary to carry out the provisions of the bill.

The bill also establishes the Grain Commodities Commission Services Fund. The bill provides that all costs and expenses incurred by the Department in providing services to the commodity commissions will be paid from the fund.

Passage of H.B. 2674 would result in a revenue reduction in FY 2001 of \$509,787 to the State General Fund and \$9,082,953 to all funds. The State General Fund reduction would include the loss of \$100,000 that the four commodity commissions transferred to the General Fund for administrative costs and \$409,787 in interest revenue. For the Agriculture Department in FY 2001, this would cause a reduction in expenditures of \$4,172,301 from other funds and a reduction of 1.3 FTE positions. For the Wheat Commission in FY 2001, this would cause a reduction in expenditures of \$3,432,606 and a reduction of 8.0 FTE positions.

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B. S.B. 388 (Conference). S.B. 388 would enact the Kansas Water Banking Act. The bill would allow for the chartering of water banks which would be private not-for-profit corporations. The water banks would provide safe deposit accounts for the deposit of unused water from a bankable water right for future use. Water banks may provide services to facilitate the sale or lease of water rights, in accordance to the Kansas Water Appropriations Act, and would be prohibited from owning, buying, or selling water rights.

The water bank's charter must be approved by the Chief Engineer of the Division of Water Resources in the Department of Agriculture. Water banks would be chartered for a period of not more than seven years at which time the bank would be subject to a review by an evaluation team lead by the Kansas Geological Survey (KGS).

A provision of the bill would require water banks to pay all costs incurred by the Division of Water Resources and the KGS for assistance and services including costs for personnel. Payments received from the water banks would be deposited into either the Water Resources Cost Fund or the Geological Survey Cost Fund as appropriate to reimburse costs incurred by either the Division of Water Resources or the KGS.

In order to implement provisions of the bill, the Department of Agriculture indicates that in FY 2001, \$76,029 from the State General Fund and 3.0 unclassified temporary positions would be required. This estimate includes \$46,317 for 1.0 Environmental Scientist III position, \$10,578 for 1.0 Environmental Scientist II position, \$5,334 for 1.0 Office Assistant III position, and \$13,800 for travel and subsistence. The agency indicates that the Environmental Scientist II and Office Assistant III positions would not begin until the last quarter of FY 2001.

C. S.B. 664. (Conference). S.B. 664 would allow the Agriculture Department to fund more of the Division of Plant Health from other funds rather than the State General Fund. The bill would allow an additional \$75,000 to be funded from other funds. Specifically, it would permit \$35,000 from both the Feeding Stuffs Fee Fund and the Fertilizer Fee Fund and \$5,000 from the Agricultural Liming Materials Fee Fund. The Senate version of the bill allows the use of these funds for FY 2001; the House version of the bill allows the use for FY 2001 and FY 2002.

The Governor's recommendation for FY 2001 includes the funding from these additional sources, but not in the same combination. The Governor's recommendation, which was approved by the Legislature, includes an additional \$24,992 from the Feeding Stuffs Fee Fund, \$24,923 from the Fertilizer Fee Fund, and \$22,256 from the Agricultural Liming Materials Fee Fund.

D. Convert 4.0 special project positions to full time unclassified positions in the Meat and Poultry Inspections Program (Technical Correction). During the 1999 session, for FY 2000, the Governor recommended and the Legislature approved four special project veterinarian positions to be converted to full time unclassified positions in the Meat and Poultry Inspections Program. However, the corresponding language is not included in

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either of the appropriations bills for FY 2000 (See 1999 *Session Laws*, Chapter 132, Sec. 82.) or for FY 2001 (S.B. 326).

E. GBA No. 2, Item 54, pg. 24–Fee Fund.

Kansas Agricultural Remediation Board

A. S.B. 501 (Law). The bill enacts the Agricultural and Specialty Chemical Remediation Act. The act addresses the costs to voluntarily clean agricultural or specialty chemicals that pose a threat to human health or the environment. The act has two aspects: the first being a Remediation Linked Deposit Loan Program and the second being a Remediation Reimbursement Program. The Reimbursement Program is discussed in this section of the memorandum, and the Loan Program is discussed in the State Treasurer's section.

The bill creates the Kansas Agricultural Remediation Board to administer the reimbursement program. The Board consists of five members appointed by the Governor and would represent agricultural retailers, agricultural producers, agricultural processors, specialty chemical distributors or retailers, and agricultural and specialty chemical registrants. Representatives of the Department of Agriculture and the Kansas Department of Health and Environment will serve as ex officio members. The Board will have the following powers, duties, and functions:

- Administer the Remediation Reimbursement Program and the newly created Kansas Agricultural Remediation Fund;
- Adopt rules and regulations concerning the terms and conditions of any reimbursements from the fund;
- Adopt rules and regulations establishing criteria for classification and prioritization of properties for purposes of the Remediation Linked Deposit Loan Program and the Remediation Reimbursement Program;
- Establish operating standards and procedures for approval of projects, application procedures, appeals procedures, and priority determinations;
- Appoint or contract for administrative services subject to a \$150,000 limit;
- Annually provide for an independent audit of the fund; and
- Annually report to the Governor, the Senate Committee on Energy and Natural Resources, and the House Committee on Environment.

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The bill establishes annual environmental assessments to be deposited into the newly created Remediation Fund:

- \$100 by each custom blender of fertilizer;
- \$20 for each commercial fertilizer required to be registered;
- \$60 for each agricultural chemical required to be registered, except for agricultural chemicals classified as an antimicrobial pesticide as defined by federal law;
- \$80 to be paid by each pesticide dealer required to be registered; and
- \$.0005 per bushel of storage capacity of each public grain warehouse licensed by the state or the federal government.

The imposition of the assessments would cease when on April 1 of any year the fund has a balance of \$5 million or more. The assessments would resume when on any following April 1 the balance is \$1.5 million or less. The fund would be allowed to receive interest earnings. In S.B. 326, the Legislature authorized the transfer of \$426,223 from the Grain Inspection Fee Fund to the Remediation Fund. For FY 2001 the expenditure limitation on the Remediation Fund is set at \$0.

The Remediation Reimbursement Program and the Kansas Agricultural Remediation Fund are automatically abolished by the start of FY 2011.

B. GBA No. 2, Item 49, pg. 22—Agricultural Remediation Programs.

Wheat Commission

A. H.B. 2674 (Governor). H.B. 2674 privatizes the Corn, Grain Sorghum, Soybean, and Wheat Commissions. The first three commissions are organized with the Department of Agriculture. Each commodity will have its own commission elected by producer members who will serve three-year terms. The new commissions may not have less than seven members and each commission may, by majority vote, appoint two additional members to serve at-large.

For FY 2001 the bill transfers the balance of all funds and liabilities associated with the old grain commissions to each of the newly created commissions. The old funds are then abolished. The bill provides for the transfer of the property of the old Wheat Commission to the newly created wheat commission.

The assessments on the commodities imposed under the bill will be remitted to the Secretary of Agriculture. The Secretary will then deposit the moneys in a private bank

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account established in the name of the appropriate commission. The bill gives the Secretary of Agriculture the power to (1) hire clerical and other personnel deemed necessary to carry out the act; (2) establish record keeping requirements deemed necessary by the commodity commissions; (3) inspect and audit any records required to be kept by the act; and (4) contract with any of the commissions for the collection of the assessments and to enter into any other contracts necessary to carry out the provisions of the bill.

The bill also establishes the Grain Commodities Commission Services Fund. The bill provides that all costs and expenses incurred by the Department in providing services to the commodity commissions will be paid from the fund.

Passage of H.B. 2674 would result in a revenue reduction in FY 2001 of \$509,787 to the State General Fund and \$9,082,953 to all funds. The State General Fund reduction would include the loss of \$100,000 that the four commodity commissions transferred to the General Fund for administrative costs and \$409,787 in interest revenue. For the Agriculture Department in FY 2001, this would cause an reduction in expenditures of \$4,172,301 from other funds and a reduction of 1.3 FTE positions. For the Wheat Commission in FY 2001, this would cause an reduction in expenditures of \$3,432,606 and a reduction of 8.0 FTE positions.

B. Clarify the elimination of restricted use funds (Technical Correction). In S.B. 39, for FY 2000, the Legislature approved a reduction of \$237,000 from the expenditure limitation of the Wheat Commission Fee Fund. This is the amount that was not requested by the agency to be released by the State Finance Council for a new marketing plan. In interpreting S.B. 39, the Division of Accounts and Reports has applied this reduction to the agency's routine operations and not to the remaining restricted use funds.

State Fair

A. Financing of the facilities master plan (House Appropriations Committee). The State Fair Board states that the implementation of its facilities master plan will cost \$36,147,920. The construction period is estimated to take a minimum of six years. The agency initially requested this amount be paid by the State General Fund over a period of six years, approximately \$6 million per year. The State Fair now suggests that this project could be financed from the following four funding sources.

<u>Funding Source</u>	<u>% Share</u>	<u>Amount</u>
State's Share	64.0%	\$ 23,134,669
Private Support/Routine Rehab. & Repair	16.7%	6,036,703
State Fair Board's Share	11.0%	3,976,271
City of Hutchinson and Reno County	8.3%	3,000,277
TOTAL	100.0%	\$ 36,147,920

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The State Fair further suggests that the shares of the state, agency, and local governments could be financed through the issuance of bonds which could be paid over a ten-year period. The local governments first bond payment could be scheduled for January 2002. The agency states that the local government contributions is contingent upon state funding. Under this proposal, the agency would cover the cost of inflation during the construction period through either private support or the agency's budget for routine rehabilitation and repair.

B. Financing of code compliance projects (Joint Committee on State Building Construction). The State Fair Board has incorporated the ADA, EPA, and fire code compliance projects into its facilities master plan. For FY 2001, the State Fair initially planned for \$150,000 from the State General Fund to be spent on code compliance projects. The Legislature has not approved any funds specifically for code compliance projects in the budget year. The agency now states that the following structures could be worked upon without conflicting the master plan.

Code Compliance Projects
(in descending order of priority)

<u>Structure</u>	<u>Amount</u>
Grandstand	\$ 440,000
Medora Restrooms	12,210
Beef Judging Arena	189,885
Administration	231,440
Rabbit Barn	26,695
Parking Stalls	193,545
New Restrooms	40,000
TOTAL	<u>\$ 1,133,775</u>

In April 1998, the State Fair Board completed a study of ADA, EPA, and fire code compliance projects. The total cost was estimated to be \$4,354,498. For FYs 1999-2000, an aggregate of \$925,000 has been appropriated. This includes \$870,000 from the State General Fund and \$55,000 from the State Fair Capital Improvement Fund.

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State Fair Capital Improvement Fund*	Actual FY 1999	Agency Est. FY 2000	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001
Beginning Balance	\$ 390,947	\$ 527,946	\$ 527,946	\$ 653,496	\$ 521,147
Transfer from Fee Fund	300,000	300,000	300,000	300,000	300,000
SGF Demand Transfer	260,000	300,000	300,000	300,000	300,000
Interest	17,078 **	30,000	30,000	30,000	30,000
Private Donations	1,750	0	0	0	0
Net Receipts	\$ 578,828	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000
Total Funds Available	\$ 969,775	\$ 1,157,946	\$1,157,946	\$ 1,283,496	\$ 1,151,147
Less: Expenditures	441,829	504,450	636,799	600,000	600,000
Ending Balance	\$ 527,946	\$ 653,496	\$ 521,147	\$ 683,496	\$ 551,147
Ending Balance as a Percentage of Expenditures	119.5%	129.5%	81.8%	113.9%	91.9%

* For FYs 1999-2001 the Legislature has approved a "no limit" expenditure limitation on the State Fair Capital Improvement Fund.

** Interest was transferred from the State Fair Surplus Fund which was used in the grandstand renovation. This fund, along with the other obsolete grandstand funds, was abolished in SB 326.

Animal Health Department

A. GBA No. 2, Item 50, pg. 22—National Poultry Improvement Plan.

State Conservation Commission

A. GBA No. 2, Item 51, pg. 23—Released encumbrances of the State Water Plan Fund.

Kansas Water Office

A. GBA No. 2, Item 52, pg. 23—Equus Beds Groundwater Research.

B. GBA No. 2, Item 53, pg. 23—Water Marketing Fund.

School for the Blind

A. GBA No. 1, Item 12, pg. 6—Decrease KSIP expenditures (House Budget Committee). The Governor decreases his FY 2000 recommendation by \$1,676 from the State General Fund. As the GBA explains, the amount available in the current fiscal year to be spent in the School's Kansas Savings Incentive Program (KSIP) account should be

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\$8,324 and not \$10,000. The Budget Committee believes this to be a technical adjustment to the FY 2000 budget.

B. Expenditure Limitation on General Fees Fund (House Budget Committee). For FY 2000, the Governor's budget recommendation includes an additional \$10,000 to be spent from the General Fees Fund. However, S.B. 39 does not increase the expenditure limitation which is currently set at \$9,349. (See 1999 *Session Laws*, Chapter 132, Sec. 60(b).) The Budget Committee believes this to be a technical adjustment to the FY 2000 budget.

Behavioral Sciences Regulatory Board

A. Review fee structure. The Senate Subcommittee on the Behavioral Sciences Regulatory Board recommended the review of the agency fee structure at Omnibus. The fees are as follows:

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Profession	Current Fee	Statutory Maximum
Social Worker		
Application KSA 65-6314(a)(2)	\$100	\$150
Original License	N/A	N/A
Renewal KSA 65-6314(a)(1)	\$100	\$150
Temporary License KSA 65-6314(a)(7)	\$50	\$50
Reinstatement KSA 65-6313(d); 65-6314(a)(1)	\$200	\$300
Psychologist		
Application KSA 74-5310(a)	\$75	\$150
Original License KSA 74-5310(a)	\$175	\$200
Renewal KSA 74-5319	\$200	\$200
Temporary License KSA 74-5316	\$30	\$15
Reinstatement KSA 74-5320	\$400	\$400
Professional Counselor		
Application KSA 65-5808(1)(a)	\$75	\$100
Original License KSA 65-5808(a)(2)	\$150	\$175
Renewal KSA 65-5808(a)(4)	\$150	\$150
Temporary License KSA 65-5808(a)(10)	\$150	\$150
Reinstatement KSA 65-5808(a)(5)(9)	\$300	\$300
Masters Level Psychologist		
Application KSA 74-5365(a)	\$75	\$200
Original License KSA 74-5365(a)	\$175	\$200
Renewal KSA 74-5365(a)	\$175	\$200
Temporary License KSA 74-5366(f)	\$100	\$100
Reinstatement KSA 74-5366(d)	\$350	\$400
Licensed Marriage and Family Therapist		
Application KSA 65-6411(a)(1)	\$75	\$150
Original License KSA 65-6411(a)(2)	\$150	\$175
Renewal KSA 65-6411(a)(4)	\$150	\$175
Temporary License KSA 65-6406	\$150	\$150
Reinstatement KSA 65-6411(a)(5)&(7)	\$150+	\$175
(Plus an additional \$5 for every 30 days the application is late.)		
Registered Alcohol and Other Drug Abuse Counselor		
Application KSA 65-6603(b)	\$100	\$100
Original License	N/A	N/A
Renewal KSA 65-6603(b)	\$100	\$100
Temporary License	N/A	N/A
Reinstatement KSA 65-6603(c)	\$200	\$200

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Fee Fund Analysis

Resource Estimate	Actual FY 1999	Agency Est. FY 2000	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001
Beginning Balance	\$ 344,468	\$ 386,547	\$ 386,547	\$ 396,096	\$ 431,043
Net Receipts	415,709	475,000	475,000	499,000	499,000
Total Funds Available	\$ 760,177	\$ 861,547	\$ 861,547	\$ 895,096	\$ 930,043
Less: Expenditures	373,630	465,451	430,504	439,121	424,641
Ending Balance	<u>\$ 386,547</u>	<u>\$ 396,096</u>	<u>\$ 431,043</u>	<u>\$ 455,975</u>	<u>\$ 505,402</u>
Ending Balance as Percent- age of Expenditures	103.5%	85.1%	100.1%	103.8%	119.0%

Kansas Department of Human Resources

A. \$1.6 Million State General Fund for Welfare-to-Work State Match (House Budget Committee). The House Budget Committee recommended a review of the agency request for \$1.6 million State General Fund in FY 2001 to provide the final state match necessary to access the \$3.2 million in federal money still available to the state. The Welfare to Work program provides transitional assistance which moves hard-to-employ welfare recipients living in high poverty areas into unsubsidized employment and economic self-sufficiency. This is done through job readiness, placement, and post-employment services; vouchers for placement, readiness, and post-employment services; and job retention or support services for hard-to-employ welfare recipients. Current welfare to work programs can continue for 6 to 18 months without the match, depending on the service delivery area.

B. GBA No. 2, Item 26, pg. 12—Authority to Relocate Office Space.

C. GBA No. 2, Item 27, pg. 13—New Federal Funds.

Kansas State Historical Society

A. \$100,000 State General Fund for Rehabilitation and Repair Projects (House Budget Committee). The House Budget Committee on the State Historical Society and the Joint Committee on State Building Construction recommended review of the agency request for \$100,000 from the State General Fund in FY 2001 for rehabilitation and repair projects at Omnibus. The agency requested the funds to cover emergency repairs at the historic sites and Kansas History Center. The agency received \$100,000 State General Fund in FY 2000 and \$334,573 State General Fund in FY 1999.

B. \$121,000 Economic Development Initiatives Fund for rehabilitation and repair projects at the Fort Hays Blockhouse (\$50,000) and First Territorial Capitol

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(\$70,000) (House Committee). The House Committee recommended review of the agency request for \$121,000 in FY 2001 for rehabilitation and repair projects at the Fort Hays Blockhouse and First Territorial Capitol after the conference committee on S.B. 326 removed the \$121,000 Economic Development Initiatives Fund money for the projects. The Conference Committee recommended the agency complete the projects with existing funds.

C. GBA No. 2, Item 35, pg. 17—Capital Improvement Project.

Kansas Human Rights Commission

A. Request for 1.0 FTE for Information/Education Staff (Senate Subcommittee). The Senate Subcommittee on the Kansas Human Rights Commission recommended the review of the agency request for 1.0 FTE position in FY 2001 for additional information/education staff. The agency is requesting \$36,472 (salary and benefits) from the State General Fund for this position. The agency is requesting the additional staff to further their mission of eliminating human rights violations.

B. Review Request for Reclassification of 18 Investigative Supervisors and Special Investigators (House Budget Committee). The House Budget Committee recommended the review of the agency request for reclassification of 18 Investigative Supervisors and Special Investigators. According to the agency, the requested reclassifications are necessary for Investigative Supervisors and Special Investigators, based on their level of responsibility. The Division of Personnel Services has recommended a re-authorization of those positions which would allow the agency to promote the 4 Special Investigator IIs (pay grade 24) to Public Service Administrator IIs (pay grade 27) and the 17 Special Investigator Is (pay grade 22) to IIs (pay grade 24). The cost of the re-authorization would be \$21,127 (salary and benefits) from the State General Fund for FY 2001.

Homestead Property Tax Refunds

A. Supplemental Request for \$1.5 million State General Fund in FY 2000 (Senate Subcommittee). The Senate Subcommittee on the Homestead Property Tax Refund program recommended review of the agency's budget when the Department of Revenue could provide more accurate estimates of refunds. The Subcommittee recommended the addition of funds if the agency could not pay all claimants. In years when funding for the program did not cover all claims, the agency stopped processing claims until the following fiscal year, usually from mid-May to July. The program has processed 53,955 refund claims and paid a total of \$13,509,506 in refunds so far in FY 2000. The average refund to date is \$250. The program has 7,000 claims left to process as of April 19 and a balance of \$292,643 in the refund account. The agency indicates that it will need to stop processing claims for FY 2000 at the end of April or beginning of May if they do not receive the supplemental request.

B. GBA No. 2, Item 25, p. 12—Property Tax Refunds.

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Kansas Legislative Research Department

A. Omnibus Review Items (House Appropriations Committee). The House Appropriations Committee requested that the agency report back to the Committee for consideration at Omnibus information on the following items: (a) The cost and efficiency of utilizing a voice mail system with the agency; (b) The adequacy of travel funding for staff who are on a committee of the National Council of State Legislatures or the Council of State Governments; (c) Options for establishing a program of granting compensatory time for staff of the agency; and (d) The cost, effectiveness, and options for establishing a deferred compensation program for the staff of this agency which would be similar to the deferred compensation program for legislative leadership staff.

Legislature

A. Legislative, Congressional, and State Board of Education Redistricting (House Appropriations Committee and Senate Committee). The House Appropriations Committee and the Senate Ways and Means Committee both requested that possible additional funding for legislative, congressional, and State Board of Education redistricting be reviewed at Omnibus. The redistricting will occur in the 2002 Session of the Legislature. The agency had initially requested \$1.2 million (State General Fund) in FY 2001 for redistricting costs (consultants, computer software, training, etc.). Since that initial request, bids have been solicited, negotiations have been completed and the latest estimate for redistricting is \$700,000 in FY 2001, \$415,000 in FY 2002 and \$76,000 in FY 2003 (all from the State General Fund). The Governor recommended and the Legislature has approved \$500,000 (State General Fund) in FY 2001 in 2000 House Substitute for Senate Bill 326. The fully fund the agency's request would require an additional \$200,000 in FY 2001, \$415,000 in FY 2002, and \$76,000 in FY 2003 (all from the State General Fund).

B. Remodel Room 143-N in the Statehouse (Senate Committee). The Senate Ways and Means Committee requested that further consideration be given at Omnibus for remodeling costs associated with Room 143-N in the Statehouse. The proposal would change Room 143-N from Senate offices into a committee hearing room. The request by the agency for the remodeling was \$500,000 (State General Fund) in FY 2001. The Committee noted that the Secretary of State vacated the Statehouse in January, 2000. The Committee also maintained that if an appropriation is not made by the 2000 Legislature, the vacated Secretary of State space will remain largely vacant for another year.

C. Full-Time Legislative Secretarial Pool (House Appropriations Committee). The House Appropriations Committee requested that the Director of Legislative Administrative Services report back to the Committee at Omnibus about the costs of establishing a full-time legislative secretarial typing pool. The pilot project would provide five full-time secretaries to those legislators who do not have permanent staff available to them during the interim period of the fiscal year. The secretaries could also be mentors to new session-only clerical personnel and help staff interim committees. The estimated net cost according

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to the Director of Legislative Administrative Services for five FTE positions in FY 2001 would be \$92,340 (State General Fund).

D. H.B. 2570 - Public Safety Task Force (Conference Committee). H.B. 2570 as amended by the Senate Ways and Means Committee creates an eleven member Task Force on Consolidation of Public Safety Agencies to study the possible consolidation of state public safety agencies. The Task Force would consist of 11 members including: one member of the House Appropriations Committee to be appointed by the Speaker of House; one member of the House Judiciary Committee to be appointed by the Speaker of the House; one member of the House appointed by the Minority leader of the House; one member of Senate Ways and Means Committee to be appointed by the President of the Senate; one member of the Senate Judiciary Committee appointed by the President of Senate; one member of the Senate to be appointed by the Senate Minority Leader; and five members to be appointed by the Governor. Two of the Governor's appointments would come from local law enforcement agencies. None of the Governor's appointments could be members of the Legislature.

The Task Force would be charged with reviewing the feasibility and efficiencies that could be achieved by consolidating all public safety functions of state agencies. Those state agencies and functions include, but are not limited to : the Kansas Highway Patrol; the State Fire Marshal; the Ombudsman of Corrections; the Juvenile Justice Authority; the Kansas Parole Board; the Kansas Bureau of Investigation; the Board of Emergency Medical Services; the Division of Emergency Management of the Adjutant General's Office; the Department of Corrections; the Kansas Sentencing Commission; and the Alcoholic Beverage Control program of the Department of Revenue. The Task Force would be authorized to meet at any place in the state on call of the chairperson, but is required to meet at least quarterly. The Task Force would be required to submit a final report of its findings and recommendations on or before January 1, 2001.

Expenditures for the Task Force, including legislator compensation, subsistence, mileage and clerical assistance for FY 2001 are estimated at \$9,916 (State General Fund). The exact fiscal note would depend on who was appointed to the Task Force and the number of meetings held during FY 2001.

E. H.B. 2780 - Long-Term Care Services Task Force (Conference Committee). H.B. 2780 as amended by the Senate Committee on Public Health and Welfare, would create a 20-member Task Force on Long-Term Care Services to study state and federal laws and regulations that impact on services provided by the public and private sector to citizens who are consumers of long-term care services, the financing of such services, the effectiveness of partnering activities between state agencies and long term care providers, and other matters as the Task Force deems appropriate. Seven members of the Task Force are to be appointed by the Legislative Coordinating Council, three of whom are to be consumers of long-term care, three providers of long-term care, and one a trustee or board member of a long-term care facility. Two members are to be appointed by the President of the Senate and the Speaker of the House. Of the two appointments, one is to be a member of the House Committee on Appropriations and one a member of the Senate Committee on

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Ways and Means. An additional two members are to be appointed by the Senate President, and the Minority Leader of the Senate is to appoint two members. In each case, one appointee is to be a member of the Senate Committee on Public Health and Welfare and one a member of the Senate Committee on Financial Institutions and Insurance. Two additional members are to be appointed by the Speaker of the House, and two members appointed by the Minority Leader of the House. In each case, one appointee is to be a member of the House Committee on Health and Human Services and one a member of the House Committee on Insurance. The Secretaries of Social and Rehabilitation Services, Aging, and Health and Environment or their designees make up the remaining members of the Task Force. The authorization for the Task Force would expire on July 1, 2005.

Expenditures for the Task Force, including legislator compensation, subsistence, mileage and clerical assistance for FY 2001 are estimated at \$31,944 (State General Fund). The exact fiscal note would depend on who was appointed to the Task Force and the number of meetings held during FY 2001.

Office of the Governor

A. GBA No. 2, Item 3, page 2—Coordinator Position for Workforce Development Issues.

Selected Agencies

A. GBA No. 2, Item 56, page 24—Revenue Loss--Production Loan.

B. GBA No. 2, Item 57, page 24—Four-Year Vacancies.

C. GBA No. 2, Item 58, page 25—Three-Year Vacancies.

D. GBA No. 2, Item 61, page 26—Retirement Reductions.

University of Kansas

A. Capital Improvement Projects (Senate Committee and Conference Committee Recommendation and GBA No. 2, Item 32, page 15). During its consideration of the capital improvements budget of the University of Kansas, the Senate Subcommittee on Capital Improvements was presented with two capital improvement projects which were approved by the Board of Regents and submitted to the Legislature after submission of the institution's budget request. These projects had been reviewed and recommended by the Joint Committee on State Building Construction but due to the timing of the submission of the projects, had not been considered by the Governor. The Subcommittee, and subsequently the full Committee, recommended the projects be deferred for consideration in the Omnibus Appropriation Bill. The House had added the projects, but during

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Conference Committee, the House concurred with the Senate to defer consideration of the items pending possible receipt of a Governor's Budget Amendment on the projects. The two projects are:

- a. Authorization for the expenditure of \$560,000 from existing resources in FY 2000 to renovate a portion of Strong Hall for administrative space for the College of Liberal Arts and Sciences. No new expenditures would be required.
- b. Authorization of the issuance of up to \$17.0 million in bonds in FY 2001 for the construction of a Student Recreation Center on the Lawrence campus. The bonds would be repaid with student fees. No expenditures would be required in FY 2001.

B. Senate Bill No. 388 (Conference). SB 388 would enact the Kansas Water Banking Act. The bill would allow for the chartering of water banks which would be private not-for-profit corporations leasing water from holders of water rights that have been deposited in the bank. The water banks also would provide safe deposit accounts for the deposit of unused water from a bankable water right which is placed in the bank for use in future years. A water bank may be a groundwater bank or a surface water bank, or both. Water banks may provide services to facilitate the sale or lease of water rights and would be prohibited from owning, buying, or selling water rights. The House version of the bill would authorize the Director of the Kansas Geological Survey (KGS) to convene a team to evaluate the operation of a water bank *not later than five years* after the establishment of a water bank. The staff of the KGS would provide staff assistance to the evaluation team. An additional provision of the bill would require water banks to pay all costs incurred by the KGS for assistance and services including costs for personnel. Payments would be deposited into the Geological Survey Cost Fund, which is established in the bill. Because of the provision that provides up to a five-year period before the convening of the evaluation team, it is doubtful that any expenditures will be incurred by the KGS in FY 2001, but the fund created in the bill could be appropriated.

Kansas State University

A. GBA No. 2, Item 34, Page 16—Authority to Issue Bonds for Ackert Hall Addition.

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Kansas State University Extension Systems and Agriculture Research Programs

A. **SB 534 (Law).** SB 534 establishes a center of excellence on sustainable agriculture and alternative crops at Kansas State University. Some of the functions and duties of the center would be to emphasize research, education, outreach, and marketing for sustainable agriculture and alternative food, fiber and medicinal crops; expand small farm research; develop and distribute a guide of all state services for small farms and value added agriculture; and focus research on value added processes and new crops that offer low-volume, high margin niche opportunities. Subject to appropriations, the bill authorizes expenditures for a coordinator for the center and associated operational expenses. The University estimates total FY 2001 expenditures of \$60,000 from the State General Fund and 1.0 FTE position to fund the new center. The funding would include \$50,960 for the salary of a Coordinator and \$9,040 in other operating expenditures.

State Department of Education

A. **Revised School Finance Estimates.** Savings in general and supplemental general state aid totaling \$13.7 million have been identified, based on revised school finance estimates made April 6, 2000. The savings are attributable to reduced enrollments and result in reductions of \$5.0 million in FY 2000 and \$8.7 million in FY 2001.

The revised estimates are shown below. (Numbers are in thousands.)

	Previous Est. FY 2000	Revised Est. FY 2000	Savings FY 2000	Previous Est. FY 2001	Revised Est. FY 2001	Savings FY 2001	Two-Year Savings
Gen. State Aid	\$ 1,788,199	\$ 1,783,204	\$ 4,995	\$ 1,820,567	\$1,812,181	\$ 8,386	\$ 13,381
Supp. Gen. State Aid	72,821	72,800	21	82,059	81,773	286	307
TOTAL	\$ 1,861,020	\$ 1,856,004	\$ 5,016	\$ 1,902,626	\$ 1,893,954	\$ 8,672	\$ 13,688

Note: The savings shown for FY 2000 are in addition to savings previously identified of \$6,846,896 for general state aid and \$4,025,365 for supplemental general state aid, or a total of \$10,872,261.

Financing. Prior to first adjournment, the Legislature approved funding in House Sub. for SB 326 that would fully fund school finance in FY 2001, prior to the revision. That funding includes \$7,761,000 from the Flexible Spending Fund for general state aid. A comparison of approved funding for FY 2001 and the revised estimates is shown below (in thousands):

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	House Sub. for SB 326	Revised Estimates	Savings
General State Aid			
State General Fund	\$ 1,813,086	\$ 1,804,420	\$ 8,666
Flex. Spend. Fund	7,761	7,761	0
Subtotal	<u>\$ 1,820,847</u>	<u>\$ 1,812,181</u>	<u>\$ 8,666</u>
Supp. Gen. State Aid			
SGF	\$ 81,779	\$ 81,773	\$ 6
TOTAL	<u>\$ 1,902,626</u>	<u>\$ 1,893,954</u>	<u>\$ 8,672</u>

Note: The \$7,761,000 for FY 2001 from the Flexible Spending Fund appropriated for general state aid in House Sub. for SB 326 includes \$280,000 that should have been appropriated for supplemental general state aid. However, the issue is moot now because the numbers have been revised and will be reposted.

Reappropriation. Legislative policy in recent years has been to reappropriate any savings from the current year to the following year in order to reduce the appropriation of new money and to give the State Department flexibility to use any savings in the current year in the event that the estimates are low and additional money is needed. For FY 2001, the Governor recommended, and the Senate concurred, that the savings should be lapsed and not reappropriated. It was the House's intention to reappropriate the savings, but the bill was not correctly posted. Based on the revised estimates, there are savings in FY 2000 of \$11,841,896 in general state aid and \$4,046,365 in supplemental general state aid, for a total of \$15,888,261, which either would lapse at the end of the current fiscal year or could be reappropriated to FY 2001. Without further action by the Legislature, the savings will lapse.

B. Revised Estimate for KPERS-School. On April 17, 2000, revisions were made to estimated expenditures for KPERS-School in FY 2000, resulting in the identification of savings of \$1,588,062, which reduce expenditures from an estimated \$89,476,651 to \$87,888,589. The Legislature has the option of allowing the savings to lapse or to be reappropriated in order to reduce the amount of new money needed for FY 2001. The State Department of Education would prefer that the amount be reappropriated so that, if the revised estimates are understated, there still would be money available in the current year to fully fund the KPERS-School entitlement. In addition, an error has been discovered that occurred in FY 1999 and resulted in overpayments of \$978,774. Because the money already has been transferred to KPERS and is not in the State Department's account, the Legislature could reduce the appropriation for FY 2001 and allow KPERS to apply the savings to next year's expenditure. With this adjustment, KPERS-School expenditures for FY 2001 are estimated to be \$88,742,868.

The exhibits below show estimated funding for KPERS-School in FY 2001, assuming that savings in FY 2000 are lapsed (option 1) and that they are reappropriated (option 2):

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Option I FY 2000 Savings Lapsed		Option II FY 2000 Savings Reappropriated	
Governor's Recommendation	\$ 83,230,735	Governor's Recommendation	\$ 83,230,735
Add: Adjustment for KPERs rate increase	6,490,997	Add: Adjustment for KPERs rate increase	6,490,907
Less: KPERs overpayment for FY 2001 Revised Expenditures	(978,774)	Less: KPERs overpayment	(978,774)
	<u>\$ 88,743,868</u>	TOTAL Revised Expenditures	\$ 88,742,868
		Less: Savings reappropriated from FY 2000 already accounted for	(504,371)
		Less: Current year savings	(1,588,062)
		TOTAL NEW MONEY APPROPRIATED	<u>\$ 86,650,435</u>

C. Programs Funded from the Children's Initiatives Fund (Deferred to Omnibus). Programs in the State Department's budget that the Governor recommended be funded from tobacco money total \$7,277,833 for FY 2001 and are the following:

Parent Education. The Governor recommends \$5,944,833 for parent education, of which \$1,277,833 is tobacco money and \$4,667,000 is from the State General Fund. The current appropriation totals \$5,372,058, of which \$777,833 is tobacco money.

Four-Year-Old At-Risk Program. The Governor recommends \$1.0 million in general state aid to expand the four-year-old at-risk program from 1,794 children to 2,232, an increase of 438. (HB 2810, discussed below, would statutorily expand the program to implement the Governor's recommendation.)

School Violence Prevention (Experimental Wraparound). The Governor recommends \$500,000 for the second year of the school violence prevention program, a competitive grant program designed to reduce school violence, substance abuse, school dropouts, and delinquency. The program requires a 25 percent local match and is for school districts that have developed a collaborative program with a community mental health system. In FY 2000, 8 school districts received grants out of 16 that applied.

Technology Infrastructure. The Governor recommends \$4.5 million to establish a state education technology network known as "KAN-ED." The network would provide Internet connectivity to school districts and public libraries.

D. Structured Mentoring Program (Consider in Omnibus). The Senate Subcommittee on the State Department's budget flagged for Omnibus consideration funding of the structured mentoring program, should additional funding become available. The program began in FY 1999 and is funded for FY 2000 with \$965,250 from the State General Fund. The Governor recommends no funding for the program in FY 2001. The State Board requested \$1,265,169. Thirty-one grant applications were received in FY 2000, of which 22 have been funded. Grants must be matched locally dollar-for-dollar and support

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programs to improve students' skills and raise academic achievement in the areas of reading, mathematics, language arts, and Spanish language arts through the use of trained mentors.

E. Educational Excellence Grants (Consider in Omnibus). This item was flagged for Omnibus consideration by the Senate Subcommittee on the State Department's budget in the event that revenue constraints are relieved. Educational excellence grants are funded in FY 2000 at \$1,584,000 from the State General Fund, but are not funded in the Governor's FY 2001 budget. Grants are made to school districts on a competitive basis for special enhancements and innovative programs and must be matched 100 percent at the local level. The State Board's request for FY 2001 of \$1.6 million would fund around 20 grants, or about one-quarter of the number of applications. Grants in FY 2000 were awarded on the basis of proposals that focused on aligning curriculum, instruction, and assessment with state standards; that increased productivity through the use of technology; and that focused on school reform aimed at all students or schools reaching standards of excellence.

F. Reading and Vision Research (Consider in Omnibus). The House Budget Committee on the State Department's budget recommended Omnibus consideration of providing \$250,000 from the Intergovernmental Transfer Program to fund research on vision problems. The recommendation followed a review of results of research the 1998 Legislature funded through the Kansas Optometric Association with an appropriation of \$27,000 for FY 1999. Research indicates that 20 percent of children entering kindergarten will have some form of vision problem and that the percentage doubles to 40 percent by high school. The proposed research project would expand the number of students involved from 60 in the earlier study to 160 and expand the vision problems addressed to include convergence insufficiency, convergence excess, and accommodation problems, conditions that cannot be corrected with glasses or contact lenses. Under the proposal, vision therapy would be provided students at 12 sites by participating optometrists. Most of the cost of the project would be for treatment of students (\$192,000). Other costs would be for diagnosis eye examinations (\$17,500), transportation expenses for parents (\$20,000), and other costs.

G. Increased Funding for State Department Operating Budget (Consider in Omnibus). The House Budget Committee recommended Omnibus consideration of an additional \$329,407 from available funding sources for the State Department's operating budget for FY 2001. Under the Governor's recommendation, the portion of the operating budget funded from the State General Fund has been reduced by \$803,353, or 8.3 percent, compared to the current year. The State Department requested restoration of \$329,407, which consists of \$118,465 to reduce the shrinkage rate from 5 percent to 3 percent (the historical level in recent years), \$67,668 for technology equipment, \$52,483 to restore a position cut in 2000 SB 39, and \$90,791 for other items, such as travel.

H. Discretionary Grant Funding (Consider in Omnibus). The House Budget Committee recommended Omnibus consideration of funding for discretionary grants, which are grants allocated by the State Board for programs it considers meritorious. Programs funded in the current year total \$100,000 from the State General Fund and consist of \$30,000 for the Kansas Cultural Heritage Center, \$35,000 for Environmental Education, and

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\$35,000 for the Kansas Foundation for Agriculture. Although the Governor recommended no funding for the grants in FY 2001, the Legislature appropriated \$30,000 from the Economic Development Initiatives Fund for the Kansas Foundation for Agriculture in House Sub. for SB 326.

I. HB 2810 (Law). HB 2810 makes two changes in current law:

Four-Year-Old At-Risk Students. The bill increases the number of children served in the four-year-old at-risk program from 1,794 pupils to 2,230, an increase of 436 children. The fiscal impact of this provision in FY 2001 is an additional \$1.0 million for general state aid.

Juvenile Detention Facilities. School districts receive state aid equal to the lesser of actual costs of educational services provided to children in juvenile detention facilities and the Flint Hills Job Corps Center or two times Base State Aid Per Pupil, based on the greatest number of pupils served on one of three counting dates: September 20, November 20, or April 20. HB 2810 adds six new facilities to the list of participating centers and deletes two that no longer are operating. The new facilities are St. Francis Academy at Atchison, St. Francis Academy at Ellsworth, St. Francis Academy at Salina, St. Francis Center at Salina, Clarence M. Kelley Youth Center at Topeka, and Clarence M. Kelley Youth Center at WaKeeney. The centers that have closed and are deleted are Charter Wichita Behavior Health System and Parkview Passages Residential Treatment Center of Topeka. The bill is effective upon publication in the *Kansas Register*, but there is no fiscal impact in FY 2000 because the increase in the number of pupils served in the new facilities is offset by the closure of the other two centers. Under the Governor's recommendation, the recommended appropriation for FY 2001 of \$4,509,310 would pay for services provided to 610 students under current law. The provisions of HB 2810 increase the estimate of the number of students to be served by 116, at an additional cost of \$870,931.

J. SB 432 (Conference). SB 432 originally concerned criminal history checks of applicants for initial employment with school districts, but now has been expanded to include provisions of four other bills: SB 519, relating to suspension and expulsion of pupils; HB 2794, mastery of basic skills; HB 2799, the Mentor Teacher Program, and HB 2801, National Board certification of teachers. The total fiscal impact of the bill would be an additional \$93,753 for state agency operations and 1.0 FTE new position in FY 2001. The material below addresses only those portions of the bill that would have a fiscal impact.

Mastery of Basic Skills Program. The State Board of Education would be required to prepare a strategy for identifying, developing, and implementing a mastery of basic reading skills program in kindergarten and each of grades one through three of school districts based upon the goal of mastery of basic reading skills by pupils upon completion of the third grade. The bill directs the State Board to:

- Identify state standards and outcomes of mastery of basic reading skills in kindergarten and each of grades one through three;

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- Prepare a plan for monitoring the progress of pupils in achieving mastery of basic reading skills; and
- Specify the means to be used for determining mastery of basic reading skills at each applicable grade level by pupils upon completion of grade 3.

The State Board's strategy also must address what school districts must do to provide interventions for pupils who do not make satisfactory progress toward mastering basic reading skills, such as summer school and additional school days. The State Board is required to report to the 2001 Legislature its strategy and proposed plan to implement the basic reading skills program, including an estimate of the cost of program implementation. The State Board must develop program standards during the 2001-02 school year, and implement the plan in the 2002-03 school year.

The State Department intends to reallocate existing staff to assist in developing the program, but does estimate additional costs of \$25,000 in FY 2001 associated with travel and subsistence for a committee consisting of elementary school teachers, reading specialists, early childhood educators, and teacher educators who will be charged with identifying standards and helping to develop and implement the program.

Kansas Mentor Teacher Program. SB 432 would establish the Kansas Mentor Teacher Program whereby grants would be paid to school districts to pay stipends for experienced teachers who serve as mentors to probationary teachers. School districts that elect to participate would have to meet State Board of Education criteria for approved mentor teacher programs and would be eligible to receive \$1,000 for each mentor teacher who provides support for probationary teachers. The State Board of Education must develop rules and regulations to administer the program by January 1, 2001. Responsibilities of the State Board include establishing criteria for evaluating and approving mentor teacher programs, identifying the criteria for qualification of certificated teachers to serve as mentors, prescribing guidelines for selecting mentor teachers, providing mentor teacher training programs, and evaluating the effectiveness of the program.

The grant program would be implemented for the 2001-02 school year (FY 2002). Not included in the bill, but part of the agreement reached by House and Senate conferees on SB 432, is the plan that funding for the grants should come from any unanticipated savings in general state aid at the end of FY 2001. In this respect, funding for the Mentor Teacher Program would be like that portion of the inservice education program that, for the last several years, has come from general state aid savings. The conferees on SB 432 specified that funding for the Mentor Teacher Program should take precedence over any other programs funded from general state aid savings. The State Department estimates that 1,000 teachers would be involved in the program during its first year, at a cost of \$1,000 per teacher, for a total of \$1.0 million in FY 2002. Because the conferees on SB 432 anticipate that the program would be funded from savings for general state aid, no new appropriation would be needed. However, to carry out the conference committee agreement, either the 2000 Legislature or the 2001 Legislature would have to include a new fund in the State

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Department's budget for the Kansas Mentor Teacher Program and attach a proviso to the appropriation for general state aid specifying that any balances in the fund at the end of June 30, 2001, would be transferred to the Kansas Mentor Teacher Program and that this transfer would take precedence over any other transfer the Legislature might authorize, such as for inservice education.

For FY 2001, the State Department is requesting the addition of \$68,753 from the State General Fund for operating costs and one new position to develop the standards and provide the training to mentor teachers that the bill would require. The amount consists of \$44,100 for the salary of 1.0 FTE new Education Program Consultant, \$9,653 for associated operating costs, and \$15,000 for committee work to develop standards and criteria and to provide training.

National Board Certification. The bill would establish the National Board for Professional Teaching Standards Certification Incentive Program under which a teacher who attains National Board certification would be issued a Master Teacher's Certificate by the State Board of Education that would be valid for ten years. A teacher employed by a school district who has attained National Board certification would be paid an annual incentive bonus of \$1,000.

Although the ten-year certificate would be new policy, it is current policy to award one-time bonuses of \$1,000 for each teacher who receives National Board certification. For FY 2001, \$39,000 is included in the State Department's budget for this purpose. It is estimated that the cost of the program after four years would be \$270,000, assuming that 80 teachers attain National Board Certification during that period.

K. GBA No. 2, Item 31, pg. 14—Increase Per Pupil State Aid.

L. GBA No. 2, Item 32, pg. 14—KPERs School Retirement Contribution Costs.

Judicial Branch

A. District Magistrate Judge for the 9th Judicial District (McPherson County). Both the House Budget Committee and the Senate Subcommittee on the Judicial Branch budget identified the addition of a District Magistrate Judge for the 9th Judicial District as a funding priority if revenue constraints are relieved. The position would cost \$60,046 and would be for a district in which civil and criminal case filings have increased by more than 100 percent in the last ten years. Information presented to the subcommittees indicates that the three District Court Judges assigned to the 9th Judicial District presently have the fourth highest caseload per judge in the state and that delays in scheduling hearings and addressing other business before the court are regular occurrences. The District presently has no magistrate judge positions.

B. S.B. 150 (Conference Committee). 1999 S.B. 150 concerns child custody, parental rights, and other issues relating to children. The portion that would have a fiscal

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impact on the Judicial Branch concerns expanding the definition of "interested party" to include grandparents with whom the child does not reside among those persons or entities who must be notified by mail whenever there is a hearing under the Child in Need of Care Code. According to the Office of Judicial Administration, this requirement would impose additional work on district court clerks amounting to 8,720 hours per year. These hours equate to 4.2 new FTE Court Clerk positions, at an annual cost of \$22,596 per clerk, including fringe benefits, for a total cost of \$94,903. According to the Office of Judicial Administration, urban areas where there are high caseloads would be most affected by the increase in workload.

C. S.B. 506 (House General Orders). Both subcommittees that considered the Judicial Branch budget endorsed legislation that would increase docket fees. One of the main differences between the House and Senate versions of the bill is that the docket fee increase would generate \$4.4 million in FY 2001 under the Senate version and \$3.9 million under the House version. Both versions of the bill provide that docket-fee funded salary increases are for nonjudicial personnel only and both versions would increase the amount of docket fee revenue credited to the Access to Justice Fund by about \$150,000. The House version of the bill also would expand the number of judges on the Court of Appeals from 10 to 14 over a four-year period, beginning July 1, 2001. More detailed information is below:

1. Salary upgrade of nonjudicial personnel. S.B. 506 would increase docket fees in order to pay for a one-time upgrade of nonjudicial personnel salaries totaling \$3.9 million, an increase of about 11 percent over the current year. Components of the increase are \$324,160 for an upgrade of Court Service Officers, \$1.2 million for a 2.5 percent Cost of Living Adjustment, and \$2.4 million for an overall upgrade of most other salaries (some salaries at the top of the pay scale would not share in this upgrade). The upgrade is in addition to the regular 2.5 step increase nonjudicial employees would receive in FY 2001. Under the Senate version of the bill which generates more docket fees, the upgrade and maintenance of the upgrade would be paid for from docket fees for the foreseeable future. Under the House version, maintenance of the upgrade most likely would impact the State General Fund in FY 2002 or FY 2003. The House Budget Committee on the Judicial Branch budget identified the general upgrade of nonjudicial personnel salaries and the specific upgrade of Court Service Officers as items to consider at the end of the Session if additional docket fee revenue became available. The only action that would need to be taken in the Omnibus bill if S.B. 506 passes would be to appropriate the new Nonjudicial Salary Initiative Fund, into which would be credited the additional docket fee revenues. The Legislature would have to decide whether the Fund would have an expenditure limitation or be a "no limit" fund. The Judicial Branch has indicated that its proposed upgrade will cost \$3,892,392 in FY 2001 and that it would not spend more than that, regardless of the amount of docket fee revenue that would be available.

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2. Increased Funding for the Access to Justice Fund. Both versions of S.B. 506 would increase docket fee revenues to the Access to Justice Fund, which currently is the fund paying for a \$150,000 contract with Kansas Legal Services, Inc., to provide statewide foster care legal services. The Senate version of the bill would shift the \$150,000 from increased docket fee revenues that otherwise would have gone to the Nonjudicial Salary Initiative Fund (the fund that pays for the salary upgrade), while the House version would take the \$150,000 from docket fee revenues that otherwise would go to the State General Fund. While S.B. 506 does not specify how the increased revenues to the Access to Justice Fund would be spent, both subcommittees were interested in generating enough money to continue the contract with Kansas Legal Services, Inc., in FY 2001 and both subcommittees identified the contract as an item they wanted to address at the end of the Session if additional revenues became available. (The House Budget Committee specified that consideration should be contingent upon the availability of additional docket fee revenues, while the Senate Subcommittee did not specify a specific source of revenue. However, the Subcommittee's recommendation was prior to its consideration of S.B. 506.)

3. Expansion of the Court of Appeals. The House version of the bill incorporates the provisions of H.B. 3051, which would expand the Court of Appeals from 10 to 14 judges by adding one new judge a year over a four-year period. The total cost of adding four new judges is estimated to be \$1,416,344, or \$354,086 per judge. For each judge, the cost includes the judges salary, two support staff, one-time expenditures for office equipment and furniture, and one-time costs to remodel space vacated by the Attorney General. However, the House proposal is that one new judge would be added each year, beginning July 1, 2001, and ending July 1, 2004. Therefore, there would be no fiscal impact until FY 2002.

Attorney General

A. Statewide D.A.R.E. Program. Consideration of the Governor's recommended FY 2001 expenditure of \$159,956 from the Children's Initiatives Fund for the statewide Drug Abuse Resistance Education (D.A.R.E.) Program was deferred to the end of the session. Funding began for the program in FY 2000 (\$165,300 from tobacco money) after the 1999 Legislature located the statewide office in the Office of the Attorney General. Prior to that, training for an estimated 300 local law enforcement officers who participate in school and community D.A.R.E. programs was provided by the Topeka Police Department through federal funding, which now has ended. Training provided by the state office is not available elsewhere in Kansas. The staff for the program consists of the D.A.R.E. Coordinator, who was hired February 1, 2000, and a Secretary III, who was hired March 7, 2000. The office provides training to local D.A.R.E. officers, coordinates locally-funded activities and curricula, and will develop an evaluation tool to demonstrate the effectiveness of the

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program in Kansas. The office also will work with the Southeast Kansas Education Service Center (Greenbush) to partner in developing data from the "Communities That Care Survey," which is administered to students in more than 80 percent of Kansas schools. Currently, 550 elementary schools, 50 middle schools, and 8 high schools in 62 counties have programs. According to information provided by the Attorney General, more emphasis has been placed on elementary school programs in order to influence students before they are subject to peer pressure, but a goal of the statewide office is to expand the program at the middle and high school level where students are exposed to more risky behavior.

Department of Health and Environment

A. Children's Initiatives Funding. The Conference Committee recommended the deletion of all funding recommended by the Governor from the Children's Initiatives Fund pending further review. These reductions total \$4.25 million, and include the Healthy Start Home Visitor Program (\$250,000), the Infants and Toddlers Program (\$500,000), Smoking Cessation and Prevention Grants (\$500,000), and Kansas Health Foundation Community Partnership Grants (\$3,000,000).

The Senate Committee's recommendation had shifted the \$3.0 million for Kansas Health Foundation Grants to grants to local health departments on a competitive basis to develop prevention based, outcomes-driven programming, and/or community partnerships for delivery of services (such as nurse home visitation programs).

B. Food Inspection Program. The Senate Subcommittee recommended that State General Fund expenditures for the food inspection program be reviewed at Omnibus to determine if that funding is needed in light of SB 661 which was introduced by the Senate Committee. The bill, if implemented, would allow for fees to be charged to grocery stores and food processing plants thus increasing revenues to the Food Inspection Fee Fund and allowing for decreased reliance on State General Fund dollars. SB 661 was introduced by the Senate Committee on Ways and Means and referred to the Senate Committee on Public Health and Welfare. Prior to first adjournment, no action had been taken on the bill. FY 2001 budgeted expenditures for the program are \$1,904,686, including \$350,039 from the State General Fund.

C. Temporary Licenses for Daycare Centers. The House Committee recommended review of the issue of extending temporary licenses for daycare centers for an additional 90 days. The Committee recommended that the possibility of incorporating the provisions of HB 3005 into the Omnibus appropriation bill be examined if HB 3005 had not passed the Legislature. Currently, the bill is in a conference committee. The Senate Committee on Public Health and Welfare amended the bill to make clear that the authority to extend temporary permits does not require the approval of the Secretary of Social and Rehabilitation Services, thereby making the extension conform with the procedure for issuing the original temporary permit.

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D. Statewide Hepatitis B Immunization Initiative - Request For Information. The House Budget Committee requested that the Department provide information on its plan for a statewide hepatitis B immunization program. According to the Department, the current plan for hepatitis B immunizations is a voluntary program targeted at children entering the peak years of risk (the teen and young adult years) rather than requiring the vaccine for school entry. The planned initiative will be funded with federal immunization funds. According to the Department, these federal dollars cannot be used for a mandated school entry requirement. Currently, efforts focus on delivery of vaccine to younger children, with publicly-funded vaccine now available to uninsured children through age 9 and at age 11. Many older children currently at ages 10 through 17 have not received the vaccine and will not receive it under current programs. The Department would like to embark on a campaign to improve the immunization coverage rate for hepatitis B of adolescents in Kansas through improvement of access to free vaccine. The following is a brief synopsis of the Department's plan:

The objective is to increase the level of immunization protection in the adolescent population of Kansas by offering free vaccine to children under 18 who are currently not eligible to receive publicly funded hepatitis B vaccine and do not have private insurance coverage. The target is to approximately double the current level of protection among adolescents by immunizing 34,000 of these children during the campaign's first phase. The first phase will last six months from its starting date, currently projected for July 2000. The free vaccine campaign will be centered around the provision of free vaccine through local health departments. Local health departments will be encouraged to establish outreach activities to facilitate access to the vaccine for the target population. Enrollment of local health departments and individuals will be voluntary. The public information staff of the Department will have a lead role in developing the statewide media campaign, including developing, printing, and distributing brochures to advertise the campaign to the public.

E. Public Water Systems - Request For Information. The House Budget Committee requested information regarding the cause in the decrease in compliance with the federal Safe Drinking Water Act and how much of this decrease is the result of changed federal standards; the exact number of systems which will be out of compliance and the cost of bringing these systems into compliance; and a list of systems which the Department expects to address through the revolving loan program for upgrading in the next five years.

According to the Department, the decrease in compliance has resulted from a combination of increased requirements for treatment and monitoring combined with decreased staff in the Bureau of Water to oversee such requirements. The Department's estimate attributes 80 percent of the non-compliance to tougher standards. The stricter federal regulations require that water served to the public be a better quality and the regulations require more detailed monitoring, record keeping, and reporting. According to the Department, there are roughly a dozen new federal rules planned to be phased in over the next decade. Some of the most significant are not yet proposed, or are not final. Detailed information on new rules and those systems which would be impacted has been provided by the Department.

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F. Use of Medicaid Funds for the Aids Drug Assistance Program (ADAP) Maintenance of Effort - Request for Information. The House Budget Committee requested information regarding the possibility of state Medicaid funds being incorporated into the calculations for Kansas' maintenance of effort for ADAP. This would require identification of how many Medicaid dollars are spent on HIV/AIDS activities, but would not actually require increased expenditures in either program. According to the Department, in the event that additional state funding is necessitated for ADAP in the future, it is possible that Medicaid funds could be used in the following fiscal years to meet the maintenance of effort that would be established. This sort of budgeting is being used in a few states currently.

According to information presented by the Department to the Budget Committee, federal dollars allocated for the program were sufficient for the federal fiscal year ending March 31. The Department will return to the 2001 Legislature with revised estimates for the current federal fiscal year.

G. S.B. 501 (Law). S.B. 501 enacts the Agricultural and Specialty Chemical Remediation Act to address corrective action costs for release of agricultural or specialty chemicals that pose a threat to human health or the environment. The Act has two components: a Remediation Linked Deposit Loan Program and a Remediation Reimbursement Program. The bill also creates the Kansas Agricultural Remediation Board. The part of the bill that affects the Department of Health and Environment is contained in New Section 8, which establishes the Remediation Reimbursement Program under which eligible persons may be reimbursed for the costs of corrective action approved by the Department of Health and Environment or taken in accordance with requests or orders issued by the Department relative to agricultural and specialty chemical remediation activities. S.B. 501 also creates the Kansas Agricultural Remediation Fund, into which would be credited certain assessments on fertilizer blenders, commercial fertilizer, agricultural chemicals, pesticide dealers, and storage capacities of public grain warehouses.

The Department reports that it will need 1.0 FTE position and \$56,272 from special revenue funds to implement the program in FY 2001. Requested expenditures consist of \$45,989 for the salary of 1.0 FTE Environmental Geologist II, \$5,250 for ongoing operating expenditures, and \$5,033 for one-time costs of furniture and office equipment. According to the agency, the position would provide oversight of the remediation projects. The Department reports that costs associated with the bill would be paid for from the existing Voluntary Cleanup Fund.

H. S.B. 513 (to Governor). S.B. 513 would exempt hair braiding from the list of professions regulated by the State Board of Cosmetology. However, the bill would require anyone who braids hair who wants to be exempt from the practice of cosmetology to complete a self-test included in a brochure prepared by the Department of Health and Environment. The bill directs the Secretary of Health and Environment to prepare the brochure and include in it information about infection control techniques that are appropriate for hair braiding outside the salon setting. The brochure and the self-test would be available through the Department's website or by mail, upon request. Anyone requesting the

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brochure would be charged a fee that would cover the Department's printing costs. The applicant would be required to keep the brochure and completed self-test at the location at which the individual is braiding hair.

The Department of Health and Environment reports that costs associated with developing, printing, and mailing the brochure can be absorbed within the existing budget. Fees received to cover the cost of preparing the brochure could be credited to the existing Health and Environment Publication Fee Fund established by K.S.A. 75-5662. However, a proviso needs to be attached to the Fund to make it clear that the Fund can be used for purposes related to S.B. 513.

I. H.B. 3020 (to Governor). H.B. 3020 establishes the Sunflower Army Ammunition Plant Remediation Trust Fund which will be administered by the Secretary of Health and Environment to pay qualified expenses of remediation of environmental contamination at the Sunflower Army Ammunition Plant. Funding for the trust fund will come from any proceeds received by the Department of Health and Environment from the payment obligation surety bonds furnished by the Oz Entertainment Company pursuant to a consent decree agreement. All expenditures from the trust fund would be subject to the appropriation process.

There is no fiscal impact as the result of the bill in FY 2001, according to the Department of Health and Environment. However, it is necessary to appropriate the fund created by the bill (the "Sunflower Army Ammunition Plant Remediation Trust Fund") in the Department's budget. The Department would prefer that the fund have a "no limit" expenditure limitation because of the difficulty in predicting whether any proceeds from the payment of obligation surety bonds furnished by the Oz Entertainment Company will be paid to the Department.

J. H.B. 2700 (Conference). H.B. 2700 would amend statutes relating to persons who are prohibited from being employed by an adult care home or a home health agency. The bill would add certain specified crimes to the list of crimes that result in a prohibition on employment by the adult care home or home health agency. The bill also would allow the operator of an adult care home or home health agency to be deemed in compliance with the statute if the operator receives the same or better criminal history information from a private contractor approved by the Kansas Bureau of Investigation. In addition, the Secretary of Health and Environment would be required to provide each person who requests information about a potential adult care home or home health care employee the criminal history record information provided to the Secretary by the Kansas Bureau of Investigation, regardless of whether the information relates to an adult conviction or juvenile adjudication that is one of the crimes that would result in barring the potential employee from working for the adult care home or home health agency. Within three business days, the Secretary must inform the potential employer whether the criminal history information reveals that the subject of the information has not been convicted of an offense that would result in the subject being prohibited from being employed in an adult care home or home health agency.

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According to the Department of Health and Environment, the impact of the bill on the agency would be due to the short turnaround time in which to provide criminal history information (within three business days) and the fact that a copy of the criminal history information now would be required to be provided within three business days to each person who requests information about a potential adult care home or home health care employee. The Department is requesting a new position and \$34,026 from the State General Fund, which consists of \$23,180 for 1.0 FTE Office Assistant III and \$10,846 for other operating expenditures, including postage to mail the criminal history information in response to an estimated 30,000 requests per year.

K. GBA No. 2, Item 26, pg. 12—Infant Toddler Program Funding.

Department of Corrections

A. Community Corrections Funding (Senate and House Recommendation). Both committees recommended a review of community corrections funding during the omnibus session. The Governor's recommendation for community corrections funding in FY 2001 was a reduction of \$500,000 from funding in the current year and a reduction of almost \$2.0 million from the agency's current services request. Subsequent to the recommendation for omnibus consideration, the Conference Committee on **House Substitute for SB 323** added funding totaling \$1,629,484 (including \$879,484 SGF) for enhanced community corrections. Therefore, the grants will total \$15,342,159, an increase of \$1,151,040 over the current fiscal year.

B. El Dorado and Topeka Correctional Facility Capital Improvement Projects (Senate and House Recommendation). Both committees recommended a review of the current status of the inmate population projections and alternatives to prison expansion which might become available. Both Committees removed the Governor's recommended funding of \$17.3 million for new construction at El Dorado (\$10.0 million in bonds and \$7.3 million in federal Violent Offender Incarceration/Truth in Sentencing Grant funds). Subsequent to the recommendation for omnibus consideration, the Conference Committee on **House Sub. for SB 323** added funding for a number of capacity and prison bed space demand reductions which are discussed below. The only prison beds space expansion in the Conference Committee recommendation is remodeling of the J Cellhouse at Topeka, as well as a new laundry facility and staff training building.

C. SB 472 (Law). SB 472 modifies the penalty for conviction of a misdemeanor while on postrelease supervision, which requires the offender to be confined for not more than the remaining time of postrelease supervision as determined by the Kansas Parole Board. Old law requires the offender to serve for the conviction of either a new felony or misdemeanor the balance of their postrelease supervision without good time credits. SB 472 differentiates between new felony and misdemeanor convictions, and is more lenient for misdemeanors. The Kansas Sentencing Commission projects a 18-54 annual reduction in bed space needs and the Division of the Budget anticipates reduced Department of Corrections' SGF inmate operating expenditures between \$49,500 and \$148,500, annually.

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D. Topeka Correctional Facility (HB 2624 in Conference Committee). HB 2624 includes provisions of HB 3018 and SB 275 and provides correctional facility employees an incentive package to retain staff at the Reception and Diagnostic Unit as the duties are transferred to El Dorado Correctional Facility. The incentive package is modeled after the package provided employees of Topeka and Winfield State Hospitals and includes right of first refusal, continuation of health coverage and death benefits, and payment for accumulated sick leave. The Department of Corrections has proposed postponement of the transfer of the Reception and Diagnostic Unit until late in calendar year 2001, fiscal year 2002. Additional provisions provide for an 85 point (combination of age and years of service) retirement option for participants in KPERS Correctional retirement.

E. House Sub. for SB 323 (Conference Committee). The Senate Ways and Means and House Appropriations Conference Committee on SB 326, the appropriations bill for FY 2001 and FY 2002, recommended the consolidation of a number of issues related to adult corrections into an omnibus corrections bill.

Items contained in House Sub. for SB 323, the Corrections Mega Bill include the following:

1. Day Reporting Centers

Day reporting centers funding of \$1.9 million in FY 2001 for one-half year funding and \$3.8 million in FY 2002 for a full year funding. The Department of Corrections is required to contract for the operation of the centers because the federal crime bill funds (Violent Offender Incarceration/Truth in Sentencing grants) will fund the operation of programs if (a) they make available bedspace, and (b) if they are run by private companies. The plan anticipates three day reporting centers which include drug testing, reporting, and electronic monitoring in Kansas City, Topeka, and Wichita.

2. Community Corrections Funding Increase

Additional Community Corrections funding is included in two programs.

- a. \$750,000 for the Conditional Violator Grant which funds projects designed to divert offenders who would otherwise return to prison. The Governor did not fund the project after two years of funding. The grant is funded from the ending balance of the Correctional Industries fund.
- b. \$879,484 SGF increases the average daily population served by Community Corrections. The increase is based on funding the anticipated impact on local Community Corrections organizations of the proposed legislative package in this bill.

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3. New Construction

- a. Included is \$4.4 million in bonding authority for projects at the Topeka Correctional Facility to address the female inmate bedspace demands. Includes \$2,140,000 to renovate the J-Cellhouse (the current male reception and diagnostic unit), a new laundry (\$764,600), and a new staff training center (\$386,175). The last two items are a result of the intent to remove the minimum custody correctional unit from the grounds of the former Topeka State Hospital to facilitate the property's disposition. Included in the bonding authority as well is \$1.1 million to repair the fire damage of the Correctional Industries Building at Lansing Correctional Facility.
- b. A proviso is included in the bill prohibiting the Kansas Development Finance Authority from any bond issuance for prison construction without specific legislative authorization.
- c. Add \$300,000 from the Correctional Institutions Building Fund to renovate or construct program space at Larned Correctional Mental Health Facility for the Chemical Dependency Recovery Program. These funds, in addition to \$750,000 State Institutions Building Fund in the SRS budget for construction or renovation of housing for the sexual predators as well as \$568,000 shifted from the Larned hospital to the prison, will make 30 maximum custody prison cells available.

4. Legislation Changes

The Conference Committee includes the following legislation in Sub. for SB 323, all of which targets low-level, primarily non-violent offenders who tend to violate the conditions of their post release supervision or probation and occupy prison beds for a brief period of time which would otherwise be available for violent offenders. The anticipated bed space savings from the Kansas Sentencing Commission on the bill is 924 beds in FY 2001 by diverting offenders.

No part of the legislative proposal adjusts Sentencing Guidelines to reduce the length of time any offender is required to spend in prison.

- a. Sub. for HB 2683 passed the Senate on March 31, 2000. Contents of the bill include:
 - i. Prohibition on racial profiling
 - ii. SB 491 which passed the Senate but not the House
 - iii. Increases local jail time availability as a condition of probation from 30 to 120 days (not retroactive)
 - (1) Mandatory placement of probation conditional violators to community corrections or other alternative sanction (with public safety exception)
 - (2) Graduate and reduce some postrelease supervision lengths for some offenders (excludes N1-N4 and D1-D2)
 - iv. SB 665 which passed the Senate

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- (1) N9 and N10 probation condition violators not revoked to prison, but to an alternative sanction (retroactive)
- (2) Combine criminal history H and I (not retroactive)
- (3) Graduate probation periods for levels N8-10 and D3-D4 (retroactive)
- (4) No postrelease supervision for probation condition violators who serve sentence (excludes departures and sex offenders) (retroactive)

b. SB 490 passed the Senate and the House. The Senate version is included herein.

- i. Establishes a target population for community corrections programs and requires court services to establish a risk needs assessment to provide consistency of population, needs, and services, as well as the effectiveness of the programs.

Anticipated Fiscal Impact

The anticipated fiscal impact of the various provisions of Substitute for SB 323 are difficult to determine. The Division of the Budget and the Department of Corrections did not provide any information regarding fiscal impacts, other than to note offenders diverted from prison to community corrections might add \$2,653 per offender, the current per unit rate for community corrections, and offenders diverted from prison would decrease the prison cost at approximately \$5,500 per offender.

Neither the Division of the Budget nor the Department of Corrections provided any information regarding the bills' impact on diminished prison population growth, and subsequent operational and construction savings in the state's correctional system. In general, the fiscal impact on other agencies, local units of government, the judicial system are not available as well.

The fiscal impact data provided by the Division of the Budget and the Department of Corrections on the components of Sub. for SB 323, can be summarized briefly :

1. HB 2638 the prohibition against the practice of racial profiling by law enforcement would have no anticipated fiscal impact for the state.
2. SB 490 establishing the community corrections target population. The Division of the Budget fiscal note reported potentially off-setting funding shifts between prison costs and additional community corrections costs. Subsequent to the inclusion of SB 490 in Substitute for SB 323, the Office of Judicial Administration asserts additional costs of \$641,160 SGF to hire 20.0 additional court service officers to supervise an unspecified amount of offenders who may no longer be eligible for community corrections.

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3. SB 491 and SB 665 reducing supervision lengths and other modifications is without an overall fiscal impact statement from the Division of the Budget and the Department of Corrections. The administration presumes reduced bed space demands, estimated at 924 in FY 2001, and approximately 850 for each of the next nine years, which would be offset to some degree by increased costs to community corrections and court services. However, supervision lengths are reduced by one-half for many offenders, so caseload reductions must be considered as well for community corrections and court service supervision. Subsequent to the inclusion of SB 490, SB 665, and SB 491 in Sub. for SB 323, the Office of Judicial Administration asserts that court service caseloads warrant the addition of 61.0 court service officers and \$1,976,888 SGF, although the agency is not requesting the positions.

F. GBA No. 2, Item 37, Page 17—Capacity Expansion Project at Ellsworth Correctional Facility.

G. GBA No. 2, Item 38, Page 18—Federal Grant Award.

H. GBA No. 2, Item 39, Page 18—Offender Programs.

I. GBA No. 2, Item 40, Page 19—New Correctional Officer Position—Lansing Correctional Facility.

J. GBA No. 2, Item 41, Page 19—Delay RDU Relocation—El Dorado Correctional Facility.

Department of Wildlife and Parks

A. Technical Corrections. Inadvertently double counted the addition of \$391,621 Wildlife Fee Fund from the Governor's GBA No. 1. The agency appropriation should be reduced \$391,621 to properly reflect the Legislature's concurrence with the Governor's recommendation.

B. SB 568. (Law). Increases the total number of nonresident antlered deer firearm permits issued to not more than 10 percent (from the current 5.0 percent) of the total number of resident deer firearm permits authorized for a season in a management area. Non-resident deer archery permits are increased to 15 percent. Eliminates the cap on the nonresident antlerless deer firearm and archery permits in areas where no resident limit exists. The Secretary is allowed to issue no more than 50 percent of the total number of nonresident deer permits to landowners and tenants applying for them, but the permits may be transferred to any resident or nonresident. The bill further requires the establishment of a toll free telephone number to report crop damage allegedly due to big game, and to provide other big game permit information. Additional provisions impose increased penalties for the illegal taking of big game.

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The Department of Wildlife and Parks reports the increased issuance of hunting permits will bring in additional revenue to the Wildlife Fee Fund of \$921,010. Anticipated costs are estimated at \$14,280 Wildlife Fee Fund for the administration of new permitting as well as required hotline services and public notice provisions.

C. SB 316 (Conference Committee). SB 316 would require annual and temporary state park motor vehicle permit fees for those 65 years of age or older and individuals with disabilities at one-half the current fee rate (one-half rate=\$14.75). The bill also require seniors to pay one-half the current fee rate for hunting and fishing licenses (one-half=\$7.50), which was stricken on the House floor. The Department of Wildlife and Parks projects no anticipated increased expenditures from this bill, although Park Fee Fund revenues are projected to increase by as much as \$400,000 and licenses would provide as much as \$300,000 in state revenue and \$215,000 in federal funds.

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DIVISION OF THE BUDGET

Room 152-E
 State Capitol Building
 Topeka, Kansas 66612-1575
 (785) 296-2436
 FAX (785) 296-0231

Bill Graves
 Governor

Duane A. Goossen
 Director

February 15, 2000

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

and

The Honorable David Adkins, Chairperson
 House Committee on Appropriations
 Room 514-S, Statehouse

Dear Senator Kerr:

I offer the following corrections to the budget document submitted to the Legislature so that the intentions of the Governor can be reflected as accurately as possible. The adjustments correct errors made in posting the detailed budgets or publishing *The FY 2001 Governor's Budget Report*. Errors were identified through a cooperative process involving the Division of the Budget, state agencies, and your fiscal staff. We are thankful for their cooperation and assistance. Total adjustments to expenditures are shown below. The net effect is to increase the FY 2000 ending balance of the State General Fund by \$170,768. The balance at the end of FY 2001 is decreased by \$105,066. The adjustments add 7.8 FTE positions to FY 2001.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	(\$ 170,768)	\$ 275,834
All Funds	(\$ 565,226)	(\$ 904,968)

Sincerely,

Duane A. Goossen SENATE WAYS & MEANS COMMITTEE
 Director of the April 20-25, 2000
 Attachment 11

Kansas Lottery

1. Salaries & Wages Technical Correction

A total of \$93,032 from the Lottery Operating Fund is increased in the budget of the Kansas Lottery in FY 2000. When the agency submitted its budget in September 1999, a revised estimate for salaries and wages was included to reflect an updated calculation of these costs. However, these adjustments were inadvertently left out of the Governor's recommendation, as published.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>93,032</u>	<u>--</u>
All Funds	\$ 93,032	\$ --

Kansas Corporation Commission

2. Motor Carrier License Fee Fund, KSIP Account

A total of \$20,918 from the Kansas Savings Incentive Program account of the Motor Carrier License Fees Fund is removed from the FY 2001 budget of the Kansas Corporation Commission for capital outlay. This reduction to *The FY 2001 Governor's Budget Report* will correct an overfunding from this account.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>(20,918)</u>
All Funds	\$ --	(\$ 20,918)

Kansas Department of Revenue

3. Retirement Reduction Correction

In the FY 2001 budget for the Department of Revenue, 2.0 FTE positions that should have been deleted under the Retirement Reduction Program were inadvertently left in. Therefore, the FTE limitation should be 1,157.0 instead of 1,159.0.

State Treasurer's Office

4. Local Ad Valorem Tax Reduction (LAVTR) Payments

The Governor recommended \$58,072,063 from the State General Fund in FY 2000 for the LAVTR demand transfer payment. The FY 2001 recommendation of \$54,297,378 represents a 6.5 percent reduction from the FY 2000 amount. The second and final LAVTR transfer payment for FY 2000 was made after the Governor's budget was presented to the Legislature. The second payment was \$169,092 less than had been expected, resulting in a total FY 2000 amount of \$57,902,971. This correction to *The FY 2001 Governor's Budget Report* changes FY 2000 to the actual payment and adjusts the FY 2001 payment to \$54,139,278 accordingly.

	FY 2000	FY 2001
State General Fund	(\$ 169,092)	(\$ 158,100)
All Other Funds	--	--
All Funds	(\$ 169,092)	(\$ 158,100)

Social and Rehabilitation Services

5. Expansion of Services for Battered Women

A total of \$590,445 was left out of *The FY 2001 Governor's Budget Report* for the statewide expansion of services, targeting victims of domestic violence who are currently receiving assistance from the Temporary Assistance for Families Program. By making specialized services available from the point of application, participants who have been battered are able to take advantage of work program activities more effectively and consistently, enter and retain employment, and avoid returning to assistance because of violence. A pilot program was begun in FY 2000 at the Topeka Area Office, and this recommendation expands the domestic violence prevention project to eight new sites.

	FY 2000	FY 2001
State General Fund	\$ --	\$ --
TANF Fund	--	590,445
All Funds	\$ --	\$ 590,445

6. Retirement Reduction Correction

A total of 2.2 FTE positions whose incumbents retired under the Retirement Reduction Program and were not restored in FY 1999 were left in *The FY 2001 Governor's Budget Report*. The money budgeted for these positions has already been captured and the FTE position limitation should be adjusted accordingly. As a result, the recommended FTE positions should total 3,896.6 in FY 2001.

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7. Federal Dollars Not Deleted

In the Substance Abuse, Mental Health and Developmental Disabilities Commission of the SRS budget, funding of \$750,000 from the State General Fund was reduced in both FY 2000 and FY 2001 to eliminate a case management program for the homeless. However, federal matching funds of \$509,147 in FY 2000 and \$440,000 in FY 2001 were not reduced. This correction to *The FY 2001 Governor's Budget Report* will delete these amounts from the agency's budget.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
Federal Medicaid Fund	(509,147)	(440,000)
All Funds	(\$ 509,147)	(\$ 440,000)

Department of Human Resources

8. Renovation of Agency Headquarters

The Department has been given approval to proceed with renovation of its headquarters in FY 2001. An architect's review has been undertaken and the agency will bond the \$1.9 million project, with debt service to be paid from federal funds. In *The FY 2001 Governor's Budget Report*, the \$1.9 million was shown as the budgeted expenditure for the entire project. Instead, the projected debt service should have been shown, which is currently estimated to be \$248,707 in FY 2001. The correction to the budgeted expenditures changes the \$1,905,000 to non-reportable expenditures and shows the debt service in its place. This correction to *The FY 2001 Governor's Budget Report* will reduce the reportable budgeted expenditures of the agency in FY 2001.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	--	(1,656,293)
All Funds	\$ --	(\$ 1,656,293)

Regents Universities

9. Retirement Fringe Benefit Calculations

The Governor's recommendations regarding the KPERS Death and Disability Benefit were incorrectly calculated for those employees under the Regents Retirement System (commonly referred to as TIAA). Removing the 0.6 percent for the proposed one-year moratorium on employer contributions is a 5.82 percent reduction to the fringe rate, rather than the 7.4 percent originally calculated. The corrections to *The FY 2001 Governor's Budget Report*, noted below by university, will increase total expenditures of the agencies in FY 2001.

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University of Kansas	\$119,389
University of Kansas Medical Center	58,841
Kansas State University	85,279
KSU—ESARP	26,547
KSU—Veterinary Medical Center	9,293
Wichita State University	15,183
Emporia State University	22,445
Pittsburg State University	26,043
Fort Hays State University	<u>21,641</u>
Total	\$384,661

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ 384,661
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 384,661

Pittsburg State University

10. Retirement Reduction Correction

A total of 1.0 FTE position was, by error, not deleted from the University's budget in FY 2001 when the University experienced a retirement in FY 2000. This correction to *The FY 2001 Governor's Budget Report* will reduce the University's FTE positions by 1.0.

Kansas State University—ESARP

11. Federal Retirement Benefits

When calculating changes to the KPERS contribution for this agency, an incorrect change was made to the benefits of Extension employees who are under one of two federal retirement programs rather than KPERS. The changes recommended under the Governor's budget should not have affected these fringe benefits; therefore, \$49,273 should be restored to this agency's budget from the State General Fund. This correction to *The FY 2001 Governor's Budget Report* will increase total expenditures of the agency in FY 2001.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ 49,273
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 49,273

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Kansas School for the Blind

12. KSIP Account Overfunding

For FY 2000, the Governor intended to recommend that the agency expend \$10,000 from its State General Fund KSIP account. However, the recommendation incorrectly allowed the school to expend \$11,676, or \$1,676 in KSIP funds that were not actually available. This correction to *The FY 2001 Governor's Budget Report* adjusts the FY 2000 expenditures accordingly.

	FY 2000	FY 2001
State General Fund	(\$ 1,676)	\$ --
All Other Funds	--	--
All Funds	(\$ 1,676)	\$ --

Department of Corrections

13. Additional FTE Positions

A total of 12.0 FTE positions and the salaries and wages supporting them were eliminated from the correctional facilities listed below in the Governor's original recommendation. After the recommendation was published, however, the Department requested restoration of the positions but without the applicable dollars. Therefore, the Governor amends *The FY 2001 Governor's Budget Report* to restore the 12.0 FTE positions to the correctional facilities' budgets.

	FY 2001
Ellsworth Correctional Facility	2.0
El Dorado Correctional Facility	1.0
Hutchinson Correctional Facility	1.5
Lansing Correctional Facility	2.5
Larned Correctional Mental Health Facility	1.0
Norton Correctional Facility	2.0
Topeka Correctional Facility	1.0
Winfield Correctional Facility	1.0
Total	12.0

Department of Wildlife and Parks

14. Retirement Reduction Correction

A total of \$50,953 from the Wildlife Fee Fund along with 1.0 FTE position are added to the FY 2001 budget for salaries and wages in the Department of Wildlife and Parks. This

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position and the associated funding were originally part of the approved budget as FY 2000 began. However, they were omitted from the budget estimate that the agency submitted in September 1999, and the omission was not discovered until after the Governor's budget was published.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>50,953</u>
All Funds	\$ --	\$ 50,953

15. Restore Funding

A total of \$21,657 from the Federal Grants Fund is added to the FY 2000 budget of the Department of Wildlife and Parks, and \$340,668 from the Wildlife Fee Fund is added to the FY 2001 budget for other operating expenditures. These funds were intended to be part of the Governor's recommendation but were inadvertently omitted. These additions to *The FY 2001 Governor's Budget Report* will correct the underfunding.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>21,657</u>	<u>340,668</u>
All Funds	\$ 21,657	\$ 340,668

16. Boating Fee Fund, KSIP Account

The Governor's recommendation was intended to include \$45,657 from the main account of the Boating Fee Fund for FY 2001 for capital outlay. However, this expenditure was inadvertently attributed to the Kansas Savings Incentive Program account of the Boating Fee Fund. When the error was discovered, the expenditure from the Boating Fee Fund was reported correctly, but the KSIP account should have been reduced by the same amount.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>(45,657)</u>
All Funds	\$ --	(\$ 45,657)

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STATE OF KANSAS

BILL GRAVES, Governor
State Capitol, 2nd Floor
Topeka, Kansas 66612-1590



(785) 296-3232
1-800-748-4408
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OFFICE OF THE GOVERNOR

April 19, 2000

The Honorable David Adkins, Chairperson
House Committee on Appropriations
Room 514-S, Statehouse

and

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

Dear Representative Adkins:

I amend my budget to decrease State General Fund expenditures by \$700,398 for FY 2000 and by \$19,918,574 for FY 2001. These adjustments will result in an increase of \$20,618,972 in the balance of the State General Fund by the end of FY 2001. My amended budget would also change the number of positions in state government. For FY 2000, there will be an increase of 10.0 FTE positions. For FY 2001, there will be a net reduction of 94.0 FTE positions.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	(\$ 700,398)	(\$19,918,574)
All Funds	\$15,315,267	\$87,976,545
FTE Positions	10.0	(94.0)

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

Sincerely,

BILL GRAVES
Governor

SENATE WAYS & MEANS COMMITTEE
April 20-25, 2000
Attachment 12

Racing & Gaming Commission

1. Camptown Racetrack

I amend my budget to finance the opening of the Camptown Racetrack, which is located in Frontenac. Expenditures of \$212,393 in FY 2000 and \$590,198 in FY 2001 are required from the State Racing Fund for the regulation of this facility. These estimates include the funding of 9.0 FTE positions, including 3.0 judges, 2.0 veterinarian assistants, 1.0 state auditor, 1.0 enforcement agent, 1.0 assistant animal health officer, and 1.0 licensing clerk. Revenues to the State Racing Fund are estimated at \$168,100 in FY 2000 and \$884,400 in FY 2001. Because revenues in excess of operating expenses in the State Racing Fund are transferred to the State Gaming Revenues Fund, it is estimated that \$294,202 would be transferred in FY 2001. After adjusting for the anticipated operating loss in FY 2000, it is estimated that \$249,909 will ultimately be transferred to the State General Fund from excess revenues of the State Racing Fund and the State Gaming Revenues Fund in FY 2001.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>212,393</u>	<u>590,198</u>
All Funds	\$ 212,393	\$ 590,198

Kansas Lottery

2. Lottery Accounting Change

I amend my budget to make the July 15, 2001 State Gaming Revenues Fund (SGRF) transfer from the Lottery Operating Fund account for sales in June 2001. This end of year transfer is estimated at \$4.5 million. In the prior fiscal year, the Legislature authorized only 11 transfers to the SGRF, and this recommendation would reestablish the original transfer schedule. Because it will be credited in FY 2001, the \$4.5 million transfer will ultimately be shifted to the State General Fund, since any revenues greater than \$50.0 million that the SGRF receives in any one fiscal year is transferred to the State General Fund.

Office of the Governor

3. Coordinator Position for Workforce Development Issues

At the request of the Kansas Workforce Investment Partnership Council, I amend my budget to add a position to my office to serve as a coordinator of the state's workforce development issues. Rather than adding a new position, an FTE position will be shifted from the Department of Human Resources to my office. Funding for the position and meetings of the Kansas Workforce Investment Partnership (KWIP) Council will be reimbursed on a pro rata basis from the four key agencies with funding for workforce issues: the Department of Human Resources, the Department of Commerce and Housing, the Department of Social and

Rehabilitation Services, and the Board of Regents. A new fund, the Special Programs Fund, has already been established for this purpose in the regular appropriations bill for FY 2001.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>115,145</u>
All Funds	--	\$ 115,145

Department of Administration

4. State Emergency Fund Transfer

During the 1999 Legislative Session, at the initiation of the Division of the Budget, I proposed the establishment of a mechanism for financing the state's costs associated with natural disasters up to \$10.0 million in any fiscal year when the Legislature is not in session. Under current law, the State Finance Council is restricted to approving whatever funds are available in the State Emergency Fund. The mechanism, embodied in 1999 SB 100, will allow the Director of the Budget to certify any deficiency in funding to implement an emergency action by a unanimous vote of the Council. With this certification, the Director of Accounts and Reports will transfer the necessary funds from the State General Fund to the State Emergency Fund to cover any shortfall, which is the same process currently used to finance tort claims.

Upon passage of the bill, the necessity for maintaining a high balance in the State Emergency Fund would be removed. SB 100 has now been signed into law. Therefore, I recommend transferring \$1,950,000 of the current \$2.0 million unencumbered balance in the fund to the State General Fund, leaving \$50,000 for a small emergency or for payment of rewards I have offered for information leading to the apprehension of wanted criminals.

5. Cost Increases at the State Motor Pool

I amend by budget to increase the expenditure limitation on the Central Motor Pool Service Fund by \$424,282 for FY 2000. The corresponding increase in costs for FY 2001 totals \$148,819. However, because the expenditure limitation is recommended to be "no limit" starting in FY 2001, no change is necessary to the appropriations bill for that year. The premium on insurance for vehicles in the pool has increased by \$40,423 to \$252,624 for FY 2000 and is projected to increase by \$36,258 to \$253,350 for FY 2001. These amounts result from unanticipated cost increases in liability coverage. Second is an increase of \$407,287 to \$1,366,297 in fuel costs for FY 2000 and an increase of \$112,561 to \$1,144,332 for FY 2001. These amounts reflect the recent price increases that have occurred nationwide. Savings of \$23,428 in vehicle repairs, on the other hand, will partially offset these increases. There are sufficient balances in the fund to accommodate the net increase in costs. For budgeting purposes, the operations of the Motor Pool are non-reportable expenditures in the Department of Administration.

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Secretary of State

6. Recapture Presidential Primary Cost

I amend my budget to recapture \$1.5 million from the State General Fund, which was included in my recommended expenditures for the Secretary of State in FY 2000. Although I strongly supported a Kansas Presidential Primary, there was not legislative approval to permit this expenditure in the current year. Moreover, the scheduled April 4th date for the primary has passed.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	(\$ 1,500,000)	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	(\$ 1,500,000)	\$ --

7. Census Adjustment Operating Costs

I amend my budget to finance operating expenditures of \$20,000 in FY 2000 and \$320,156 in FY 2001 from the State General Fund so that the Secretary of State can perform the required adjustment of federal census data. This adjustment is needed to account for student and military personnel who are stationed in localities in the state that differ from their permanent residence and to assist with redistricting. The Secretary of State and Kansas Legislative Research Department have contracted with a private vendor to develop the needed databases that will recalculate population figures and assist with the computerization of legislative redistricting that will occur in FY 2002.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ 20,000	\$ 320,156
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 20,000	\$ 320,156

Department of Commerce and Housing

8. Sports Hall of Fame

I amend my FY 2000 budget to include \$50,000 from the Economic Development Initiatives Fund for the Department of Commerce and Housing. The funds will be used for the continued operations of the Kansas Sports Hall of Fame.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>50,000</u>	<u>--</u>
All Funds	\$ 50,000	\$ --

Department of Revenue

9. Legal Defense Costs

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

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ 50,000	\$ --
All Other Funds	--	--
All Funds	<u>\$ 50,000</u>	<u>\$ --</u>

10. Increase Compliance Activities

I amend my budget to add to \$570,000 from the State General Fund to allow the Department to retain 14.0 existing positions in tax collections. The Department indicates that receivables that have been identified during the current tax season could be pursued with these positions. The Department states that if it receives this funding, \$8,550,000 in increased revenues to the State General Fund would be captured.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ 570,000
All Other Funds	--	--
All Funds	<u>\$ --</u>	<u>\$ 570,000</u>

State Treasurer

11. Bond Services Fees

HB 2648, passed by the 2000 Legislature, redirects approximately \$450,000 in revenue from the State General Fund to the State Treasurer's Bond Services Fee Fund beginning with FY 2001. The revenue comes from bond transfer fees generated by the State Treasurer's Office. *The FY 2001 Governor's Budget Report* provides \$417,691, including \$398,591 from the State General Fund and \$19,100 from the Bond Services Fund, for the Treasurer's Municipal Bond Services Program in FY 2001. I amend my budget to reduce the State General Fund budget for that program by \$300,000 and to increase expenditures from the Bond Services Fee Fund by the same amount, using the new revenue coming to that fund. This will provide for the establishment of an adequate balance in the Bond Services Fee Fund during FY 2001, allowing the program to be financed completely by the fee fund beginning with FY 2002.

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	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	(\$ 300,000)
All Other Funds	<u>--</u>	<u>300,000</u>
All Funds	\$ --	\$ --

Social and Rehabilitation Services

12. Medical and Public Assistance Caseloads

I amend my FY 2000 budget to reflect changes in caseloads and the cost of assistance programs. These adjustments are the result of consensus caseload estimates that included the staff of the Department of Social and Rehabilitation Services, Legislative Research, and the Division of the Budget. The consensus estimates were limited to Medical Assistance, Temporary Assistance to Families, General Assistance, and Nursing Facilities for Mental Health. This amendment includes a net increase of \$8,990,000 in FY 2000, of which \$25,031 is from the State General Fund. These adjustments include \$10.0 million in additional federal reimbursements for Medical Assistance, a savings of \$1.14 million to reflect further population reductions in the Temporary Assistance to Families Program and \$130,000 for a small increase in the number of persons receiving General Assistance. The State General Fund portion for Medical Assistance is expected to remain the same, while funding adjustments for General Assistance and savings for the state share for clients served by Nursing Facilities for Mental Health resulted in a net increase of \$25,031.

For FY 2001, I amend my budget to reflect a net increase of \$16,892,000, of which \$3,506,944 is from the State General Fund. Population reductions in Temporary Assistance to Families are expected to continue for savings of \$1,410,000, all of which will be in federal funds. The number of persons receiving General Assistance is expected to increase at a cost of \$130,000, all from the State General Fund. Medical Caseloads are expected to increase \$18,186,000, of which \$3,509,385 is from the State General Fund. This adjustment is due primarily to HMO rate increases, which were needed to ensure continued federal matching participation and for additional federal reimbursements. Nursing Facilities for Mental Health were adjusted slightly for savings of \$14,000. The state portion of this population is expected to decrease slightly for savings of \$132,441 from the State General Fund.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ 25,031	\$ 3,506,944
All Other Funds	<u>8,964,969</u>	<u>13,385,056</u>
All Funds	\$ 8,990,000	\$ 16,892,000

13. Shift Public Assistance Caseload Savings to State General Fund

I amend my budget to capture \$1.1 million in savings to the State General Fund as a result of population reductions in the public assistance caseloads in both FY 2000 and FY 2001. Kansas must spend approximately \$62.0 million in state funds annually to receive the entire

\$101.9 million federal TANF Block Grant. The state expenditure fulfilling this requirement is termed the Maintenance of Effort (MOE). State administrative expenditures are counted as part of the MOE and vary with the commitment of staff time devoted to family support and preservation. Staff time and effort are estimated by statistically random surveys in which staff members are asked to name the programs they are working with. Recent quarterly data display a marked increase in family support and preservation involvement. The resulting increase in state expenditures attributable to a TANF activity therefore places the state over the \$62.0 million minimum requirement. Consequently, SRS may reduce state funds from another TANF MOE source to realize the state savings. Reducing the state funds budgeted in the Temporary Assistance for Families Program is the most direct method to accomplish this transaction.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	(\$ 1,140,000)	(\$ 1,140,000)
All Other Funds	<u>1,140,000</u>	<u>1,140,000</u>
All Funds	\$ --	\$ --

14. Foster Care

In my original budget recommendations, I had proposed statutory changes to the Children in Need of Care code to divert children who are non-abused or neglected out of foster care and into community services. My proposal would have diverted an estimated 1,200 children out of the foster care system and into newly created programs designed to address their needs while keeping them in their homes. My recommendations for this reform were included in SB 633 as it was introduced, and the estimated savings to the budget totaled \$10,253,275, of which \$6.0 million was from the State General Fund.

Since that time, considerable discussion and review of SRS policies indicate that there are several changes it can make to its current practices that would divert children from being placed out-of-home without any statutory changes. To this end, I amend my budget to restore half of the savings in anticipation of these changes. My recommendations assume that these internal policy changes will divert approximately 600 children out of the foster care system.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ 3,000,000
All Other Funds	<u>--</u>	<u>2,126,637</u>
All Funds	\$ --	\$ 5,126,637

15. Savings in the Medicaid Program

I amend my budget to capture savings in the Medicaid Program for policy changes made since my original recommendations were made. The savings include \$750,000 in adult protective services, which was shifted to federal monies; \$1,660,000 for implementation of the maximum allowable cost pricing for generic drugs; and \$525,000 to reflect new federal regulations regarding the reimbursement to federal qualified health centers and rural health clinics. My adjustments include a total of \$1,624,000 in savings from the State General Fund.

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	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	(\$ 1,624,000)
All Other Funds	--	(1,311,000)
All Funds	\$ --	(\$ 2,935,000)

16. Home and Community Based Services Programs Fund

I amend my budget to provide \$15.0 million from all funding sources, including \$6.0 million from the HCBS Programs Fund that was created in conjunction with the Intergovernmental Transfer Program. Total funding for the HCBS Waiver for the Physically Disabled will be \$3,750,000, including \$1.5 million from the HCBS Programs Fund. Total funding for the HCBS Waiver for the Developmentally Disabled will be \$11,250,000, including \$4.5 million from the HCBS Programs Fund.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	--	15,000,000
All Funds	\$ --	\$ 15,000,000

Department on Aging

17. Intergovernmental Transfer

I amend my budget to provide for the receipt of funding from the Kansas Intergovernmental Transfer Program (KSIT). First, a revenue transfer of \$25.0 million from the State General Fund to the newly created Flexible Spending Fund is necessary. In conjunction with this, expenditures from the State General Fund for the Home and Community Based Services Waiver for the Frail Elderly (HCBS/FE) are reduced by \$9.7 million and expenditures from the State General Fund for the Home and Community Based Services Waiver for the Developmentally Disabled (HCBS/DD) are reduced by \$15.3 million. Then expenditures of \$9.7 million for HCBS/FE and \$15.3 million for HCBS/DD will be funded from the newly created Medicaid Match Fund. If no funding is received under the KSIT Program in FY 2001, the \$25.0 million from the Flexible Spending Fund will be transferred to the Medicaid Match Fund to cover expenditures on the waivers.

If funding is received under the KSIT Program, I amend my budget to distribute the proceeds as follows in FY 2001:

- 60.0 percent -- \$72.0 million -- Senior Services Trust Fund
- 25.0 percent -- \$30.0 million -- Medicaid Match Fund
- 10.0 percent -- \$12.0 million -- Nursing Facilities Loan and Grant Fund
- 5.0 percent -- \$ 6.0 million -- HCBS Programs Fund

If funding is received under the KSIT Program, I recommend that the proceeds be distributed as follows for FY 2002 and future years:

- 70.0 percent -- \$67.2 million -- Senior Services Trust Fund
- 30.0 percent -- \$28.8 million -- State General Fund
- 5.0 percent -- \$ 4.8 million -- Nursing Facilities Loan and Grant Fund

Department on Aging:	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	(\$ 9,700,000)
All Other Funds	--	<u>9,700,000</u>
All Funds	\$ --	\$ --

SRS:	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	(\$ 15,300,000)
All Other Funds	--	<u>15,300,000</u>
All Funds	\$ --	\$ --

18. New Funds

I amend my budget to provide for expenditures from the Kansas Intergovernmental Transfer Program. An additional line-item appropriation in the section for the Department on Aging is necessary to allow the agency to transfer state funds to the local nursing facilities. These transfers must be performed in order to draw down the federal funding. This new line item should be labeled "Kansas Intergovernmental Transfer Fund" and have unlimited expenditure authority.

An additional line-item appropriation in the section for the Department on Aging is necessary to allow the agency to start the Nursing Facilities Loan and Grant Program. This new line item should be labeled the "Nursing Facilities Loan and Grant Fund" and have an expenditure limitation of \$12.0 million in FY 2001 along with the following proviso:

Provided, That during the fiscal year ending June 30, 2001, no expenditures shall be made from the nursing facilities loan and grant fund except upon approval of the state finance council acting on this matter, which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>12,000,000</u>
All Funds	\$ --	\$ 12,000,000

19. Intergovernmental Expenditures

Pending approval from the federal Health Care Finance Administration, the Kansas Department on Aging will establish the Kansas Intergovernmental Transfer Program (KSIT).

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Under this new program the agency will draw down additional federal funds based on the differential between the current Medicaid reimbursement rates paid to nursing facilities and the maximum Medicare rate allowable for nursing facility reimbursement. The agency estimates that approximately \$120.0 million could be received under the program in FY 2001. Receipts for subsequent fiscal years are estimated at approximately \$96.0 million per year.

I amend my budget to provide for the expenditure of KSIT funds. First, a new line item in the appropriations bill in the section for the Department on Aging is necessary in order to facilitate expenditure of the earnings from the new Senior Services Trust Fund. This new line item should be labeled "Senior Pharmacy Program" and will appropriate the earnings only from the Senior Services Trust Fund to be used for the funding of a senior pharmacy program. The fund should have "no limit" expenditure authority in FY 2001.

Also in FY 2001, 25.0 percent of the KSIT funding will go into the new Medicaid Match Fund. Based on agency estimates for total program proceeds in FY 2001, 25.0 percent will be approximately \$30.0 million. I amend my budget to spend \$14.6 million to fund 85.0 percent of the special education excess costs, \$2.7 million to fund the Nursing Facilities Wage Pass-Through Program, and the remaining funds will be used to fund nursing facilities caseloads.

I also amend my budget to increase expenditures for the Nursing Facilities Program by \$10,400,000 million in FY 2000 and \$20,230,000 in FY 2001. These increases require funding from state sources of \$4.2 million in FY 2000 and \$8.1 million in FY 2001. This match will be provided through the Medicaid Match Fund. Since the KSIT funds will probably not be available until FY 2001, \$4.2 million from the State General Fund is added for the Nursing Facilities Program in FY 2000. Then, for FY 2001, funding from the State General Fund for the Nursing Facilities Program is reduced by \$4.2 million, and funding of \$12.3 million from the Medicaid Match Fund is added. These changes provide funding for the Nursing Facilities Program at the consensus caseload level and provide the required state match in both FY 2000 and FY 2001. I further amend my budget for FY 2001 to include the following language:

During the fiscal year ending June 30, 2001, no expenditures shall be made from the proceeds of the intergovernmental transfer program except upon approval of the state finance council acting on this matter, which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.

Department on Aging:	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ 4,160,000	(\$ 4,160,000)
All Other Funds	<u>6,240,000</u>	<u>14,952,000</u>
All Funds	\$ 10,400,000	\$ 10,792,000
Department of Education:	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>14,600,000</u>
All Funds	\$ --	\$ 14,600,000

20. HCBS/FE Waiver

I amend my budget to reduce the Home and Community Based Services for the Frail Elderly Waiver Program by \$1.8 million, including \$720,000 from the State General Fund, in FY 2000. For FY 2001, I amend my budget to reduce the waiver by \$1.6 million, including \$640,000 from the State General Fund. Expenditures for the program have not grown as quickly as was previously anticipated. The new funding levels are adequate to ensure there will not be a need for waiting lists for services.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	(\$ 720,000)	(\$ 640,000)
All Other Funds	(1,080,000)	(960,000)
All Funds	(\$ 1,800,000)	(\$ 1,600,000)

21. Transfer Language

I amend my budget to include language in FY 2000 that will allow the Department on Aging flexibility in managing its current year resources.

() During the fiscal year ending June 30, 2000, the secretary of aging, with the approval of the director of the budget, may transfer any part of any item of appropriation for the fiscal year ending June 30, 2000, from the state general fund for the department on aging to another item of appropriation for fiscal year 2000 from the state general fund for the department on aging. The secretary of aging shall transmit a copy of each such certification to the legislative research department.

22. KSIT Rate Setting Dollars

I amend my budget to increase the appropriation for the Department on Aging by \$64,480 in FY 2000. This funding will allow the agency to pay the contractor for rate setting for the Kansas State Intergovernmental Transfer Program in a timely manner. When the KSIT funds are available, \$64,480 will be reimbursed to the State General Fund in FY 2001 through a revenue transfer in accordance with the following language:

() On July 1, 2000, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$64,480 from the Intergovernmental Transfer Fund to the State General Fund.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ 64,480	\$ --
All Other Funds	--	--
All Funds	\$ 64,480	\$ --

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23. Operating Expenditures Correction

I amend my budget to lapse \$181,912 from the Department on Aging's KSIP account. I also amend my budget to appropriate \$181,912 to the Department on Aging administration account. This will allow the agency to operate as intended in my FY 2000 budget recommendation.

Department of Health and Environment**24. Infant Toddler Program Funding**

I amend my budget to shift expenditures of \$500,000 from state sources to federal funds in both FY 2000 and FY 2001 for the Infant Toddler Program. Adequate federal funds are available to offset funding of \$500,000 from the State General Fund. This recommendation does not affect the original budget recommendation for this program but simply shifts the funding source.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	(\$ 500,000)	(\$ 500,000)
All Other Funds	<u>500,000</u>	<u>500,000</u>
All Funds	\$ --	\$ --

Department of Revenue—Homestead**25. Property Tax Refunds**

I amend my budget for FY 2000 to add \$1,500,000 to the Homestead Property Tax Refund Program from the State General Fund to fund an increase in filings over the estimate in my original recommendations.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ 1,500,000	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 1,500,000	\$ --

Department of Human Resources**26. Authority to Relocate Office Space**

Changes in the federal Workforce Investment Act necessitate programmatic changes for the Department. I therefore recommend that the agency be given authority to work with the

Department of Administration in selling office buildings across the state. The following language is recommended for the appropriation bill:

() In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from any special revenue fund for the fiscal years ending June 30, 2000, and June 30, 2001, as authorized by this or other appropriation act of the 2000 regular session of the legislature, expenditures may be made by the Kansas department of human resources from moneys appropriated from any special revenue fund for fiscal year 2000 and fiscal year 2001 for the expenses of the sale, exchange, or other disposition conveying title for any portion or all of the properties owned throughout the state by the Kansas department of human resources: *Provided*, That such expenditures may be made and such sale, exchange or other disposition conveying title for any portion or all of the properties owned throughout the state by the Kansas department of human resources may be executed or otherwise effectuated only upon specific authorization by the state finance council acting on this matter, which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto: *Provided further*, That the net proceeds from the sale of any properties owned throughout the state by the Kansas department of human resources shall be deposited in the state treasury to the credit of the employment security administration fund of the Kansas department of human resources.

27. New Federal Funds

The federal Job Training Partnership Act (JTPA) grants are being phased out as the U.S. Department of Labor realigns its programs into a new grant referred to as the Workforce Investment Act (WIA). This change has been accommodated in the appropriation bill for FY 2001, but the agency has received notification of WIA monies available in the current year. I therefore recommend that two new funds, shown below, be established so that the agency can expend a portion of the grant in FY 2000. The agency estimates it will spend approximately \$200,000 in the current year.

Workforce investment act state operations fund.....No limit
 Workforce investment act non-state operations fund.....No limit

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>200,000</u>	<u>--</u>
All Funds	\$ 200,000	\$ --

Commission on Veterans' Affairs

28. Veterans Home Fee Fund Adjustments

I amend my budget to add \$1,169,156 in FY 2001 expenditures to the Kansas Veterans' Home from the Veterans Home Fee Fund. The additional expenditures are necessary for the Home to admit residents to the new facility more quickly. The expenditures will come from resident fees and federal reimbursements that are generated by filling beds faster than anticipated in my original FY 2001 recommendation.

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	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>1,169,156</u>
All Funds	<u>\$ --</u>	<u>\$ 1,169,156</u>

Department of Education

29. Increase Per Pupil State Aid

The FY 2001 Governor's Budget Report provides enough money through general and supplemental state aid to fund a base state aid per pupil (BSAPP) of \$3,757 in FY 2000 and \$3,807 in FY 2001 based on the school finance estimates generated on November 12, 1999. On April 6, 2000, the Department of Education, the Legislative Research Department, and the Division of the Budget met and revised the estimate of local property tax resources and pupil enrollment. The revised estimate reduced the state's funding responsibility by \$13.7 million.

I amend my budget by using the school finance savings and additional State General Fund dollars to finance base state aid per pupil (BSAPP) levels of \$3,770 for FY 2000 and \$3,820 for FY 2001. The budget amendment adds \$3,059,000 in FY 2000 and reduces the FY 2001 recommendation by \$911,000.

	<u>FY 2000</u>	<u>FY 2001</u>
General State Aid	\$ 2,480,000	(\$ 905,000)
Supplemental State Aid	<u>579,000</u>	<u>(6,000)</u>
Total	<u>\$ 3,059,000</u>	<u>(\$ 911,000)</u>

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ 3,059,000	(\$ 911,000)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	<u>\$ 3,059,000</u>	<u>(\$ 911,000)</u>

Kansas Public Employees Retirement System

30. KPERS School Retirement Contribution Costs

My original recommendation provided \$92,690,290 from the State General Fund to pay the KPERS employer contributions for school districts during the 1999-2000 school year. The recommendation was reduced by \$3.2 million when the Legislature applied the freeze on the 0.6 percent death and disability contribution to the last quarter of FY 2000. I have adopted that strategy. In addition, at a meeting attended by representatives from the Department of Education, Kansas Legislative Research, the Division of the Budget, and KPERS, it was

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determined that the budget for KPERS school employer contributions could be reduced another \$1,588,062 in FY 2000 and \$978,774 in FY 2001. The FY 2001 reduction is tied to the overpayment of employer contributions in FY 1998. I am amending my budget to recognize these State General Fund savings in both fiscal years.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	(\$ 1,588,062)	(\$ 978,774)
All Other Funds	--	--
All Funds	<u>(\$ 1,588,062)</u>	<u>(\$ 978,774)</u>

Regents Universities

31. Traditional General Fees Fund Adjustments

I amend my budget to adjust the recommended level of expenditures from General Fees Fund for FY 2000 and FY 2001 at those Regents institutions that are budgeted through the traditional method. My original recommendations have been revised on the basis of the spring semester data on student credit hours and tuition receipts. The adjustments are detailed by year and by institution in the table below. A negative number indicates a reduction in tuition dollars, requiring an additional State General Fund appropriation. The revisions reflect a total increase from the State General Fund of \$44,401 in FY 2000 and \$12,574 in FY 2001.

	<u>Available Tuition FY 2000</u>	<u>Available Tuition FY 2001</u>
Univ. of Kansas Medical Center	\$ --	\$ 65,451
Emporia State University	32,227	33,596
Pittsburg State University	(74,765)	(111,621)
Fort Hays State University	(1,863)	--
All Funds	<u>(\$ 44,401)</u>	<u>(\$ 12,574)</u>

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ 44,401	\$ 12,574
All Other Funds	(44,401)	(12,574)
All Funds	<u>\$ --</u>	<u>\$ --</u>

University of Kansas

32. Capital Improvement Projects

Since the institution's original budget request was submitted in September, the Board of Regents has approved additional capital improvement projects for the University of Kansas.

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First, the University intends to redirect \$560,000 from the Restricted Fees Fund in FY 2000 to remodel space occupied by the Dean of Liberal Arts and Sciences in Strong Hall. The remodeling includes the demolition of existing offices and reconstructing them in a more efficient design, as well as installation of a new central ventilation system. Second, the University requests bonding authority for a \$17.0 million student recreation and fitness center. Bonds will be sold in FY 2001, with debt service to begin in FY 2002. The debt service will be paid with student fees. I amend my budget to authorize these additional capital projects. No additional monies need to be added to the University's budget in either fiscal year.

University of Kansas Medical Center

33. Renovate Wahl Hall

The Board of Regents has approved the University of Kansas Medical Center to proceed with an application for a federal grant to renovate two floors of Wahl Hall East for the new Renal Institute. The project will include new lab infrastructure and more efficient mechanical and lighting systems. The institution will request \$1.8 million from the National Institute of Health to be matched with \$1.8 million from within the Medical Center's research overhead and rehabilitation and repair monies. I amend my budget to authorize the expenditure of the federal grant in FY 2001.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>1,800,000</u>
All Funds	\$ --	\$ <u>1,800,000</u>

Kansas State University

34. Authority to Issue Revenue Bonds for Ackert Hall Addition

A year ago, Kansas State was given authorization to issue up to \$1.5 million in revenue bonds for construction of an addition to Ackert Hall. The institution has not yet issued these bonds, so I recommend that the issuance of up to \$1.5 million in bonds for this project be reauthorized. The bonds will be repaid with restricted fees. In order to make debt service payments on the \$1.5 million, I amend my budget to include \$232,019 from restricted fees for FY 2001.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>232,019</u>
All Funds	\$ --	\$ <u>232,019</u>

State Historical Society

35. Capital Improvement Project

The Historical Society now has plans in place to make ADA improvements to the First Territorial Capitol. Therefore, I recommend the addition of the following proviso to ensure that this project is completed from existing resources during FY 2001.

Provided That, of the monies available in the museum and historic sites visitor donation fund and the EDIF visitor donation match fund, \$71,000 shall be spent for ADA improvements at the first territorial capitol historic site for the fiscal year ending June 30, 2001.

State Library

36. Children's Access Network

I amend my budget to finance operating expenditures of \$70,000 in FY 2001 from the Children's Initiatives Fund for maintenance and operation of the Community Access Network. This network provides easily accessible information regarding services for victims of domestic violence. The Community Access Network has been recommended by the Children's Cabinet, the Governor's Advisory Committee for Children and Families, and the Office of the Attorney General. In addition to providing access, this network can be used as an evaluation tool by government officials to assess service distribution and effectiveness.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>70,000</u>
All Funds	\$ --	\$ 70,000

Ellsworth Correctional Facility

37. Capacity Expansion

In order to address capacity issues in the state's correctional system, I amend my FY 2001 budget to add \$6,177,517, including \$5,559,765 in Violent Offender Incarceration and Truth-in-Sentencing Incentive Grants and \$617,752 from the State General Fund. The funds will be used to construct a 100-bed maximum security unit at the Ellsworth Correctional Facility to lessen the impact of overcrowding problems.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ 617,752
All Other Funds	<u>--</u>	<u>5,559,765</u>
All Funds	\$ --	\$ 6,177,517

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Department of Corrections

38. Federal Grant Award

In FY 2001, the Department of Corrections will be awarded approximately \$990,000 under the State Criminal Alien Assistance Program (SCAAP). I amend my FY 2001 budget to divide these funds evenly among El Dorado, Hutchinson, and Lansing Correctional Facilities. The funds will be used to offset State General Fund operating expenditures by a like amount.

El Dorado Correctional Facility:	FY 2000	FY 2001
State General Fund	\$ --	(\$ 330,000)
All Other Funds	--	330,000
All Funds	\$ --	\$ --

Hutchinson Correction Facility:	FY 2000	FY 2001
State General Fund	\$ --	(\$ 330,000)
All Other Funds	--	330,000
All Funds	\$ --	\$ --

Lansing Correctional Facility:	FY 2000	FY 2001
State General Fund	\$ --	(\$ 330,000)
All Other Funds	--	330,000
All Funds	\$ --	\$ --

	FY 2000	FY 2001
State General Fund	\$ --	(\$ 990,000)
All Other Funds	--	990,000
All Funds	\$ --	\$ --

39. Offender Program

I amend my FY 2001 budget to allow the Department of Corrections to expend \$495,000 from the Inmate Benefit Fund for the purpose of partially operating the Therapeutic Community Substance Abuse Treatment Program at Lansing Correctional Facility. Currently, federal funds and the State General Fund finance the program. Monies deposited in this fund are considered off-budget; therefore, no budgeting adjustment is needed.

Lansing Correctional Facility

40. New Correctional Officer Position

I amend my budget to add 1.0 FTE Corrections Officer I position at a cost of \$26,233 for Lansing Correctional Facility for FY 2001. Impact Design, a private industry, will occupy the facility's new Industries Building and would like to implement a second shift of inmates for its operations. The company will finance the cost for the additional position.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>26,233</u>
All Funds	\$ --	\$ <u>26,233</u>

El Dorado Correctional Facility

41. Delay RDU Relocation

I amend my budget to finance additional operating expenditures in FY 2001 for El Dorado Correctional Facility if the new Reception and Diagnostic Unit (RDU) must be used for general population inmates. The new RDU at El Dorado is scheduled to be complete and operating by March 1, 2001. Based on population projections, the Department of Corrections may need the 256 maximum-security beds in the RDU to house general population inmates temporarily during FY 2001. The Department will reallocate \$604,914 and 6.5 FTE positions designated for the RDU transition in my FY 2001 recommendations for this purpose. In addition, I recommend appropriating \$253,086 from the State General Fund into a new account named the El Dorado Correctional Facility—RDU Housing account. The Department will be authorized to spend money from that account and add 60.5 FTE positions to operate the RDU for general population housing upon approval of the Director of the Budget.

Provided, That no expenditures from the El Dorado correctional facility—RDU housing account for the fiscal year ending June 30, 2001, shall be made without specific authorization by the director of the budget.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ 253,086
All Other Funds	--	--
All Funds	\$ --	\$ <u>253,086</u>

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Larned Correctional Mental Health Facility

42. Retirement Reduction Correction

I amend my budget to add 1.0 FTE position to Larned Correctional Mental Health Facility in FY 2000 and FY 2001. This position was deleted from the facility's budget in FY 1999 and inadvertently deleted again through the retirement reduction process. 1.0 FTE position will be added to Larned Correctional Mental Health Facility and expenditures from the State General Fund will be increased by \$1,988 in FY 2000 and \$26,610 in FY 2001.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ 1,988	\$ 26,610
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 1,988	\$ 26,610

Sentencing Commission

43. Criminal Justice Information System (CJIS)

I amend my budget to add \$168,786, including \$115,681 from the State General Fund, in FY 2000 for CJIS. The expenditure authority will allow the project to continue toward its anticipated completion. Authorization will be given to the Kansas Sentencing Commission to expend \$115,681 that is currently a limited reappropriation from the agency's State General Fund State Matching Fund account. The agency would also expend \$53,105 from its Forfeiture Fund for CJIS in FY 2000. In addition, \$18,294 in the State General Fund State Matching Fund account originally planned for expenditure for the Kansas Highway Patrol for CJIS is recommended to be shifted to CJIS core project costs in FY 2000. I further amend my budget to add \$211,296 from the State General Fund in FY 2001 to complete the CJIS project.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ 115,681	\$ 211,296
All Other Funds	<u>53,105</u>	<u>--</u>
All Funds	\$ 168,786	\$ 211,296

Adjutant General's Department

44. Disaster Relief Technical Correction

I amend my budget to shift \$60,000 in FY 2000 from the Adjutant General's State General Fund disaster relief account to the State General Fund operating expenditures account. This will correct a technical error included in SB 39.

Highway Patrol

45. Increased Gasoline Expenses

I amend my budget to add \$339,000, including \$203,400 from the State General Fund, to allow the Kansas Highway Patrol to pay for the increased costs of gasoline in FY 2000. The price of gasoline has risen substantially since the agency's budget was submitted in September 1999. The additional funding will allow the agency to patrol the road miles as included in my original budget recommendations.

	FY 2000	FY 2001
State General Fund	\$ 203,400	\$ --
All Other Funds	135,600	--
All Funds	\$ 339,000	\$ --

46. MCSAP Program Expansion

I amend my budget to allow the Kansas Highway Patrol to expend \$911,250 for the addition of 16.0 FTE positions in FY 2001 for expansion of the Motor Carrier Safety Assistance Program. The positions include 15.0 Trooper positions and 1.0 Office Specialist. The funding for this enhancement would be 80.0 percent from new federal funds and 20.0 percent from the Motor Carrier License Fee Fund of the Kansas Corporation Commission. The troopers would be assigned to Kansas highways that are primary routes for motor carriers operating in the state.

	FY 2000	FY 2001
State General Fund	\$ --	\$ --
All Other Funds	--	911,250
All Funds	\$ --	\$ 911,250

Emergency Medical Services

47. Operating Expenditures Correction

I amend my budget to lapse \$34,047 from the EMS Board's KSIP account. I also amend my budget to appropriate \$34,047 to the EMS operating account. The lapse amount included for State General Fund operating expenditures in SB 39 was in error and this action will correct the budget for the EMS Board.

48. Rural Health Options Grant Fund

I amend my budget to allow the EMS Board to expend monies from the Rural Health Options Grant Fund beginning in FY 2000 by raising the expenditure authority to "no limit." The agency will use the funding to conduct a study of rural emergency medical issues as they relate to community access hospitals.

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	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>10,000</u>	<u>--</u>
All Funds	\$ 10,000	\$ ---

Department of Agriculture

49. Agricultural Remediation Programs

I amend my budget to implement provisions of the SB 501, which creates the Remediation Linked Deposit Loan Program and the Remediation Reimbursement Program. I recommend expenditures of \$150,000 in FY 2001 from the Kansas Agricultural Remediation Board Fund to provide for operations of the newly established Kansas Agricultural Remediation Board. I recommend providing this funding for the Board's operations through the Department of Agriculture where support services and oversight would be provided. Furthermore, I amend my budget in FY 2001 to establish a new "no-limit" Kansas Agricultural Remediation Fund in the Department of Agriculture through which remediation reimbursement grants will be provided in accordance with SB 501. At this time I am not recommending any additional expenditures in the Department of Agriculture's budget, but instead provide the flexibility for grant expenditures as new fee revenues are deposited in the new fund. I also recommend expenditures of \$10,000 from the State General Fund in FY 2001 for the State Treasurer to establish administrative procedures for the loan packages and to develop the appropriate regulations as authorized by the bill.

Department of Agriculture:	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>150,000</u>
All Funds	\$ --	\$ 150,000

State Treasurer:	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ 10,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 10,000

Animal Health Department

50. National Poultry Improvement Plan

I amend my budget to have the Animal Health Department assume the responsibilities of the National Poultry Improvement Plan. Currently, Kansas State University manages the plan. In order to assume this new responsibility, I recommend that the Poultry Improvements Fee Fund with "no limit" expenditure authority be created in the Animal Health Department. The agency

estimates total expenditures of \$100 in FY 2000 and \$6,250 from this fund in FY 2001. No additional staff in the Department would be required to carry out the plan.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>100</u>	<u>6,250</u>
All Funds	\$ 100	\$ 6,250

Conservation Commission

51. Released Encumbrances of the State Water Plan Fund

I amend my budget to transfer \$395,000 from the State Water Plan Fund in the Kansas Water Office to the State General Fund in FY 2001. These funds are from prior year encumbrances of the State Conservation Commission that will be released at the end of FY 2000.

Water Office

52. Equus Beds Groundwater Research

I amend my budget to finance Equus Beds Groundwater Research from the State Water Plan Fund in the amount of \$70,000 in FY 2001. This request would fund a contract with Kansas State University, which would be the last of a four-year comprehensive study of the impact of hog lagoons on groundwater.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>70,000</u>
All Funds	\$ --	\$ 70,000

53. Water Marketing Fund

I amend my budget to transfer \$633,370 from the Water Marketing Fund in the Kansas Water Office to the State General Fund in FY 2001. This transfer is a partial prepayment on the loan that the State General Fund made in a prior fiscal year. By making this prepayment, the future cost of paying off the loan will decrease and could cause a small decrease in water rates.

12-23

Grain Inspection

54. Fee Fund

Of the \$852,447 that is currently in the Grain Inspection Fee Fund of the Department of Agriculture, I amend my budget to transfer \$426,224 to the State General Fund and \$426,223 to the Kansas Agricultural Remediation Board Fund in the Department of Agriculture in FY 2001. As a result, the Grain Inspection Fee Fund in the Department of Agriculture is abolished.

55. Grain Storage Tax Credit

I agree with the Legislature's action to extend my original proposal to expand the sales tax exemptions to include grain storage facilities for another year. State General Fund revenues are revised downward by \$342,000 in FY 2000 and by \$356,000 in FY 2001. In addition, the revenue to the State Highway Fund is revised downward by \$18,000 in FY 2000 and by \$19,000 in FY 2001. The sales tax exemption applies to materials and services used for constructing and repairing grain storage facilities and the railroad sidings which provide access to the facilities.

Selected Agencies

56. Revenue Loss—Production Loan

I amend my budget to account for the Agriculture Production Loan portion of Senate Substitute for HB 2527. This program, which would be overseen by the State Treasurer, would lend idle funds from the Pooled Money Investment Board at a 2.0 percent interest rate reduction to banks and certain farm credit institutions. These institutions would lend money for agriculture production loans to qualified borrowers at a rate up to 2.0 percent above the market rate. This provision will reduce State General Fund revenues in FY 2001 and each year thereafter by approximately \$1.0 million.

57. Four-Year Vacancies

2000 SB 39, Section 72(b), abolished FTE positions that, as of January 1, 2000, had been vacant for four years or more. The determination as to which positions met the criteria for abolishment was made by the Director of the Budget on March 7, 2000, in consultation with the Director of Personnel Services. Because the determination was made after the regular FY 2001 appropriations bill was introduced, these reductions for FY 2000 are not currently reflected in FY 2001. Therefore, I amend my budget to adjust FY 2001 accordingly. In making the deletions for FTE positions, the dollar savings for FY 2001 are captured as well. The agency, the number of FTE positions to be deleted, and the amounts to be reduced from budgets are listed below:

12-24

<u>Agency</u>	<u>FTE</u>	<u>SGF</u>	<u>All Funds</u>
Insurance Department	1.0	\$ --	\$ 57,139
Real Estate Commission	1.0	--	28,330
Kansas Neurological Institute	2.5	38,418	38,418
Larned State Hospital	3.0	--	69,112
Osawatomie State Hospital	1.0	--	31,595
Parsons State Hospital	1.0	23,800	34,000
Department of Human Resources*	26.2	--	--
Department of Corrections*	2.0	--	--
Total	37.7	\$62,218	\$258,594

* Only the FTE positions were budgeted, not the dollars.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ (62,218)
All Other Funds	--	(196,376)
All Funds	\$ --	\$ (258,594)

58. Three-Year Vacancies

2000 House Substitute for SB 326, Section 75(b), abolished FTE positions that, as of March 1, 2000, had been vacant for three years or more for FY 2001. However, because of a similar provision in SB 39 for four-year vacancies, this provision actually affects vacancies between 36 and 48 months. The determination as to which positions meet the criteria for abolishment has been made by the Director of the Budget, in consultation with the Director of Personnel Services. Therefore, I amend my budget for these deletions. The agency, the number of FTE positions deleted, and the amounts to be reduced from budgets are listed below:

<u>Agency</u>	<u>FTE</u>	<u>SGF</u>	<u>All Funds</u>
Department of Administration*	9.0	\$50,205	\$50,205
Insurance Department	1.0	--	34,042
Kansas Neurological Institute**	3.5	--	--
Larned State Hospital**	14.8	--	--
Osawatomie State Hospital	1.0	--	28,704
Department of Human Resources	4.0	--	123,650
School for the Deaf	1.0	27,975	27,975
Department of Corrections	1.0	--	32,240
Department of Transportation	3.0	--	102,955
Total	38.3	\$78,180	\$399,771

* Off Budget total equals \$110,102.

** Only the FTE were budgeted, not the dollars.

12-25

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	(\$ 78,180)
All Other Funds	--	(321,591)
All Funds	\$ --	(\$ 399,771)

59. KPERS Death and Disability Fourth Quarter Moratorium

I amend my budget to extend my recommended FY 2001 moratorium on death and disability contributions to include contributions made in the fourth quarter of FY 2000. I include in my recommendation only the reduction of State General Fund expenditures associated with this moratorium. The recommendation will reduce FY 2000 State General Fund expenditures by \$3,213,639 for the employer death and disability contributions made by the state on behalf of the schools and \$951,152 from various state agencies budgets for this purpose. The amounts by agency are contained in an attachment following this memorandum. These reductions are already deleted from the accounting system, so no further action is required.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	(\$ 4,164,791)	\$ --
All Other Funds	--	--
All Funds	(\$ 4,164,791)	\$ --

60. Elimination of KPERS Rate Freeze

I amend my budget to eliminate my original recommended FY 2001 "freeze" on the KPERS employer contribution rate. To implement my recommendation, I am restoring FY 2001 State General Fund expenditures of \$6,490,907 for the employer rate contributions made by the state on behalf of the schools and \$2,103,407 from various state agencies' budgets for this purpose. Included in the amount from state agency budgets is \$835,856 from other funding sources. The amounts, by agency, are contained in an attachment following this memorandum. The recommendation will also increase FY 2002 State General Fund expenditures by \$2.6 million because only three quarters of reduced KPERS school payments resulting from the rate freeze would have occurred in FY 2001.

	<u>FY 2000</u>	<u>FY 2001</u>
State General Fund	\$ --	\$ 8,594,314
All Other Funds	--	835,856
All Funds	\$ --	\$ 9,430,170

61. Retirement Reductions

I amend my budget to reduce expenditures in various agencies in FY 2000 and FY 2001 to reflect savings resulting from retirement reductions. In FY 2000, savings from retirements in addition to the amounts included in my original budget recommendations total \$697,627, of which \$331,526 is from the State General Fund. Full-year salary savings in FY 2001 for

positions that were eliminated through the retirement reduction process total \$1,490,039, including \$657,134 from the State General Fund. A total of 45.0 FTE positions will be reduced for FY 2001 that have occurred to date in FY 2000. The amounts by agency are contained in the attachment following this memorandum.

	FY 2000	FY 2001
State General Fund	(\$ 331,526)	(\$ 657,134)
All Other Funds	(366,101)	(832,905)
All Funds	(\$ 697,627)	(\$ 1,490,039)
Public Safety	1,396	1,396
Department of Corrections	2,041	2,041
El Dorado Correctional Facility	13,013	13,013
Edward Correctional Facility	83	83
Harrison Correctional Facility	23,840	23,840
Lanning Correctional Facility	1,222	1,222
Leland Correctional Facility	1,227	1,227
North Correctional Facility	1,030	1,030
Poplar Correctional Facility	1,269	1,269
Wichita Correctional Facility	122,219	122,219
Juvenile Justice Authority	1,778	1,778
Johnson Juvenile Correctional Facility	2,702	2,702
Boke Juvenile Correctional Facility	3,788	3,788
Leland Juvenile Correctional Facility	4,402	4,402
Torke Juvenile Correctional Facility	7,102	7,102
Adjuvant Center	1,309	1,309
Commissioner for Corrections	174	174
Paragon Medical Services Board	322	322
Highway Patrol	9,192	9,192
Kansas Bureau of Investigation	2,907	2,907
Kansas Parks Board	313	313
Seniors Commission	218	218
Total-Public Safety	64,322	64,322
108,139		
Human Resources		
Social & Rehabilitation Services	6,678	6,678
Kansas Psychological Institute	7,300	7,300
Leland State Hospital	8,322	8,322
Lawrence State Hospital	2,277	2,277
Lawrence State Hospital	2,421	2,421
Lawrence State Hospital & Training Center	1	1
Rainbow Mental Health Facility	3,687	3,687
Department on Aging	2,678	2,678
Health & Environment-Health	1,674	1,674
Department of Human Resources	3,274	3,274
Commission on Veterans Affairs	360	360
Kansas Governmental Program	108,139	108,139
Total-Human Resources	108,139	108,139
Education		
Department of Education	6,222	6,222
School for the Blind	7,770	7,770
School for the Deaf	7,022	7,022
Board of Regents	1,022	1,022
Emporia State University	22,119	22,119
Fort Hays State University	20,071	20,071
Kansas State University	118,724	118,724
22,708		
Total-Dependent	22,708	22,708

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Attachment for Item No. 59
Death and Disability Fourth Quarter Moratorium
FY 2000 SGF Reduction Amounts

General Government

Department of Administration	13,837
Attorney General	3,598
Dept. of Commerce & Housing	1,459
Governmental Ethics Commission	406
Office of the Governor	1,563
Kansas Human Rights Commission	1,005
Board of Indigents' Defense Services	7,617
Judicial Council	181
Judiciary	73,093
Kansas, Inc.	209
Legislative Coordinating Council	760
Legislative Division of Post Audit	1,396
Legislative Research Department	2,641
Legislature	13,013
Office of the Lieutenant Governor	83
Department of Revenue	25,840
Revisor of Statutes	1,892
Secretary of State	1,227
Board of Tax Appeals	1,930
State Treasurer	1,569
Total--General Government	153,319

Human Resources

Social & Rehabilitation Services	66,678
Kansas Neurological Institute	7,300
Larned State Hospital	8,372
Osawatomie State Hospital	2,577
Parsons St. Hospital & Training Ctr.	5,421
Rainbow Mental Health Facility	1
Department on Aging	3,687
Health & Environment--Health	8,679
Department of Human Resources	1,484
Commission on Veterans' Affairs	3,574
Kansas Guardianship Program	366
Total--Human Resources	108,139

Education

Department of Education	6,552
School for the Blind	3,770
School for the Deaf	7,035
Board of Regents	1,606
Emporia State University	29,719
Fort Hays State University	30,071
Kansas State University	114,724

Education (continued)

KSU--Veterinary Medical Center	13,893
Kansas State University--ESARP	64,175
Pittsburg State University	32,726
University of Kansas	141,412
KU Medical Center--Education	81,224
Wichita State University	68,659
Kansas Arts Commission	280
Historical Society	4,828
State Library	989
Total--Education	601,663

Public Safety

Department of Corrections	9,932
El Dorado Correctional Facility	1,344
Ellsworth Correctional Facility	2,250
Hutchinson Correctional Facility	2,858
Lansing Correctional Facility	3,300
Larned Correctional MH Facility	971
Norton Correctional Facility	1,634
Topeka Correctional Facility	2,461
Winfield Correctional Facility	991
Juvenile Justice Authority	1,778
Atchison Juvenile Correctional Fac.	3,792
Beloit Juvenile Correctional Fac.	3,756
Larned Juvenile Correctional Fac.	4,402
Topeka Juvenile Correctional Fac.	7,107
Adjutant General	1,999
Ombudsman for Corrections	174
Emergency Medical Services Board	552
Highway Patrol	9,195
Kansas Bureau of Investigation	5,096
Kansas Parole Board	513
Sentencing Commission	218
Total--Public Safety	64,323

Agriculture & Natural Resources

Department of Agriculture	9,839
Animal Health Department	434
State Conservation Commission	589
Health & Environment--Environ.	8,855
Kansas Water Office	1,357
Department of Wildlife & Parks	2,634
Total--Ag. & Natural Resources	23,708

Total Expenditures

951,152

12-28

Attachment for Item No. 60
Replacement of KPERS Rate Freeze Reductions
FY 2001 Agency Amounts

	<u>SGF</u>	<u>All Funds</u>		<u>SGF</u>	<u>All Funds</u>
General Government			Education (continued)		
Dept. of Administration (On Budget)	39,158	39,802	Fort Hays State University	25,334	25,334
Dept. of Administration (Off Budget)*	--	--	Kansas State University	95,819	95,819
Attorney General	13,808	9,313	Kansas State Vet Med Center	12,854	12,854
Banking	--	12,199	KSU--ESARP	134,490	134,490
CURB	--	808	Pittsburg State University	21,870	21,870
Dept. of Commerce and Housing	--	20,386	University of Kansas	99,408	99,408
Kansas Corporation Commission	--	31,563	KU Medical Center	58,748	58,748
Governmental Ethics Commission	1,325	1,325	Wichita State University	70,075	70,075
Governor	910	910	Arts Commission	1,247	1,247
Human Rights Commission	5,426	5,426	Historical Society	14,072	15,483
Board of Indigents' Defense	21,514	21,514	State Library	2,733	3,292
Insurance Department	--	22,435	Total--Education	593,902	614,069
Health Care Stabilization	--	2,097	Public Safety		
Judicial Council	525	700	Dept. of Corrections	34,105	38,464
Judiciary	105,551	111,343	El Dorado Correctional	3,742	3,742
KPERS	--	11,511	Ellsworth Correctional	3,924	3,924
KTEC	--	3,504	Hutchinson Correctional	8,333	8,333
Kansas, Inc.	--	812	Lansing Correctional	9,213	9,213
Legislative Coordinating Council	2,162	2,162	Larned Correctional MH	2,841	2,841
Legislative Post Audit	3,890	3,890	Norton Correctional	11,310	11,310
Legislative Research Dept.	6,903	6,903	Topeka Correctional	6,994	6,994
Legislature	12,512	12,512	Winfield Correctional	2,703	2,703
Lottery	--	12,097	Juvenile Justice Authority	5,284	5,668
Racing and Gaming Commission	--	8,958	Atchison Juv. Correctional	10,992	10,992
Dept. of Revenue	65,008	90,114	Beloit Juv. Correctional	10,879	11,016
Revisor of Statutes	5,300	5,300	Larned Juv. Correctional	12,713	13,465
Secretary of State	3,512	5,873	Topeka Juv. Correctional	20,172	21,072
Board of Tax Appeals	9,071	9,071	Adjutant General	5,352	26,165
State Treasurer	4,441	7,016	Ombudsman for Corrections	500	500
Total--General Government	301,016	459,544	Emergency Medical Services	1,707	1,707
Human Resources			State Fire Marshal	--	6,907
Dept. of Social and Rehab. Services	194,241	463,674	Kansas Highway Patrol	15,959	39,078
Kansas Neurological Institute	65,545	65,545	KBI	18,610	18,610
Larned State Hospital	80,759	80,759	Parole Board	1,114	1,114
Osawatomie State Hospital	53,496	53,496	Sentencing Commission	1,084	1,084
Parsons State Hospital	54,618	54,618	Total--Public Safety	187,531	244,902
Rainbow State Hospital	16,016	16,016	Agriculture and Natural Resources		
Dept. on Aging	20,593	20,593	Dept. of Agriculture	34,081	43,251
KDHE--Health	33,835	68,459	Animal Health Dept.	3,310	3,683
Dept. of Human Resources	3,884	121,302	Conservation Commission	1,714	1,982
Commission on Veterans' Affairs	31,476	31,614	KDHE--Environment	25,388	69,590
Total--Human Resources	554,463	976,076	Kansas State Fair	--	2,663
Education			Kansas Water Office	4,185	4,355
Department of Education	18,691	36,317	Kansas Wheat Comm.	--	1,168
School for the Blind	12,422	12,422	Dept. of Wildlife and Parks	7,140	53,154
School for the Deaf	20,692	20,692	Total--Ag. & Nat. Res.	75,818	179,846
Board of Regents	150	721	Transportation		
Emporia State University	5,297	5,297	Department of Transportation	390,677	390,677
			Total Expenditures	2,103,407	2,865,114

* Off Budget = \$74,149

12-29

**Attachment for Item No. 61
Retirement Reductions**

Agency	FY 2000		FY 2001		
	SGF	All Funds	SGF	All Funds	FTE
Dept. of Administration	\$17,716	\$105,924	\$54,415	\$142,743	5.0
Dept. of Revenue	—	7,262	—	22,880	1.0
Social and Rehabilitation Services	136,949	254,466	193,191	423,037	11.5
Kansas Neurological Institute	8,190	8,190	29,036	29,036	1.0
Larned State Hospital	8,556	8,556	41,646	41,646	1.0
Osawatomie State Hospital	15,576	31,151	40,375	80,750	2.0
Parsons State Hospital & T.C.	15,148	30,547	18,542	52,978	2.0
Health and Environment—Health	3,937	59,049	5,551	128,448	3.0
Emporia State University	10,034	10,034	28,121	28,121	1.0
University of Kansas	27,053	27,053	62,658	62,658	2.0
KU Med Center—Education	25,781	25,781	37,351	37,351	4.0
Wichita State University	6,142	10,323	19,108	52,170	1.5
State Historical Society	9,667	9,667	25,240	25,240	1.0
Dept. of Corrections	4,037	4,037	10,000	10,000	1.0
Hutchinson Correctional Facility	11,356	11,356	26,747	26,747	1.0
Topeka Correctional Facility	9,096	9,096	48,571	48,571	1.0
Dept. of Agriculture	12,444	17,704	16,582	26,069	1.0
Health & Environment—Environment	9,844	20,564	—	42,878	1.0
Dept. of Transportation	—	46,867	—	208,716	4.0
Statewide Total	\$331,526	\$697,627	\$657,134	\$1,490,039	45.0

12-30

TENTATIVE SCHEDULE FOR SENATE COMMITTEE ON WAYS AND MEANS

Paul West

State Treasurer
Department of
Administration
Department of Revenue
Regents Systemwide
Ft. Hays State University
Emporia State University
Pittsburg State University
KU Medical Center
Board of Regents
Department of
Commerce & Housing
Kansas Technology
Enterprise Corporation

Robert Waller

Kansas Bureau of
Investigation
Parole Board
Sentencing Commission
Adjutant General
Highway Patrol

Audrey Nogle

Behavioral Sciences
Regulatory Board
Department of Human
Resources
State Historical Society
Commission on
Human Rights
Homestead Property Tax
Refunds

Stuart Little

Department of
Corrections
Department of Wildlife &
Parks

Julian Efirid

KPERS
Kansas Department of
Transportation
Kansas Racing &
Gaming Commission
Kansas Lottery

Tom Severn

Citizens' Utility
Ratepayer Board
Kansas Corporation
Commissioner

Alan Conroy

Legislative Research
Legislature
Retirement
Reductions

Deb Hollon

Developmental
Disabilities Institutions
Mental Health Institutions
Kansas Guardianship
Program
Governmental Ethics
Commission
Secretary of State
Commission on Veterans
Affairs

Robert Chapman

Juvenile Justice Authority
Emergency Medical
Services
State Library
Board of Healing Arts

Leah Robinson

University of Kansas
K-State
KSU-Extension Systems
and Ag. Research
Programs

Kathie Sparks

Department of SRS
Department on Aging

Reed Holwegner

Department of
Agriculture
Kansas Agricultural
Remediation Board
Kansas Wheat
Commission
State Fair Board
Animal Health Dept.
State Conservation
Commission
Kansas Water Office
School for the Blind

Carolyn Rampey

Department of
Education
Judicial Branch
Attorney General
Department of Health
& Environment



STATE OF KANSAS

Tim Shallenburger

TREASURER

900 SW JACKSON ST. SUITE 201
TOPEKA, KANSAS 66612-1235TELEPHONE
(785) 296-3171

April 20, 2000

Senator Dave Kerr
Chairman of Senate Ways and Means Committee
State Capitol Building

RE: Omnibus bill

Dear Senator Kerr:

The State Treasurer's office has three requests that we would like you to consider:

✓ *yes* (1) Senate Bill 501 created the Agricultural Remediation Linked Deposit Program to be administered by the State Treasurer's office. We had submitted a fiscal impact note in the amount of \$10,000. That amount apparently is addressed in the GBA for FY 2001. However, the majority of our expenses (mainly legal and printing) are being incurred in FY 2000, since the bill takes effect July 1, 2000. We would request that the funding be shifted from FY 2001 back to FY 2000.

no (2) House Bill 2527 created the Agriculture Production Linked Deposit Program to be administered by the State Treasurer's office. The Treasurer's office was never asked to submit a fiscal impact note on this bill, however, we will be incurring similar expenses in the current fiscal year. We would request that an additional \$10,000 be added to our FY 2000 appropriations.

yes (3) Senate Bill 326 passed in the 1999 Legislative session created the Kansas Postsecondary Education Savings Program to be administered by the State Treasurer. Within that bill the Kansas Postsecondary Education Savings Program Trust fund was created which we envision would hold the funds deposited by account owners and invested by American Century Investment Company (ACI). The program will be self-funding and a process has been developed wherein ACI will reimburse the Treasurer's office for all expenses incurred. In order to keep the Treasurer's activity separate from the beneficiaries' activity, we are requesting that a separate fund, Kansas Postsecondary Education Savings Program Expense fund be created.

Senator Kerr
April 20, 200
Page Two

Thank you for your consideration of these matters. We are always available for clarification.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Shallenburger", with a long horizontal flourish extending to the right.

State Treasurer Tim Shallenburger

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- # 15
2. A proviso is recommended to the Department of Administration's budget which refers to the sale of the former Topeka State Hospital grounds. This proviso was also added to the Omnibus appropriation bill last year. The proviso states:

In addition to the purposes for which expenditures may be made by the above agency from the State Buildings Operating Fund for the fiscal year ending June 30, 2001, as authorized by section 20(b) of 2000 Senate Bill No. 639, expenditures may be made by the above agency from the State Buildings Operating Fund for fiscal year 2001 for relocation of Blind Services and the Kansas Industries for the Blind.

Department of Administration



State of Kansas
Department of Social
and Rehabilitation
Services

Janet Schalansky, Secretary

for additional information, contact:

OFFICE OF THE SECRETARY

Laura Howard, Chief of Staff
915 SW Harrison Street, Sixth Floor
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April 19, 2000

**Information Requested for the Omnibus Session
by the Social Services Budget Committee
and the Senate Ways and Means Committee**

**Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary**

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CSE ENFORCEMENT CONTRACTS

(House/SRS): Present plan prior to Omnibus for managing within existing resources based on Governor's reductions for enforcement contracts.

The Governor's recommendation for the Child Support Enforcement (CSE) program reduced \$3.1 million in state funds. It was not the intention to reduce overall CSE contract efforts by over \$9 million; however, this is the ultimate effect when matching federal funds are taken into account. The CSE program's state fund expenditures are matched at 66 percent.

The Legislature has restored \$300,000 in state funds which will go back into the CSE contracts. A portion of the state funds reduction (\$700,000) will still occur within CSE. The remaining reduction of \$2.1 million will be met by reductions in other state operations expenditures within SRS.

The CSE reduction is possible in part because privatization of the enforcement function in the Kansas CSE Program has proven successful since its implementation in January 1997. SRS established 21 competitively bid contracts with a variety of service providers including a county attorney, several district court trustees, private attorneys, and a large private corporation.

SRS has followed the recommendations of the Legislature and Legislative Post Audit in developing and monitoring CSE contracts. Specific performance criteria were included, and performance outcomes are monitored thoroughly at least every quarter. Overall program collections have increased, despite a dramatic (50 percent) reduction in the TAF portion of our caseload.

Currently, Kansas CSE provides services with an effective mix of state and county staff and private service providers. Although the number of state staff was reduced, the major value of privatization was to improve the level of CSE services without adding to the state work force. State CSE staff in areas with contracts continue to perform location and establishment functions and coordinate the entire package of services with our contractors. They monitor contractor services and act as a safety net for our customers if a contractor does not perform adequately. If necessary, state CSE workers can provide the full range of enforcement services for a limited time. This prevents any contractor from establishing inordinate leverage in contract negotiations because they have become the only option to maintain customer services. In areas with no contract, state CSE personnel do both establishment and enforcement work,

Under these performance-based contracts, payment is calculated as a percentage of public assistance and nonpublic assistance collections, with a cap on the amount paid for nonpublic assistance collections. The cap is to ensure service to public assistance-related cases, which typically require greater effort. While this approach has achieved many of its intended goals, it required several changes in the cap due to the decrease in public assistance-related cases. It also created a good deal of fiscal uncertainty for both contractors and the agency. With the changes

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to distribution mandated effective October 1, 2000, further complicating the tracking of collection categories and adding to the uncertainty, the agency now feels a need to stabilize expenditures for both, as well as exercise stewardship of the funds available.

Contracts were awarded for three years with an option to renew for two one-year extensions. At the end of the initial three years, contracts were not renewed in eight Judicial Districts. Seven of these have been rebid on a fixed price basis. SRS is providing services in the eighth Judicial District. The remaining contracts are scheduled to run through December 2000. When rebidding occurs on these contracts, it is expected that restructuring of contract responsibilities, increased competition, and the certainty of revenues will allow for reduced bids. If costs cannot be adequately reduced, prioritization of services would be used to ensure the most effective services which result in payments to children continue. Staff resources will be shifted to fill voids in contract services.

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TWO-PARENT WORK PARTICIPATION RATE

(House/SRS): Present a plan to the Committee prior to Omnibus on ways to meet the two-parent work participation requirement for FY 2001, including discussions with CMHCs, substance abuse centers, Kansas Legal Services, and the Department of Human Resources.

Background

The *TANF maintenance of effort* refers to the federal requirement that the State must spend a fixed amount of state general funds each year toward TANF programs. There are two penalties associated with falling short of the federally established two-parent work participation rate:

1. The TANF Block Grant could be reduced by up to \$190,000 for failing to meet the two-parent rate, and
2. A more substantial penalty involves the state's maintenance of effort levels. Federal provisions allow states to meet a lower TANF maintenance of effort requirement if work participation rates are met. For Kansas, the lower requirement is \$62 million, instead of \$65.9 million which must be spent if the work participation rates are not met. Kansas has budgeted the lower amount in anticipation of meeting the participation rates. Therefore, if Kansas fails the two-parent requirement, the State will also fail the MOE requirement and the penalties are severe. First, TANF funds would be reduced by the MOE shortfall (\$3.9 million). TANF funds would also be reduced by the amount of Welfare-to-Work funds received by the Kansas Department of Human Resources (\$3 million). Finally, the state would be obliged to spend state funds to compensate for the reduction in federal funds (\$6.9 million).

Projected Status of Two-Parent Work Participation

As shown in the table below, the department expects to meet the two-parent participation rate in Fiscal Year 2001, although meeting the requirement in Fiscal Year 2002 will be more difficult. States may reduce the work participation rate by the *caseload reduction factor* which gives credit to states which lower their caseloads. The *reduced work participation rate* is therefore the requirement which Kansas must meet.

Item	FY 1999	FY 2000	FY 2001	FY 2002
	Actual	Estimate	Estimate	Estimate
Federal minimum two-parent work participation rate	90.0%	90.0%	90.0%	90.0%
Less Kansas all families caseload reduction factor	-33.2%	-22.7%	-14.3%	-5.0%
Two-parent work participation rate Kansas must meet	56.8%	67.3%	75.7%	85.0%
Kansas two-parent work participation rate performance	64.9%	79.5%	84.0%	85.4%
<i>Above or Below federal work participation requirement</i>	<i>Above</i>	<i>Above</i>	<i>Above</i>	<i>Above</i>

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Plan to Meet Federal Requirements

A plan has been developed to avoid potential federal penalties surrounding the TANF two-parent work participation rate. The plan involves partnering with community agencies to increase client participation in a number of programs that promote the employability of two-parent TANF families, along with two actions that would address technical aspects of the requirement. The first of these actions is to minimize the two-parent participation rate requirement by using the larger, all families caseload reduction factor. The second action is to create a separate state-only two-parent program, thus eliminating the federal two-parent participation rate requirement. The following describes these steps in more detail:

1. **Work With Community Agencies to Provide Additional Services which Increase Participation**

The department has the support of multiple community and state agencies in meeting the federal work participation rates and helping parents resolve barriers to employment. Described below are some of the excellent partnerships currently in progress:

- **Community Mental Health Centers.** The community mental health centers have expanded their supported employment programs on a fee for service basis in order to accept more TANF recipients with mental illness into these programs. Local SRS offices have established provider agreements with the community mental health centers for this service. In addition, the community mental health centers conduct psychological evaluations of TANF adults to determine barriers to employment and help provide case management services for these adults in getting them to work.
- **Regional Alcohol and Drug Assessment Centers (RADACs).** Collaboration with the SRS Alcohol and Drug Abuse Services and the Regional Alcohol and Drug Assessment Centers has resulted in use of the *Substance Abuse Subtle Screening Inventory (SASSI)* test battery to screen all mandatory TANF work participants. This battery screens for substance abuse and facilitates referrals to Regional Alcohol and Drug Abuse Assessment Centers for further diagnosis and treatment when indicated. Completion of treatment plans is mandatory for work program participants. Most treatment plans include a 20-hour work requirement. As a result of the SASSI screenings, approximately 19 percent of the TANF work participants have been referred for further diagnosis. When it was noted that a significant number of TANF recipients were not going to their follow-up appointments with the RADACs, TANF funds were used to place one RADAC substance abuse specialist in each SRS Area Office to eliminate lag time between the SASSI screening and the follow-up appointment.
- **Job Training Providers.** Local SRS offices have established partnerships with community colleges, vocational-technical schools, and employers to develop

community job training programs which lead directly to employment for graduates. One example of such a partnership is the Kansas Legal Services Office Training & Assessment Program (OTAP), which provides short-term entry level clerical/computer training in Shawnee and Johnson counties. Other similar projects include Blue Cross, Sprint, Cessna Aircraft, DETAMAC, Hutchinson Hospital, El Centro, and Goodwill Industries.

- **Vocational Rehabilitation Services (VR).** The Career Development Centers under contract with Vocational Rehabilitation Services and private contractors provide vocational assessments of TANF recipients. Through collaboration, the department developed a specific work activity component which meets the federal work participation guidelines for those TANF recipients with disabilities who are working with VR.
- **The Independent Living Centers.** The independent living centers provide assistance to TANF recipients with disabilities in determining the appropriate accommodations needed for them to be successful in the workplace, providing training on their legal rights, and teaching them to self-advocate for workplace accommodations.
- **Kansas Coalition Against Sexual and Domestic Violence.** A partnership between SRS and the Kansas Coalition Against Sexual and Domestic Violence (KCSDV) is working to increase the employment outcomes of victims of domestic violence by increasing victim safety. Through a contract with KCSDV, SRS is administering a pilot project in the Topeka Area which provides specialized services to recipients who are battered by placing an on-site domestic violence advocate in the Topeka Area SRS Office. This pilot project is being expanded in state fiscal year 2001 to include Wichita, Great Bend, Atchison, Emporia, Hays, Hutchinson, and Olathe.
- **Education Providers.** Local SRS Offices have established provider agreements statewide with adult education providers and community colleges for the provision of remedial education, G.E.D. instruction, and short-term skill-specific training.
- **Employment Services Providers.** Many TANF recipients lack social skills, such as use of appropriate language, appropriate dress, and anger management. They also lack knowledge of appropriate workplace behavior and norms. These issues are stressed in life skills classes, job-getting and job-keeping workshops, job development, job coaching, and special projects. There are currently local agreements with 81 providers of employment services across the state.

The department will continue to work with all of its partners in maintaining and developing programs to meet the needs of both one-parent and two-parent TANF families in overcoming barriers and gaining employment.

2. **Optimize the Caseload Reduction Factor by Minimizing the Effective Two-Parent Work Requirement.**

States have the option of either:

- Applying a universal caseload reduction factor based on the all families caseload decline, or
- Using a separate caseload reduction factor for two-parent families.

Because the universal caseload reduction factor is now larger than the two-parent factor, the department has requested that the former be applied to both caseloads. This action minimizes the effective two-parent work participation rate and improves the state's ability to meet this difficult objective. The universal caseload reduction factors were used in the preceding table.

3. **Avoid Failing the Two-Parent Participation Rate by Creating a State-Only Program**

The department may internally shift funding so that no federal funds are used to provide assistance to two parent families, thus eliminating the need to meet the federal two-parent work participation requirement. This solution requires no additional state funds and will not change the work requirements or 60 month time limit for parents. Many states have taken this step, and the federal government has suggested states take this action as one way to avoid the 90 percent two-parent participation rate dilemma. This change will not affect the department's diligent effort to get two-parent families into the workforce, which has already resulted in a decline of two parent TANF cases from 2,000 in 1995 to 491 today.

The department is confident that the combination of these three steps will keep the state in good standing with the federal work participation requirements.

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PRENATAL COVERAGE UNDER HEALTHWAVE

(House/SRS): Provide updated information on prenatal coverage under HealthWave prior to the Omnibus session.

Restrictions on Prenatal Coverage

Title XIX funds may only be used to purchase services for eligible children from birth to age 19. Both Title XIX and Title XXI cover pregnant women but the beneficiary in these cases is the pregnant woman and not the unborn child. Inquiries to the Health Care Financing Administration (HCFA) regional office and central offices have confirmed this policy for both Title XIX and Title XXI programs. HCFA relies on a U.S. Supreme Court decision, *Burns v. Alcala*, 420 U.S. 575 (1975) to support their position regarding unborn children.

It is important to note that in the eligibility determination process for pregnant women, a minimum family size of two is used. This is done due to the way in which "eligible pregnant woman" is defined in statute. Section 1905(n)(A) of the Social Security Act defines an eligible pregnant woman as a pregnant woman who "would be eligible for aid to families with dependent children ... if her child had been born and was living with her in the month such aid would be paid" As discussed below, this has the effect of increasing the maximum income for eligibility.

Current Coverage

Existing coverage for pregnant women and infants is available up to 150% of the federal poverty level (FPL) in the Medicaid program. Pregnant teens under age 19 may be covered in HealthWave between 150 percent and 200 percent of FPL. As discussed above, the minimum family size for a pregnant woman is two, which increases the allowable income a pregnant woman may have and still be eligible. For example, 150 percent of FPL for a family of one is \$12,525, but the limit is \$16,875 for a family of two (based on 2000 Poverty Guidelines). This minimum family size carries through as the number of additional family members increase.

Expansion Options

Medicaid eligibility for pregnant women and infants could be expanded up to 185 percent of FPL without a waiver. For levels up to 200 percent, expansion would require a "Section 1115 Demonstration Waiver." The process for implementing these waivers is extensive and the reporting requirements after implementation are substantial. Another option might be to expand the income disregard for pregnant women to effectively increase the amount of income allowed above the 150 percent FPL limit. There would be fiscal impact to the state if eligibility were expanded, depending on the extent to which the income limit is increased.

The following outlines the financial consequences of two options for expanding Medicaid eligibility for pregnant women:

200 percent of FPL Expansion

- If the present coverage of pregnant women was increased to 200 percent of FPL, the income limit (for a family of two) would be increased from \$16,875 to \$22,500.
- The department estimates that an additional 7,118 women would be eligible for such coverage. If all chose to enroll in the program, the additional annual cost would total \$44.2 million (\$17.7 million state funds) at current Medicaid rates.

185 percent of FPL Expansion

- Expanding the coverage of pregnant women to 185 percent of FPL would increase the income limit for a family of two from \$16,875 to \$20,813.
- The estimated fiscal note decreases only slightly if eligibility is expanded to 185 percent of FPL. The current estimated number of pregnant women between 150 percent and 185 percent of FPL is 7,043. The total estimated cost of this option for pregnant women and the resulting infants is \$43.7 million (\$17.5 million state funds).

Infants Currently Covered

We do not have information from health plans regarding the number of births to HealthWave beneficiaries via encounter data. We can get information from the HealthWave Clearinghouse on the number of manual additions they have done to date. The number for calendar year 1999 was approximately 40. In the Medicaid program, there are an average of about 1,000 births per month.

EQUALIZING RATES FOR FREESTANDING PSYCHIATRIC HOSPITALS

(House/SRS):Report back at Omnibus with data on how to equalize rates for freestanding psychiatric hospitals within current resources.

Determination of Payment Rate for Inpatient Hospital Services

Hospital rates are adjusted each year based upon annual cost reports submitted by hospitals and recent Medicaid claims data. No distinction is currently made between freestanding psychiatric hospitals and other types of hospitals for setting Medicaid rates. Hospitals are assigned to one of three groups for payment purposes. These assignments are based upon the following criteria: bed size, location in a metropolitan statistical area (MSA), and proximity to other hospitals.

Under current State regulations, hospitals within an MSA area in the state of Kansas and having a minimum of 200 general hospital inpatient beds are assigned to Group 1. In addition, any hospital within 10 miles of a hospital which has been assigned to Group 1 is also a Group 1 hospital, regardless of their bed size or location. The rate for each group of hospitals is based upon the case mix adjusted average cost for the hospitals within that group. The Group 1 rate is currently 16 percent higher than the rate for Group 2 based upon the cost reports and Medicaid claims data submitted by hospitals.

If the definition of a Group 1 hospital were changed to include all freestanding psychiatric hospitals it would have the following impact:

- Prairie View would become a Group 1 hospital and receive an additional annual payment estimated at \$150,000. It would be eligible as a freestanding psychiatric hospital.
- Newton Hospital would become a Group 1 hospital since it is within 10 miles of another Group 1 hospital (Prairie View). It would receive an additional annual payment estimated at \$180,000.
- Halstead Hospital is more than 10 miles from both Prairie View and Newton Hospital so it would remain in Group 2.

This total increase of \$330,000 per year would be reduced in other existing Group 1 hospitals. This reduction would be less than one percent. Currently there are 25 Group 1 hospitals in Kansas. This includes all hospitals located in Kansas City, Lawrence, Olathe, Overland Park, Shawnee Mission, Topeka, and Wichita.

There would be some slight change to the rate for the remaining Group 2 hospitals, but the impact of this is expected to be minimal. The overall impact to all hospitals would be no net change in the total payments to hospitals. Hospitals with medical education programs would continue to receive additional payments based upon the size of their education programs.

It is SRS' position that the current rate setting procedure has been successful in holding down the cost of inpatient hospitalization, and that adjusting the ratesetting methodology to meet the needs of an individual hospital would be poor policy.

STAKEHOLDER WAIVER TASK FORCE RECOMMENDATIONS

(House and Senate): Committees directed the Department of Social and Rehabilitation Services (SRS) to convene a task force of stakeholders to make recommendations to the Budget Committees prior to the Omnibus Session on the definitions of Needs vs. Wants of consumers served by the Home and Community Based Services waivers.

Stakeholder Meetings

In March 2000, SRS convened three separate work groups to address the Budget Committee's direction. After an initial meeting with key stakeholders to offer input about how to best gather the thoughts of the disability stakeholders regarding the definitions of Needs vs. wants, SRS determined it should convene three separate work groups. Two work groups were comprised of developmental disabilities (DD) stakeholders, and another group was comprised of physical disabilities (PD) stakeholders. The DD stakeholder groups included family and consumer representatives, as well as representatives from Community Developmental Disability Organizations (CDDOs), Community Service Providers (CSPs), Intermediate Care Facilities for persons with Mental Retardation (ICFs/MR) and various advocacy organizations. The PD stakeholder group included Centers for Independent Living (CILs), Home Health Agencies (HH), and various advocacy organizations.

Principles from the Stakeholder Meetings

Each of the work groups was facilitated by an outside facilitator, who led the groups through a number of brainstorming exercises designed to elicit the participants' definitions of needs and wants. *(Full reports from each work group, as well as the key recommendations of each work group, are attached.)* The outcomes for each group were quite different because the members of each work group were different. However, a few principles ran through all the work groups:

1. Needs and Wants are very individually defined for individual consumers and families.
2. Flexibility in both the DD and the PD system is necessary. Kansas disability services and rate structures must be sufficiently flexible to react to an individual's changing needs.
3. Consumer choice and consumer-driven plans of care are central to disability service delivery.
4. Better tools to help define a consumer's needs should be identified, tested and put into practice.
5. Paid family supports should be realistic, taking into consideration normal family responsibilities.
6. The current level of services should not be reduced. In fact, more services and systems (including methods to eliminate waiting lists) are needed.

SRS Recommendations

The discussions begun in each work group were productive and helpful. The Budget Committee directed SRS to continue meetings with the stakeholders across the state to solicit ideas about a wider range of management tools which could be put in place to contain costs and achieve equity of

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services for HCBS waiver consumers. Throughout the coming months, SRS plans to continue to meet with stakeholders and to further discuss these issues.

While the information collected from the work groups is both insightful and helpful, the need for concrete actions to address program and fiscal management issues in FY2001 is necessary. Therefore, the Department felt that the Committees should be aware of the agency's plans to address several immediate issues: expenditure and service need projections; waiting lists; and resource management. The information detailed below outlines SRS strategies to address these issues.

Strategies to Address Immediate Needs for the DD and PD Systems

Projected Expenditures and Waiting Lists

HCBS/DD Waiver: Based on payments made through March 2000, with no allowance for adding additional persons to services, with no reduction in the protected income level, and no increased rates, the HCBS/DD waiver is projected to expend \$172,089,091 All Funds (\$68,766,800 State Matching Funds) in FY2001. Excluding the PIL restoration, this is \$4.1 million All Funds (\$1.6 million State Matching Funds) above the Governor's Budget Recommendation.

In addition, as of March 3, 2000, Community Developmental Disability Organizations reported about 340 persons waiting for and needing services immediately. It is estimated the cost of serving all of these individuals would cost about \$7.2 million All Funds (\$2.9 million State Matching Funds). Even if these funds were provided, once these 340 persons are added to services, a rolling waiting list will have to be established for the HCBS/DD waiver.

HCBS/PD Waiver: Based on payments made through March 2000, with no allowance for adding additional persons to services, with no reduction in the protected income level, and no allowance for increasing rates, the HCBS/PD waiver is projected to expend \$55,750,444 All Funds (\$22,364,928 State Matching Funds) in FY2001. Excluding the PIL restoration, this is \$3.75 million All Funds (\$1.5 million State Matching Funds) above the Governor's Budget Recommendation. This includes funding for persons being served as of February 2000, and funding to serve the estimated 180 people who will enter services through the end of Fiscal Year 2000. Even if these funds were provided, once these additional 180 persons are added to services, a rolling waiting list will have to be established for the HCBS/PD Waiver. Without any additional funds, a moratorium (frozen waiting list) will be in place for much of FY2001.

Proposed Management of Waiting Lists

Our review of national information related to waiting lists establishes that there are generally two types: 1) "first come, first served," which can be accompanied by rules that provide for exceptions due to emergencies, and 2) "need based" approaches (where urgency/immediacy of need takes precedence over the length of time a person has been on a waiting list). Some states have implemented a hybrid which takes into account both need and length of time on the waiting list.

DD Waiting List. For several years Kansas has had experience with waiting lists for persons who are developmentally disabled. The DD waiting list is managed at the local level by the Community Developmental Disability Organizations (CDDOs) through a funding allocation via contract. In addition to HCBS waiver funds, CDDOs have access to and management responsibility for state and county funds for consumer services, which provides greater flexibility in how waiting lists can be managed. The CDDOs are system managers for the DD system.

If the CDDO determines funds are insufficient to serve everyone applying for and needing community DD services, K.S.A. 65-4413 requires CDDOs to serve individuals from the waiting list on a “first-come, first-serve” basis unless there are persons who are in crisis or imminent risk of crisis. Under the contract between SRS and CDDOs, a crisis has been defined, but not limited to persons who:

- Are at significant, imminent risk of serious harm because the primary care giver(s) is/are not able to provide the level of support necessary to meet the person’s basic needs,
- Need to be removed from abusive or neglectful situations in which they are at risk of physical harm.
- Are at significant, imminent risk of causing serious harm to others in their current situation.
- Are homeless, or at imminent risk of becoming homeless.
- The CDDO determines person is at risk of meeting the criteria listed above within the next year.

The contract also states that the CDDO “make a reasonable effort to set aside funds or make contractual arrangements to address crises which it believes may occur during the contract.” Thus, as part of the management of the DD system, CDDOs have the flexibility and option to reserve funds to serve individuals who are in crisis.

PD Waiting List. With the exception of a short time in early FY2000, there has never been a waiting list for persons with physical disabilities. In early FY2000 a moratorium on receiving services was implemented, resulting in a group of consumers who were not placed into service at the time they applied. Since the moratorium was lifted, all persons have been provided services.

Services for individuals who are physically disabled are only supported by HCBS waiver funds.

Centers for Independent Living (CILs), unlike the CDDOs, do not manage an allocation of state and local funds or a local system of service delivery. CILs are enrolled as a fee-for-service provider. There is no contract for system management or allocated funding for such management. CILs can and do serve consumers living anywhere in the state who qualify for waiver services.

A centralized waiting list for PD consumers will have to be managed at the state level by SRS staff

The service delivery system for PD waiver consumers is not designed or funded to manage a waiting list locally. Waiting lists require daily management, thus requiring daily accessibility to staff who have the information necessary to make decisions. A database would need to be created and maintained by a staff person to ensure timeliness and accuracy. Communication and coordination with CILs will be essential.

Criteria for placement on a waiting list will need to be jointly developed and managed by SRS and Centers for Independent Living

In a review of national literature, there are some guiding principles for the development of waiting lists systems. These principles are:

- A primary consideration of any requirement for waiting lists must be fairness.
- The system needs to be reasonable, defensible to consumers and families and make sense to regular citizens.
- Persons waiting for services need to have the ability to move from one service area to another without a penalty.
- The system should make it unnecessary for people to be on a waiting list for years prior to wanting or needing the service. It would be desirable that only persons who want services in the near future need to be on a waiting list.

The PD waiting list should be managed on a first come, first served basis with an exception for persons who are at imminent risk of placement in a nursing facility which can be defined as being at significant risk of serious harm because the primary care giver(s) is/are not able to provide the level of support necessary to met the person's basic needs.

Stakeholder participation in the review and refinement of these proposed waiting list principles and processes should be sought. Specific procedures regarding the integration of the responsibilities that CILs have in the assessment of consumer eligibility with the management of the waiting list need to be jointly developed and implemented.

Development of Resource Management Techniques

DD Waiver. Over the past several months, the Department has received recommendations by stakeholders as to ways resources can be managed more effectively. These recommendations have been received through various methods, such as committee reports, testimony, and letters. Many of the recommendations have come in response to the meetings being held statewide to discuss the proposed use of tier rates to reimburse Family/Individual Support services. The list also includes recommendations presented by various local and state consumer/provider committees as well as in legislative testimony.

Health Care Policy/Community Supports and Services will finalize the compilation of all recommendations in the coming weeks as the majority of community meetings on the tier rate for Family/Individual Support will have occurred. By early May 2000, the compiled list will then be sent to CDDOs, CSPs and interested persons for comment and prioritization of the recommendations related to resource management.

After receiving comment, Health Care Policy/Community Supports and Services will convene a group of representative stakeholders for the purpose of developing implementation methods for the recommendations, prioritizing as to which will be implemented during FY2001 and which require presentation to the 2001 Legislature regarding the fiscal, statutory, or policy impact of the resource management recommendations.

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PD Waiver. Continuation of the Omnibus PD Stakeholder group with the addition of consumer representation is recommended. Recommendations have been developed by PD stakeholders, but additional work needs to be accomplished. Efforts should be directed toward building a wider range of recommendations, then sending the compiled list to CILs, Home Health Agencies, and interested persons for comment and prioritization of the resource management recommendations.

After receiving comment, Health Care Policy/Community Supports and Services will convene a group of representative stakeholders for the purpose of developing implementation methods for the recommendations, prioritizing as to which will be implemented during FY2001 and which require presentation to the 2001 Legislature regarding the fiscal, statutory, or policy impact of the resource management recommendations.

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CRISIS STABILIZATION CENTER

(Senate/Mental Health): Review the budget structure of the Crisis Stabilization Center to determine if a cost sharing arrangement can be developed between SRS, the Hospital Authority, the CMHCs, and others (broaden to statewide).

The Senate Subcommittee reviewing the mental health budgets expressed concern over the future of the crisis stabilization center at the University of Kansas Medical Center Hospital and crisis services programs on a statewide basis. The Committee recommended review during the omnibus session of appropriate cost sharing between SRS, hospitals, community mental health centers and other entities.

The Crisis Stabilization Center has been operated at the University of Kansas Medical Center Hospital since July 1996, in partnership with the Wyandot and Johnson County Mental Health Centers. The Center screens all people on the Kansas side of the metropolitan area presenting for state psychiatric hospitalization and determines if an individual can be maintained in the community or needs to be hospitalized. The Center serves as a focal point and a hotline operated by the mental health centers at the crisis center directs law enforcement to bring individuals to KUMC. The Center operates at a deficit far in excess of \$600,000 per year, due to the large number of patients who are indigent, but not Medicaid eligible.

SRS has worked on a taskforce with KUMC and the mental health centers. As a result of that work, the mental health centers have dedicated \$100,000 in funding; and SRS has assisted KU in identifying additional Medicaid eligible services (\$80,000 - \$100,000). However, KUMC is planning to revamp the service and establish a different means to provide crisis services to psychiatric patients, while maintaining some components of the crisis stabilization model. This means that KUMC will no longer serve as the sole focal point in the Kansas City metropolitan area for screenings and admissions.

The Hospital Stakeholders Taskforce appointed by Secretary Schalansky is reviewing the issue of acute care and crisis services for adults in the community. Crisis and acute care services for indigent clients is a statewide issue. Currently, there is no revenue stream to provide such services for clients who are not Medicaid eligible. It is expected that the task force will make recommendations about this issue to the Secretary this fall.

HOMELESS MENTALLY ILL

(House/MHDD): Examine SRS responsibilities and assets to continue the Homeless Mentally Ill project for FY 2000 and FY 2001 and report back prior to the Omnibus session.

Grant funds for the homeless mentally ill were eliminated from the FY 2000 budget, but contracts had already been signed and payments had been made on these grants. SRS was able to partially fund these services, but the agency continues to project that there will be no funding for these homeless grants in the FY 2001 budget.

In 1993, two communities in Kansas received funding under the ACCESS federal grant for homeless outreach and services. These five-year grants were intended to serve homeless individuals with mental illness. These grants have expired, and the 1999 Legislature appropriated \$750,000 in SGF for FY 2000 to maintain homeless services and to expand to other sites. These funds required a local match totaling \$250,000 statewide. The planned allocation of these funds was as follows:

Sedgwick County	\$289,500
Shawnee County	\$244,500
Wyandotte County	\$171,000
Rural site	\$ 45,000
TOTAL	\$750,000 (State General Fund)

The Governor's budget recommendations for FY 2000 and FY 2001 did not include these funds. SRS had already signed contracts with Shawnee and Wyandot Community Mental Health Centers, and in fact had disbursed one quarter funding on these grants. The Division of Health Care Policy met with the providers impacted and reviewed outcomes of the grants, and minimum funding levels to continue some homeless services. Other grants and contracts were reviewed in an effort to partially fund some services in FY 2000, and the following will be funded:

Sedgwick County	0
Shawnee County	\$146,127
Wyandotte County	\$ 92,035
Rural site	0
TOTAL	\$238,162

Other existing efforts will also assist in serving individuals that are homeless:

- Wyandot Mental Health Center applied for and received some additional federal funding that will assist in maintaining homeless services for FY 2000.
- Sedgwick County held reserves for the homeless program that will assist in funding the program for FY 2000.
- Shawnee County reviewed ways to use other homeless federal funds and local resources and will maintain some level of services for FY 2000.
- Programs are encouraged to apply for all federal funds, and Health Care Policy staff will be available to provide technical assistance in this effort.

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- Federal funds for homeless outreach continue in the PATH grant, and fund services at 5 sites in Kansas. These funds are not impacted by these budget reductions.

Mental Health staff continue to review funding options for FY 2001, but at this time the agency does not expect to be able to fund any homeless services through these grants after the FY 2000 funds are disbursed. CMHC's have the flexibility to use Mental Health Reform funds, state aid, and county funds to prioritize needs locally, including serving individuals that are homeless.

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~~16-19~~

CHANGES IN THE CHILD IN NEED OF CARE CODE

(House/SRS): Report back prior to Omnibus on any changes in the CINC code and the effects of such changes.

SRS requested, and the Governor recommended, the introduction of legislation to divert children who are not abused or neglected from the foster care system. As introduced, the legislation would have bifurcated the child in need of care code into "child in need of protection" and "youth in need of community services." In February, stringent federal regulations were issued pertaining to the Adoption and Safe Families Act (ASFA), regarding reasonable efforts to avoid the unnecessary placement of children outside the home. As passed by the Senate, the legislation addresses compliance with ASFA. However, it does not bifurcate the code, and thus does not "shut the front door," or allow SRS to manage entry into the foster care system, as anticipated in the Governor's budget reduction of \$6 million in State General Fund dollars. The following sections summarize the provisions of Substitute for Senate Bill 633 as passed by the Senate:

Changes in the CINC code (Substitute for SB 633 as passed by the Senate)

Required by the Adoption and Safe Families Act (ASFA):

1. Whenever current statute refers to making a finding in the *best interests* of a child regarding placement, the code is amended to include language from the Adoption and Safe Families Act regarding whether the action would be *contrary to the welfare* of the child.
2. Requires that findings or orders of the court be provided timely to the secretary for any child in the custody of the secretary. Such documentation will be required during federal audit for the State to receive federal financial participation under Title IV-E. [Sec. 8]
3. Requires at each permanency hearing a finding by the court whether reasonable efforts have been made to accomplish the permanency goal. [Sec. 13]
4. If a child in the custody of the secretary has been placed at home for 6 or more months and the child is then removed for out of home placement, this constitutes a new episode and a court determination of reasonable efforts, or contrary to the welfare is required. [Sec. 14]
5. Includes as a permitted permanency goal, placement with a fit and willing relative or custody to remain with the secretary for another planned permanent living arrangement. [Sec. 19]

Reasonable efforts to avoid unnecessary placement (Existing and ASFA):

6. Requires the secretary or any person requesting a petition alleging a child to be a child in need of care to include in the petition, any information known to them about efforts to prevent unnecessary removal of a child or information which supports that an emergency exists which threatens the safety of the child. [Sec. 6]

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7. Requires notice to the secretary of a petition which requests custody to the secretary in order for the secretary to have the opportunity to provide preventive or protective services. [Section 7]

Ex parte protective custody and temporary custody:

- A court may place the child in the custody of the secretary but only until the secretary presents the court with documentation of a plan for services to a child and family which the court finds is in place and is adequate to protect the safety of the child. [Sec 8]

Dispositional custody:

- The court may place the child in the custody of the secretary if the secretary has not provided the court with documentation of services which the court finds to be sufficient to protect the safety of the child. If the secretary does present such plan the court shall approve the return home of the child. [Sec. 12]

Permanent Guardianship:

- Allows for utilization of permanent guardianship by curing a technical difficulty with existing language. Current statute *dismisses* the CINC case which means it never existed. Suggested amendment would clarify that the child is discharged from the custody of the secretary. [Sec. 18]

SRS PD Stakeholders Work Group

March 23, 2000

Messages to SRS and the House Social Services Budget Committee Regarding Needs vs. Wants for People involved with Physical Disabilities Services in Kansas

Background

A group of fourteen stakeholders in the Kansas physical disabilities (PD) service system met in Topeka on Thursday, March 23, 2000. The individuals who were asked to participate in the work group were chosen in order to make sure that the major stakeholders in the Kansas PD service system were represented: Home Health Agencies, Centers for Independent Living and the major advocacy groups. There were representatives from Wichita, Onaga, Salina, Lawrence and Topeka. Members of the work group were encouraged to bring consumers of their services with them in order to make sure the consumer's point of view was represented. While no consumers of services were in attendance, members of the work group were asked to approach the brainstorming and discussion with the consumer's point-of-view in mind.

(Appendix B contains a list of the March 23rd work group participants, and Appendix C contains a copy of the letter of invitation that was sent to PD stakeholders.)

Methodology

Rick Goscha of the University of Kansas School of Social Welfare, Lawrence, Kansas, facilitated the meeting. His colleague from the School of Social Welfare, Steve Huff, assisted him in his facilitation. Goscha took the group through several exercises intended to discover what they perceived to be the needs of most people from the Kansas PD system. The meeting included two brainstorming sessions:

- First, participants listed the existing and future needs they felt consumers have of the Kansas PD service system.
- Second, participants were asked to draw out themes in the services listed and strategize ways to address the needs listed for each theme.

Eight general themes and a few over-arching philosophies emerged from the discussion. These themes, as well as the strategies associated with them, are listed on the next pages.

(Appendix A contains the list from the first brainstorming session described above.)

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Themes

Services provided under the HCBS/PD waiver fall into three categories: Personal Services, Assistive Services and Independent Living Counseling. The work group likened these three service areas to the legs of a three-legged stool, and as such felt that if any one of the legs is removed or altered, the PD service system would cease to function in the way it was designed to function. Therefore, the work group felt that it is crucial that Kansans with physical disabilities continue to have access to each these three types of service.

Through the work group's initial brainstorming session, it discovered that categories of needs of people in the PD service system go beyond the three legs: Personal Services, Assistive Services and Independent Living Counseling. Other categories of need include:

- Education for consumers and for providers
- Basic Needs
- Community Resources & Supports
- System Integration (including information sharing within the PD service system)
- Legal and Civil Rights for people with physical disabilities

The work group also felt that there are several areas of need that supercede any of the themes mentioned here. These issues are over-arching for the entire field of physical disability service need and delivery and should be kept in mind when considering the present and future needs of people with physical disabilities. The philosophies the work group identified as over-arching are:

- Flexibility of services provided
- Safety issues
- Consumer control / consumer-driven services
- Lack of funding / reimbursement
- Accessibility of services
- Considering long-term costs rather than short-term

Strategies to address the needs of Kansans with physical disabilities

The strategies listed by the work group are broken down according to several of the themes identified above.

Personal Services

- Personal services must be available for people to meet the basic health and safety needs in their home settings.

Assistive Services

- The lifetime cap (\$7500) should be removed, if it is cost effective to do so.
- Lengthen the amount of time to off-set the cost of a device through personal services.
- More use of technology.
- Leverage resources from other areas to pay for assistive services.

Community Resources & Supports

- Integration of the state rehabilitation and employment services with this waiver. Utilize federal work incentive opportunities (e.g., sliding scale fee, cost sharing, etc.)
- There are a number of informal supports that are not currently recognized.
- Providers need a way to share these “best practices” with the Legislature and with other providers.

System Integration

- The three elements that are currently in the waiver should be continued.
- Increase the integration and coordination of providers.
- Increase opportunities for consumer education/training and integration in the community.
- Overall system integration at the state level re: structure and funding
- Develop universal principles that guide practice.
- Providers need on-going and additional training about wants and needs.
- Investigate the possibility of having a state plan option for personal assistive services.
- Expecting more from the client, community and agencies
- All providers should be required to receive a minimum amount of training.
- Through education, work towards a consistent application of the waiver.
- Persons should have the option of staying on the waiver after age 65.
- Integration with the public school system to provide education on long-term care. (self sufficiency)

Legal and Civil Rights

- People have a civil right to live in the most integrated setting appropriate to the needs of the individual.
- There should be an even distribution of funds between community supports and institutions.
- Communities should have plans that, in a reasonable and affordable manner, move toward full accessibility for their citizens.
- We need more research and analysis on long-term cost and savings.
- Importance of long-term care task force to continue the evaluation of the changing long-term care needs of Kansas citizens.

16-24

Appendix A

The following is a raw list of existing and future Needs the PD Stakeholders Work Group participants felt consumers have of the Kansas PD service system.

- Attendant Care Services
- Even distribution of funding for long-term care (community-based vs. institution)
- Continuity of care re: duplication of services
- “Skilled” vs. “Unskilled” services re: attendant care (i.e., medication)
- Flexibility of services provided
- Equipment
- Safety issues
- Nutrition and food issues
- Improve communication among CMS, providers and consumers
- Continuity of care
- Provider representation
- Consumer-driven services
- Lack of funding / Reimbursement
- Civil rights re: services
- Consumer control
- Emergency and back-up attendants
- Statewide network re: to allocate resources (non-monetary resources)
- Tracking money saved by using naturally-occurring resources (statewide system)
- Integrate waiver services with employment, volunteer opportunities, etc.
- Medical supplies
- Funding for LIFELINE
- Provider education
- Higher end durable medical equipment (e.g., power wheelchairs)
- Continue non-waiver supports
- Naturally-occurring supports
- Information and training to help consumers self-manage
- Independent Living Counseling
- Assistive services (e.g., home modifications, technology)
- Accessibility of services
- Accessible, affordable transportation
- Information for providers and consumers on services
- Adequate staffing
- Consider long-term costs vs. short-term costs
- Assertive outreach to identify individuals in nursing homes who could benefit from community services
- Accessible communities
- Accessible, affordable housing
- Adequate health care
- Affordable medications

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Appendix B

Facilitators:

- Rick Goscha, KU School of Social Welfare, Lawrence
- Steve Huff, KU School of Social Welfare, Lawrence (assistant)

Participants:

- Sheila Nelson-Stout, Independent Connection, Salina
- Mike Oxford, Topeka Independent Living Resource Center, Topeka
- Ann Branden, Independence Inc., Lawrence
- Shannon Jones, SILCK, Topeka
- Gina MacDonald, Kansas Association of Centers for Independent Living, Salina
- Karen Elliott, Community HomeHealth, Onaga
- Debra Blomquist, Kansas Care Home Health, Salina
- Elaine Paul, Kansas Care Home Health, Salina
- Dale Blomquist, Kansas Care Home Health, Salina
- Scott Florez, Assisted Healthcare, Topeka
- Gary March, Assisted Healthcare, Topeka
- Charlotte Maher, Home Healthcare Connection, Wichita
- Vickie Hatton, Home Healthcare Connection, Wichita
- Linda Lubensky, Kansas Home Care Association, Lawrence

Observers:

- Lyn Goering, SRS / Health Care Policy, Topeka
- Martha Hodgesmith, SRS / Health Care Policy, Topeka
- Tanya Dorf, SRS / Health Care Policy, Topeka
- Marlene Finney, SRS / Health Care Policy, Topeka
- Margaret Zillinger, SRS / Health Care Policy, Topeka
- Catherine Walberg, Kansas Department on Aging, Topeka
- Michelle Sweeney, Kansas Department on Aging, Topeka
- Mike Hammond, Kansas Department on Aging, Topeka
- Darvin Hirsch, Kansas Department on Aging, Topeka

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Appendix C

Below is the text from SRS' letter of invitation to the SRS PD Stakeholders Work Group Meeting.

Dear (Name),

We would like to invite you to participate in SRS' PD Stakeholder Work Group on Needs vs. Wants on Thursday, March 23rd in Topeka. It's a difficult job to try to define what needs and wants are for people with disabilities, but it's an important one.

When we have our discussion about defining needs vs. wants, we need to keep in mind that whatever recommendations we make must be in line with the current budget. In Governor Graves' State of the State address this January, he presented his budget to the Legislature:

“There are public policy issues that must be fully debated regarding our Home and Community based services waivers. Using current trends, two years from now, I would need to recommend for these programs State General Fund spending of \$217 million - an increase of almost \$170 million since FY 1997. Spending from all funding sources would need to increase from \$119 million to \$544 million - an increase of over \$400 million. We need to decide if we can afford these escalating costs, keeping in mind such increases will come at a cost to other crucial programs.

“I know these will be difficult debates as we discuss want to have vs. need to have; comfortable vs. critical; state responsibility vs. community or family responsibility. These are not partisan issues; they are Kansas issues that must be addressed this session.”

The Kansas Legislature agreed with the Governor that these issues must be addressed, and they have asked SRS to help them in this effort. The House Social Services Budget Committee specifically has asked SRS to convene informal task forces of stakeholders to make recommendations back to their Committee on the definitions of needs vs. wants of consumers served by the Home and Community Based Services waiver. The Committee pointed out, “In order for the state to continue the program, a range of services which fulfill the needs of consumers must be established in place of attempting to address all the wants of an individual and/or the family members.” The Budget Committee also asked that the task forces consider the issue of training for case managers and consumers with respect to the modified range of services to be provided in the future. The Committee also directed SRS to continue meetings with stakeholders across the state to solicit ideas about a wider range of management tools which could be put in place to contain costs and achieve equity of services for HCBS services across the state. “Finally,” the Budget Committee said, “Given the amount of resources presently dedicated to this program, all recommendations, in the aggregate, are required to be budget neutral.”

As you can see, both the Governor and the Legislature understand the difficulty and the

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importance of providing the necessary services to Kansans with disabilities, but both also seek the guidance of the providers and consumers of those services. This is an important opportunity for you, as someone who is intimately involved in the Kansas PD service system, to give thoughtful consideration to all of these issues and to work with your counterparts across the state to shape the future of Kansas disability services. In April SRS will present a report detailing the results of these meetings to the Legislature, and they are likely to use our findings to continue to shape the future of disability services in Kansas. Therefore, your participation is important, and we do greatly value the contribution you are making.

In summing up his thoughts in his 2000 State of the State address, Governor Graves reflected on the words of a famous and influential Kansan:

“We are well served to heed the words of William Allen White in his 1936 address at Northwestern University. He urged those graduates, as I urge you, to remember the great strengths of our nation - the elements of tolerance, patience, and duty. Tolerance of other views and perspectives, a quality that will serve us all well in the coming days. Patience to let the process work, to engage in full debate, to calmly think our way through difficult moments. And finally, a duty to never forget our responsibility to serve the people of Kansas. Duty does not know party, race, or gender. Duty does not depend on rank or station. Duty is about doing what is right with integrity and compassion. It is about good policy, not good politics. It demands when the debate has ended and the decision has been made we can say to our fellow Kansan - I have done my duty.”

We look forward to meeting with you in Topeka at the Rehabilitation Services Conference Room in White Lakes Mall (3640 SW Topeka Blvd, Suite 150) on March 23rd from 1:30 to 4:30 pm, as we work together to do our duty for our fellow citizens of Kansas. Please contact Tanya Dorf in my office (phone 785/ 296-3561 or e-mail TLD@srskansas.org) to confirm that you will be able to participate in this meeting or if you have any questions. Please also let her know if you will be able to bring someone who receives PD services with you; we would like to have input from as many players in the PD service system as possible.

Sincerely,

Martha Hodgesmith
Director, Community Supports & Services
SRS/Health Care Policy

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SRS DD Consumer & Family Work Group

March 18, 2000

Messages to SRS and the House Social Services Budget Committee Regarding Needs vs. Wants for People involved with Developmental Disabilities Services in Kansas

Background

A group of fifteen family members and consumers of Kansas developmental disabilities (DD) services met in Emporia on Saturday, March 18, 2000. The individuals who were asked to participate in the work group were chosen in order to make sure the group included a variety of service situations, backgrounds, ages and regions of the state. There were representatives from Hutchinson, Derby, Newton, Hartford, Yates Center, Leawood, Wathena and Topeka. The group included a child and two adults who receive services, as well as several parents, one sibling and two grandparents of people who receive services. Service situations represented at the meeting included people who are on the waiting list, who provide or receive in-home supports, who receive residential services, who receive day services from community service providers, who receive some services through the public school system, who are beginning the transition from school to work, and who access respite services. Approximately thirteen other consumers and family members were asked to attend the meeting, but their schedules did not allow them to attend.

This group was charged with the responsibility of describing what consumers and family members in Kansas need from the DD service system. Two representatives from this work group were asked to attend the work group meeting of DD service providers, advocates and consumers on March 24th, and the charge to the second DD work group was to expand on the needs described on March 18th by beginning to identify ways in which the DD service system can respond to the needs of consumers and family members.

(Appendix B contains a list of the March 18th work group participants, and Appendix C contains a copy of the letter of invitation that was sent to consumers and family members.)

Methodology

The meeting was facilitated by David Powell of Rucker, Powell Associates in Herington, Kansas. Powell took the group through several exercises intended to discover what needs they each had in their own settings and what they perceived to be the needs of most people from the Kansas DD system. The meeting included two brainstorming sessions:

- First, each participant listed his or her needs and wants from the Kansas developmental disability service system.
- Second, each participant was asked to list the principles he or she felt were important about the issue of needs vs. wants for most consumers of Kansas DD services.

Each participant was then asked to prioritize the top eight principles from the compiled list of principles. Seventeen of thirty-five principles received votes, and of those, the top nine vote-getters were statistically significant. These top nine principles, as well as the work group's perception of how to define need, are listed on the next page.

(Appendix A contains the lists from the two brainstorming sessions listed above.)

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The basic needs identified by the work group as high priorities for the Kansas developmental disability service system

Throughout the work group's conversation, the issue of what exactly a need is was discussed. The group agreed that it was impossible to define need for everyone in the state, therefore, they assert that:

- Needs are very individually defined,
- Those needs change as each individual changes, and
- Therefore the service system must be able to offer a very broad range of services and supports and be flexible enough to be able to respond to the needs it will encounter.

Based upon the discussion, the work group agreed that the following issues are the highest priorities of need in Kansas:

1. To have necessary money allocated in order to humanely and fiscally responsibly support individuals and families in their homes and communities, rather than in costly alternative state institutions and nursing homes.
2. Consumers and families should be entitled to quality, consistent, personalized staff who are well compensated, in order to protect against staff turnover.
3. Develop and initiate a plan to eliminate the waiting list for funding assistance.
4. Allocate money fairly, based on actual individual needs, not on state averages, with the intention of expanding and improving the current quality of HCBS services, thereby offering consumers choices of how services are organized, developed and received.
5. Top quality programs that are integrated, inclusive, safe, flexible, accessible and monitored by consumers.
6. Home modifications, including wheelchair ramps, must be done to keep people safely in their own homes and communities.
7. Need home care assistance.
8. Need a respite care system.
9. Families should be entitled to a basic adult day service system that is well organized, maintained and evaluated – along with a school system that meets the true needs of children.

11-30

Appendix A

I. The following is a raw listing of all items identified by individual work group participants as Individual Needs felt to be necessary for their own situations:

- housing that is clean and well kept
- 24-hour staff
- insure that she stays on medications
- well-trained staff
- day program and/or community work
- medical care
- caring staff who are stable – don't have to be over-worked
- good, nutritious meals
- other stimulating activities
- family member home inspections
- parent needs to be available and paid some as an attendant
- need a current list of providers of services (e.g., psychiatric, dental, occupational therapy, physical therapy, speech therapy, etc.)
- need people trained in best practices for supporting behavior
- need flexible, periodic emergency help available
- staff salary parity
- better screening tool than the DDP
- friends
- inclusive recreational and community activities
- experts make decision based upon what is seen, not just what is heard
- trained case managers
- public transportation – available and affordable
- job training and/or work – a real, effective program fitting her needs
- other social programs – stimulating (assuming continuing life at home for now)
- night care – preferably all the time, but some would help
- ramp really needed
- eight hours of service per day to help her live in her own home
- for a child:
 - keep him (a 12 year old) in our home
 - have to have the physical needs/supports to maintain his life
 - social interactions
 - van lift for his wheelchair
- need 24-hour care for an adult in the most disabled category, including food preparation and feeding, medication administration, physical therapy, basic recreation, bathing, dressing, toileting
- accessible van and home – lift system
- for a child with short term memory loss - need trained staff to:
 - make sure he gets medications
 - assist with short term memory loss and ADD
 - technical support

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- independence
- laptop computer and related equipment
- school system to meet his needs
- inclusion
- for an adult without sight:
 - need home modifications for personal living space and safety
 - eight hours of service per day
- for an adult :
 - 30-40 hours per week of a day program
 - well organized, well rounded
 - consistent and trained and stable staff
 - good environment
 - need more choice of programs – currently what we have is not adequately responsive
- for a child:
 - trained professionals in case management
 - consistency between providers
 - person-centered, individual and family-centered services
 - parents need to be involved in the weighting process (DDP)
 - education
 - quality services based on need, not cost and convenience
 - quality compliance monitoring state Department of Education and feds
 - help with developing independent living skills
 - respite
 - quality, stable attendants
 - stop division between waiver programs
 - more community programs with regular peers and trained staff
 - transportation to community functions
 - medical services/medical management/ counseling
 - better communication regarding developmental disabilities, physical disabilities – i.e., a network that works
 - family help with legal services: wills, trusts, insurance
 - adequate funding to receive transitional services and to respond to changes
- for an adult with autism:
 - a tool that is more appropriate for individual needs (the DDP is not responsive)
 - somebody at night for support (we do it during the day)
 - respite care – adequately paid
 - recreation away from the family which is appropriate to son's needs
 - appropriate rehabilitation services for autism
 - must be able to evaluate medications appropriately (now we have to go where they are and that doesn't work for our son)
 - sometimes need on-call protection – crisis intervention
 - family support/counseling to deal with it
 - safe transportation
 - protective services – appropriate and responsive
- for a child:
 - five hours minimum per day for day program – work and community
 - individual programs – safety
 - to be supported in the home

16-32

- attitude that is humane (vs. custodial)
- support for behavior intervention – trained staff
- well-trained, stable staff
- in-home staff should follow-through on the program
- accountability
- plus four hours per day attendant care
- 20 hours of respite per month

II. The following is a raw listing of all items identified by individual work group participants as Individual Wants felt to be helpful, but not mandatory, for their own situations:

- dental services
- staff paid enough to keep turnover down
- planning for when she cannot live with us
- work towards living away from home – in a group home
- assurance of current level of funding – for staffing stability and for family
- school system to work better with kids
- much clearer and consistent information
- home modifications: bathroom and kitchen
- programs tailored to his personal needs
- eight hours of day programs (now have five)
- overnight respite
- be able to direct how funds are used
- eight hours per day of in-home support (now have three)
- home modifications – change upstairs bathroom and apartment
- a home of her own
- adult foster care model

III. The following is a raw listing of all items identified by individual work group participants as needs of the Kansas developmental disability services system. The group's top nine priorities among these items are listed on the second page of this report.

1. Need home care assistance.
2. Keep the money for the organizations (that serve Kansans with disabilities). They are doing a good job.
3. Develop and initiate a plan to eliminate the waiting list for funding assistance.
4. Funding for when we can no longer take care (of our family member with a disability).
5. Consumers and families should be entitled to quality, consistent, personalized staff who are well compensated, in order to protect against staff turnover.
6. Essential services must be funded – regardless of cost.
7. Make sure children and adults can move toward independence.
8. Develop effective, fiscally responsible policies designed to increase access to home and

16-23

- community services.
9. Home modifications, including wheelchair ramps, must be done to keep people safely in their own homes and communities.
 10. Include family members proactively on a much larger scale in the beginning and not at the end of the Legislative Session in reaction to consumer complaints.
 11. Create, facilitate and maintain appropriate health care supports.
 12. Need a respite care system.
 13. Develop a plan for the needs of people with disabilities and their families – avoid a custodial approach.
 14. Families should be entitled to a basic adult day service system that is well organized, maintained and evaluated – along with a school system that meets the true needs of children.
 15. Make parents/families aware of when some private assistance can be accessed.
 16. Assign children and adults to different categories for financial needs.
 17. Develop quality, consistent case management that uses accurate and fair screening tools and best practices which are then united between providers and each CDDO.
 18. Consumers have up-front knowledge of all available resources and supports in order to make informed decisions.
 19. More money for clients in the community and less for administration and CDDOs.
 20. In-Home Supports for adults as a way of saving money and providing care in the community – the money should follow the people, not the bureaucracy.
 21. Accountability needs to be required of SRS, Department of Education and other state entities that are involved in the disability system.
 22. Good system to notify people of the services available.
 23. Supplemental home care to assist in addition to adult day and school and to do them right.
 24. Few wants in are lives – there are things we must have and cannot obtain.
 25. Educate parents more on home care options – basic, non-political – so we can understand our options.
 26. Actively involve individuals with disabilities and stakeholders on a regular, on-going basis in the process of designing, developing and implementing waiver programs.
 27. Better staff through salary parity, as well as training for staff with an emphasis on humane care, with additional focus on autism and challenging behaviors.
 28. Accessible, affordable transportation.
 29. These are people, not products.
 30. Allocate money fairly and based on actual individual needs, not on state averages, with the intention of expanding and improving the current quality of HCBS services, thereby offering consumers choices of how services are organized, developed and received.
 31. A better assessment tool than the DDP, with a thorough needs assessment, since the DDP leaves out critical elements.
 32. To unite MR/DD waiver programs and HCBS waiver services together to provide fiscal efficiency and parity between the needs, services, wage increases and overall funding.
 33. Top quality programs that are integrated, inclusive, safe, flexible, accessible and monitored by consumers.
 34. To have necessary money allocated in order to humanely and fiscally responsibly support individuals and families in their homes and communities, rather than in costly alternative state institutions and nursing homes.
 35. A child's needs cannot be defined in isolation – they must be understood in the context of the whole family. Both the child's needs and the needs of the whole family must be addressed.

16-34

Appendix B

Facilitator:

- David Powell, Rucker, Powell & Associates, Herington

Participants:

- Monique Alcala, person receiving services, Wichita
- Juliet Banks, parent, Topeka
- Bill & Sue Bloedel, grandparents, Derby
- Pam Breedlove, parent, Topeka
- Ann Davidson, parent, Newton
- Karen Dorsey, parent, Topeka
- Alisha Dorsey, person receiving services, Topeka
- Mike Everett, parent of person on waiting list, Leawood
- Carol Geilneau, parent, Hutchinson
- Eric Geilneau, person receiving services, Hutchinson
- Mary Liechti, parent, Wathena
- Mary Pitt, parent, Yates Center
- Elda Remington, parent, Topeka
- Kim York, sibling, Hartford

Observer:

- Tanya Dorf, SRS/Health Care Policy, Topeka

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Appendix C

Below is the text from SRS' letter of invitation to the SRS DD Consumer and Family Work Group Meeting.

Dear (Name),

Thank you for agreeing to participate in SRS's Consumer and Family Work Group on Needs vs. Wants. It's a difficult job to try to define what needs and wants are for people with disabilities, but it's an important one.

When we have our discussion about defining needs vs. wants, we need to keep in mind that whatever recommendations we make must be in line with the current budget. In Governor Graves' State of the State address this January, he presented his budget to the Legislature:

"There are public policy issues that must be fully debated regarding our Home and Community based services waivers. Using current trends, two years from now, I would need to recommend for these programs State General Fund spending of \$217 million - an increase of almost \$170 million since FY 1997. Spending from all funding sources would need to increase from \$119 million to \$544 million - an increase of over \$400 million. We need to decide if we can afford these escalating costs, keeping in mind such increases will come at a cost to other crucial programs.

"I know these will be difficult debates as we discuss want to have vs. need to have; comfortable vs. critical; state responsibility vs. community or family responsibility. These are not partisan issues; they are Kansas issues that must be addressed this session."

The Kansas Legislature agreed with the Governor that these issues must be addressed, and they have asked SRS to help them in this effort. The House Social Services Budget Committee specifically has asked SRS to convene informal task forces of stakeholders to make recommendations to the Committee on the definitions of needs vs. wants of consumers served by the Home and Community Based Services waiver. The Committee pointed out, "In order for the state to continue the program, a range of services which fulfill the needs of consumers must be established in place of attempting to address all the wants of an individual and/or the family members." The Budget Committee also asked that the task forces consider the issue of training for case managers and consumers with respect to the modified range of services to be provided in the future. "Finally," the Committee said, "given the amount of resources presently dedicated to this program, all recommendations, in the aggregate, are required to be budget neutral."

As you can see, both the Governor and the Legislature understand the difficulty and the importance of providing the necessary services to Kansans with disabilities, but both also seek the guidance of the providers and consumers of those services. This is an important opportunity for you, as a consumer of the services, to give thoughtful consideration to all of these issues and to work with your counterparts across the state to shape the future of Kansas disability services. In April SRS will

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present a report detailing the results of these meetings to the Legislature, and they are likely to use our findings to continue to shape the future of disability services in Kansas. Therefore, your participation is important, and we do greatly value the contribution you are making.

In summing up his thoughts in his 2000 State of the State address, Governor Graves reflected on the words of a famous and influential Kansan:

“We are well served to heed the words of William Allen White in his 1936 address at Northwestern University. He urged those graduates, as I urge you, to remember the great strengths of our nation - the elements of tolerance, patience, and duty. Tolerance of other views and perspectives, a quality that will serve us all well in the coming days. Patience to let the process work, to engage in full debate, to calmly think our way through difficult moments. And finally, a duty to never forget our responsibility to serve the people of Kansas. Duty does not know party, race, or gender. Duty does not depend on rank or station. Duty is about doing what is right with integrity and compassion. It is about good policy, not good politics. It demands when the debate has ended and the decision has been made we can say to our fellow Kansan - I have done my duty.”

We look forward to meeting with you in Emporia on March 18th, as we work together to do our duty for our fellow citizens of Kansas. If you have any questions, please feel free to call Tanya Dorf in my office (785/ 296-3561) or e-mail her (TLD@srskansas.org).

Sincerely,

Martha Hodgesmith
Director, Community Supports & Services
SRS/Health Care Policy

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SRS DD Stakeholders Work Group

March 24, 2000

Messages to SRS and the House Social Services Budget Committee Regarding Needs vs. Wants for People involved with Developmental Disabilities Services in Kansas

Background

A group of nineteen stakeholders in the Kansas developmental disabilities (DD) service system met in Topeka on Friday, March 24, 2000. The individuals who were asked to participate in the work group were chosen in order to make sure that the major stakeholders in the Kansas DD service system were represented: consumers, family members, Community Service Providers (CSP), Intermediate Care Facility for Mentally Retarded (ICF-MR) administrators, Community Developmental Disability Organization (CDDO) administrators, and the major advocacy groups. There were representatives from Garden City, Goodland, Wichita, Hartford, Columbus, Ottawa, Pittsburg, Paola, Leawood, Overland Park, Lawrence, and Topeka. Two representatives from DD Consumer and Family Work Group, which met on March 18th, were invited to attend this meeting.

The nine needs identified by DD Consumer and Family Work Group were shared with the members of this group, and the representatives from the DD Consumer and Family Work Group shared the thoughts of the first DD work group with the members of the full DD Stakeholder Work Group. The DD Stakeholder Work Group was, then, charged with the responsibility of expanding on the needs described on March 18th by beginning to identify ways in which the DD service system can respond to the needs of consumers and family members.

(Appendix B contains a list of the March 24th work group participants, and Appendix C contains a copy of the letter of invitation that was sent to DD stakeholders.)

Methodology

Rick Goscha of the University of Kansas School of Social Welfare, Lawrence, Kansas, facilitated the meeting. Goscha took the group through several exercises intended to expand on the recommendations of the Consumer and Family Work Group. The meeting included several brainstorming sessions:

- First, participants reviewed the needs expressed by the DD Consumer and Family Work Group and identified broad themes under which each of those needs could be categorized.
- Second, participants were asked to brainstorm what sorts of solutions could be applied to the needs associated with each theme.
- The participants then identified strategies within each theme which could be used to address the needs associated with each theme.
- Finally, participants set their priorities within each theme by voting on the strategies they had listed.

Three general themes and a few overall philosophies emerged from the discussion. These themes, philosophies, and the strategies associated with the themes, are listed on the next two pages.

(Appendix A contains the list from the second brainstorming session described above.)

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Themes

Through the course of the discussions by the work group, four overall philosophies emerged. The work group agreed that each of these philosophies should be important aspects to the way people approach the Kansas DD system. Each philosophy also touches on each of the themes identified by the group. The philosophies are:

- Consumer Choice has to be considered in all that we do.
- Needs vs. Wants needs to be the way we all look at DD services.
- We need to advocate for people who cannot advocate for themselves.
- Remember that we all work together, but come to the table with different perspectives.

The work group discovered that there were three categories of needs identified in the DD Consumer and Family Work Group:

1. Equitable, Adequate and Flexible Allocation of Funding
2. Quality/Choice-Based Services and Supports
3. Staffing Issues

Strategies to address the needs of Kansans with developmental disabilities

The strategies listed by the work group are broken down according to the three categories of need described above.

1. Equitable, Adequate and Flexible Allocation of Funding

1. We must develop a strategy or needs assessment tool to define the needs of consumers, so that we can consistently determine across the state what needs/wants we will pay for. Consumers and families must make the final determination of what their needs are.
2. We should always ask for what we need, no more nor less. Work with the Legislature to identify other available resources to meet needs, e.g., identify and advocate for other non-DD services for which people with DD are eligible.
3. Look for ways that families can participate financially in providing services for their child.
4. To initiate discussion of allocation of funds and the possibility of re-allocating if necessary.
5. We need to advocate for people who cannot advocate for themselves - all parts of their lives.
6. Establish a mechanism that allows for partial state funding that doesn't disenfranchise you from further funding.
7. Continue to bring stakeholders together to address issues as they occur.

2. Quality/Choice-Based Services and Supports

1. Use on a trial basis, existing needs assessment tools to utilize in each area. (*This also relates to strategy number one listed under Equitable, Adequate and Flexible Allocation of Funding above.*)
2. Look at current evaluation system with SRS and develop one which evaluates not only the provision of needs, but also meets as many wants as possible. Develop a means to

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identify and balance choice and risk and then consider to what extent the state is willing to fund risk.

3. Quality of services and the outcomes of services should be developed, defined and measured by the consumer, as a part of the person-centered planning process.

3. Staffing Issues

1. Develop a menu of options to utilize other means besides paid staff to meet individual needs. (such as utilizing naturally-occurring supports, technology, and flexible funding to get menu options) Look into different ways to schedule and pay staff. (such as hiring someone to be a roommate, paying neighbor or family member to check on the consumer, or shifting money that provides more consistency) Making the funding rules easier and more flexible, and educate people about the rules. Train consumers, families and case managers how to identify, advocate for, and access non-traditional resources. (such as naturally-occurring resources, other people as natural supports, and resources that cross over into other service areas)
2. Develop staff retention strategies that might include: career ladders, educational ladders, certification of position, identifying and meeting social needs, non-financial incentives, a means for recognition, a staff mentoring system, or a system of co-opting benefits. Find ways to have staff participate in organizational management.
3. The role of the service coordinator is to be the primary advocate for the person he or she serves.
4. Encourage DD service providers to hire people with disabilities.
5. Provide case managers with training about how to access non-traditional resources.
6. Train staff to personalize services based on the individual.

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Appendix A

The following is a raw list of strategies identified by this Work Group that could be used to address the needs identified by the DD Consumer and Family Work Group.

1. Equitable, Adequate and Flexible Allocation of Funding

- We may have to say “no” in relation to needs vs. wants.
- We may have to consider creative options to address unmet persons’ needs/wants.
- Stress consumers’ stated needs with the State.
- More education of mental health resources.
- Flexibility to spend money on non-traditional means of receiving services.
- Reinforce the message that this is not a welfare system.
- Understand the meaning of the equity discussion (definition) that has been raised by SRS.
- We need to operate under the assumption that we can get more resources.
- Knowledge of availability for funding.
- Maintain current level of services without funding being cut.
- Needs defined consistently across the state.
- Knowledge of current legal issues and how to work with the State to address those challenges.
- Difference between adult and children’s needs.
- Knowledge of a range of services.
- Reinforce that this system is still building.
- Un-served vs. under-served and over-served
- Don’t take people off the waiting list in one part of the state and cut services in others.
- Needs-based funding
- Consumer must decide need.
- Families and agencies need to be able to pay for the most efficient mechanism of service.
- Reinforce the fact that there is an investment in a person’s life that begins with the disability and continues throughout life.

2. Quality/Choice-Based Services and Supports

- Quality and outcomes defined by consumer and measured by consumer.
- Utilize needs assessment to define outcomes.
- Measuring where the individual is as opposed to what they have identified where they wanted to be at the beginning.
- Guardian education.
- Consumers and families should choose where services come from.
- Recruitment and retention of qualified staff (include the individual in the hiring of his or her staff).
- Moving towards more of an outcomes-based approach.
- Local communities (each CDDO area) should have a menu of choices.

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- Needs to be a means to identify and balance choice and risk.
- Keep in mind the rights people have vs. what their guardians may steer them to.

3. Staffing Issues

- Have someone outside the agency to help with staff training.
- Protect the advocacy role of case managers
- At what point do we need more money to increase rates of pay for staff.
- Find a means to professionalize direct staff, i.e., certification, etc.
- Need to address the need for staff to feel safe when they are providing services.
- Have more generic case management that cuts across service definitions.
- We will probably never be fully staffed.
- Figure out how to more effectively utilize the staff we do have.
- Discuss recruitment strategies.
- Co-opting some benefits.
- Sharing knowledge of “best practices.”
- Paid staff are not the only means of meeting a person’s needs: technology, naturally occurring supports.
- Needs assessment tool training for intake staff, service coordinators and direct staff.
- Career & education ladders for direct staff.

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Appendix B

Facilitator:

- Rick Goscha, KU School of Social Welfare, Lawrence

Participants:

- Sherry Diel, Kansas Advocacy and Protective Services, Topeka
- Sean Swindler, Self Advocate Coalition of Kansas, Lawrence
- Stephanie Wilson, The Alliance, Overland Park
- Connie Zienkewicz, Families Together - Wichita
- Tom Laing/Matt Fletcher, InterHab, Topeka
- Kathy Lobb, Self Advocate, Lawrence
- Mike Everett, Family Member, Leawood
- Kim York, Family Member, Hartford
- Pat Daugherty, CLASS, Columbus
- Dee Shaffer, COF, Ottawa
- Meripat Bowman, Golden West Community Services, Goodland
- Laura Roberds, KETCH - Wichita
- Jill Baker, Cottonwood, Lawrence
- Chris Schroeder, Res-Care, Wichita
- Bill Craig, Lakemary Center, Paola
- Dave Dunaway, TARC, Topeka
- Mark Hinde, SDSI, Garden City
- Mary Brown, New Horizons, Pittsburg
- Teresa Martell, Trinity Respite, Lawrence

Observers:

- Martha Hodgesmith, SRS / Health Care Policy, Topeka
- Tanya Dorf, SRS / Health Care Policy, Topeka
- Marlene Finney, SRS / Health Care Policy, Topeka
- Lizz Phelps, SRS / Health Care Policy, Topeka
- Sharon Johnson, SRS / Health Care Policy, Topeka
- Debbie Huske, SRS / Health Care Policy, Topeka
- Dale Stiffler, Individual Support Systems, Topeka
- Teri Goodrich, Life Patterns, Inc., Topeka
- Harriett Rose, New Patters, Topeka
- Mitch Drucker, Assist, LLC, Lawrence

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Appendix C

Below is the text from SRS' letter of invitation to the SRS DD Stakeholders Work Group Meeting.

Dear (Name),

We would like to invite you to participate in SRS' DD Stakeholder Work Group on Needs vs. Wants on Friday, March 24th in Topeka. It's a difficult job to try to define what needs and wants are for people with disabilities, but it's an important one.

When we have our discussion about defining needs vs. wants, we need to keep in mind that whatever recommendations we make must be in line with the current budget. In Governor Graves' State of the State address this January, he presented his budget to the Legislature:

"There are public policy issues that must be fully debated regarding our Home and Community based services waivers. Using current trends, two years from now, I would need to recommend for these programs State General Fund spending of \$217 million - an increase of almost \$170 million since FY 1997. Spending from all funding sources would need to increase from \$119 million to \$544 million - an increase of over \$400 million. We need to decide if we can afford these escalating costs, keeping in mind such increases will come at a cost to other crucial programs.

"I know these will be difficult debates as we discuss want to have vs. need to have; comfortable vs. critical; state responsibility vs. community or family responsibility. These are not partisan issues; they are Kansas issues that must be addressed this session."

The Kansas Legislature agreed with the Governor that these issues must be addressed, and they have asked SRS to help them in this effort. The House Social Services Budget Committee specifically has asked SRS to convene informal task forces of stakeholders to make recommendations back to their Committee on the definitions of needs vs. wants of consumers served by the Home and Community Based Services waiver. The Committee pointed out, "In order for the state to continue the program, a range of services which fulfill the needs of consumers must be established in place of attempting to address all the wants of an individual and/or the family members." The Budget Committee also asked that the task forces consider the issue of training for case managers and consumers with respect to the modified range of services to be provided in the future. The Committee also directed SRS to continue meetings with stakeholders across the state to solicit ideas about a wider range of management tools which could be put in place to contain costs and achieve equity of services for HCBS services across the state. "Finally," the Budget Committee said, "Given the amount of resources presently dedicated to this program, all recommendations, in the aggregate, are required to be budget neutral."

16-4-14

As you can see, both the Governor and the Legislature understand the difficulty and the importance of providing the necessary services to Kansans with disabilities, but both also seek the guidance of the providers and consumers of those services. This is an important opportunity for you, as someone who is intimately involved in the Kansas DD service system, to give thoughtful consideration to all of these issues and to work with your counterparts across the state to shape the future of Kansas disability services. In April SRS will present a report detailing the results of these meetings to the Legislature, and they are likely to use our findings to continue to shape the future of disability services in Kansas. Therefore, your participation is important, and we do greatly value the contribution you are making.

In summing up his thoughts in his 2000 State of the State address, Governor Graves reflected on the words of a famous and influential Kansan:

“We are well served to heed the words of William Allen White in his 1936 address at Northwestern University. He urged those graduates, as I urge you, to remember the great strengths of our nation - the elements of tolerance, patience, and duty. Tolerance of other views and perspectives, a quality that will serve us all well in the coming days. Patience to let the process work, to engage in full debate, to calmly think our way through difficult moments. And finally, a duty to never forget our responsibility to serve the people of Kansas. Duty does not know party, race, or gender. Duty does not depend on rank or station. Duty is about doing what is right with integrity and compassion. It is about good policy, not good politics. It demands when the debate has ended and the decision has been made we can say to our fellow Kansan - I have done my duty.”

We look forward to meeting with you in Topeka at the Disability Determination Services Conference Room A in White Lakes Mall (3460 SW Topeka Blvd., Suite 100) on March 24th from 9:30 am to 12:30 pm, as we work together to do our duty for our fellow citizens of Kansas. Please contact Tanya Dorf in my office (phone 785/ 296-3561 or e-mail TLD@srskansas.org) to confirm that you will be able to participate in this meeting or if you have any questions.

Sincerely,

Martha Hodgesmith
Director, Community Supports & Services
SRS/Health Care Policy

16-415

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To further address payment concerns, we have developed the following budget provisos which could be included in SRS budget appropriations for FY 2000 and FY 2001:

Proviso for the SRS - Youth Aid and Assistance appropriation for FY 2000

Provided that the Secretary will assist the present foster care and adoption services contractors in dealing with their cash flow problems by accelerating contractual payments which are owed or will be owed by SRS under the terms of the FY 2000 contracts and provided further that the Secretary will work with each foster care and adoption services contractor to assure that these accelerated payments are used to pay any existing delinquent accounts the contractors have with their subcontractors.

Proviso for the SRS - Youth Aid and Assistance appropriation for FY 2001

Provided that the Secretary assure that payments to the foster care and adoption contractors are paid within the limits of the Kansas Prompt Payment Act to facilitate steady cash flow for the contractors and their ability to maintain timely payments to their subcontractors, and provided further that SRS maintain regular monitoring of their contractors' business activities, including but not limited to the status of their payments to their subcontractors, and provided further that should any SRS contractor regularly fail to maintain timely reimbursement to their subcontractors SRS shall require the development of a corrective action plan by the contractor, and provided further that continued failure by an SRS contractor to make timely payments to subcontractors after the implementation of a corrective action plan can be the basis for SRS seeking new bids for that contractor's area of responsibility.



State of Kansas Department on Aging

Connie L. Hubbell, Secretary

for additional information, contact:

OFFICE OF THE SECRETARY

Mike Hammond, Special Assistant
New England Building
503 S. Kansas Avenue
Topeka, Kansas 66603
phone: (785)296-4986
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or contact:

**Catherine Walberg
DEPUTY SECRETARY**

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phone: (785)296-0616
fax (785)296-0256

Senate Ways and Means Committee

Omnibus Budget Information

Office of the Secretary
Connie L. Hubbell, Secretary
785.296.5222

Kansas Department on Aging
Report to:
House Appropriations Committee
and
Senate Ways and Means Committee

Attached are several documents providing information previously requested to further review the impact of the \$450,000 reduction to the Older Americans Act (OAA) match provided by the State General Fund (SGF).

Exhibit A is the list of the OAA Nutrition Providers for the State of Kansas. All of the providers are non-profit organizations or county government operations.

The trend for the past few fiscal years has been an overall decrease in the demand for meals. This is demonstrated by Exhibit B1 that indicates a statewide decrease from FY 98 to FY 99 of 1.08% in the Congregate Meal program and .41% in the Home Delivered Meal program. Please note, however, Exhibit B2 provides the historical trend by Nutrition Project and indicates that some individual projects have, in fact, experienced increases during this time period.

For FY 2000, the nutrition providers indicate the \$450,000 reduction in SGF funds can be covered by other sources such as: federal dollar reserves, increasing the suggested contribution rate, and miscellaneous administrative reductions. Exhibit C provides the projected number of meals to be served, the number of customers, and the projected amount of funding needed to meet the demand.

For FY 2001, based on historical trends, Exhibit C indicates we expect to serve a projected total of 3,097,680 meals in the two programs to 46,317 customers. The funding required to provide the projected meals is \$13,815,652 based on an average cost per meal with a four-percent inflation factor included. However, KDOA projects with all sources combined, the available funding will be \$13,409,561. (See Exhibit D for each funding source percentage of total funding.) This equates to an approximate shortage of \$406,091 or 91,052 meals.

With the projected shortage of funds, waiting lists are a possibility. Currently, 3 of 22 providers report they have a waiting list consisting of a combined 212 people. The reasons vary from lack of delivery volunteers/personnel to funding limitations. See Exhibit E for specific providers reporting waiting lists.

Finally, KDOA conducted a survey of the 22 OAA nutrition providers to obtain their assessment of the SGF reduction and how they plan to address any adverse impact. Exhibit E provides a summary of the responses for the 2000 and 2001 budgets. As the report indicates, the providers are attempting to reduce costs and increase resources in many ways prior to implementing waiting lists, reducing days of service, or closing sites.

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**REPORT TO THE SENATE WAYS AND MEANS COMMITTEE
BY
CONNIE HUBBELL, SECRETARY
KANSAS DEPARTMENT ON AGING
APRIL 21, 2000**

Thank you for the opportunity to respond to questions raised in the Senate Ways and Means Committee FY 2001 Budget Report for the Department on Aging. The following are responses to requests from the committee.

1. Request: Update on the Nutrition Services Grants Programs, impact of reductions on nutrition sites, waiting lists, lack of volunteers and meal delivery.

Response: The funding reduction will not affect the state's ability to pull down federal dollars in either FY 2000 or in FY 2001. In FY 2000, by pooling available resources, KDOA estimates all current customers will continue to receive meals. In FY 2001, the reduction may result in an inability to meet projected demand by 91,052 meals at a cost of \$406,091 (3% of funding available from all sources) if additional local or federal resources cannot cover the demand.

See Attachment 1 for an update on nutrition projects in Kansas.

2. Request: KDOA coordinate with Fort Hays State University about the Senior Companion Program, determine appropriate placement for program, federal funding available and state match, and performance outcomes.

Response: See Attachment 2 for an update on the Senior Companion Program.

3. Request: Review of funding for and success of the Wage Pass-Through Program for FY 2000.

Response: See Attachment 3 for an update on the Wage Pass-Through Program.

4. Request: Review of the Retired Senior Volunteer Program (RSVP.)

Response: The RSVP program will be funded by competitive grants from KDOA to Area Agencies on Aging in FY 2001, for the purpose of recruiting and training volunteers to provide some of the services offered by AAAs. Use of volunteers may help eliminate waiting lists for services, whether providing in-home chore services, housecleaning, or delivering meals to customers in their homes. The grant process is set up so that by the second year of an RSVP project, the project will mature and find alternative funding sources.

See Attachment 4 for an update on the Retired Senior Volunteer Program.

I appreciate the opportunity to respond to the requests from the committee. I will be glad to stand for questions.

Kansas Department on Aging

Report to: House Appropriations Committee and Senate Ways and Means Committee

Attached are several documents providing information previously requested to further review the impact of the \$450,000 reduction to the Older Americans Act (OAA) match provided by the State General Fund (SGF).

Exhibit A is the list of the OAA Nutrition Providers for the State of Kansas. All of the providers are non-profit organizations or county government operations.

The trend for the past few fiscal years has been an overall decrease in the demand for meals. This is demonstrated by Exhibit B1 that indicates a statewide decrease from FY 98 to FY 99 of 1.08% in the Congregate Meal program and .41% in the Home Delivered Meal program. Please note, however, Exhibit B2 provides the historical trend by Nutrition Project and indicates that some individual projects have, in fact, experienced increases during this time period.

For FY 2000, the nutrition providers indicate the \$450,000 reduction in SGF funds can be covered by other sources such as: federal dollar reserves, increasing the suggested contribution rate, and miscellaneous administrative reductions. Exhibit C provides the projected number of meals to be served, the number of customers, and the projected amount of funding needed to meet the demand.

For FY 2001, based on historical trends, Exhibit C indicates we expect to serve a projected total of 3,097,680 meals in the two programs to 46,317 customers. The funding required to provide the projected meals is \$13,815,652 based on an average cost per meal with a four-percent inflation factor included. However, KDOA projects with all sources combined, the available funding will be \$13,409,561. (See Exhibit D for each funding source percentage of total funding.) This equates to an approximate shortage of \$406,091 or 91,052 meals.

With the projected shortage of funds, waiting lists are a possibility. Currently, 3 of 22 providers report they have a waiting list consisting of a combined 212 people. The reasons vary from lack of delivery volunteers/personnel to funding limitations. See Exhibit E for specific providers reporting waiting lists.

Finally, KDOA conducted a survey of the 22 OAA nutrition providers to obtain their assessment of the SGF reduction and how they plan to address any adverse impact. Exhibit E provides a summary of the responses for the 2000 and 2001 budgets. As the report indicates, the providers are attempting to reduce costs and increase resources in many ways prior to implementing waiting lists, reducing days of service, or closing sites.

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PSA 02

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PSA 03

Michelle Morgan, Director
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Office Phone: 785-628-8824
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Douglas County Senior Svcs., Inc.
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Jane Metzger
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PSA 05

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PSA 06

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Marilyn Auger, Director
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PSA 08

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PSA 09

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Olathe, KS 66061
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FAX: 913-477-8025

7/7/99

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OAA Meals by Planning & Service Area						FFY98 to FFY99	FFY96 to FFY99
		FFY-1996	FFY-1997	FFY-1998	FFY-1999	Change	Change
PSA 1	Congregate	115,718	108,690	104,282	102,778	-1.44%	-11.18%
	Home-Delivered	153,691	149,396	155,585	156,138	0.36%	1.59%
	TOTAL	269,409	258,086	259,867	258,916	-0.37%	-3.89%
PSA 2	Congregate	219,292	199,354	206,437	207,896	0.71%	-5.20%
	Home-Delivered	288,304	278,218	244,516	244,189	-0.13%	-15.30%
	TOTAL	507,596	477,572	450,953	452,085	0.25%	-10.94%
PSA 3	Congregate	187,505	177,733	184,691	181,230	-1.87%	-3.35%
	Home-Delivered	68,267	60,703	59,706	61,447	2.92%	-9.99%
	TOTAL	255,772	238,436	244,397	242,677	-0.70%	-5.12%
PSA 4	Congregate	136,805	134,880	133,851	137,656	2.84%	0.62%
	Home-Delivered	66,624	51,317	86,715	78,209	-9.81%	17.39%
	TOTAL	203,429	186,197	220,566	215,865	-2.13%	6.11%
PSA 5	Congregate	175,260	165,038	150,402	131,777	-12.38%	-24.81%
	Home-Delivered	195,403	190,861	180,128	177,875	-1.25%	-8.97%
	TOTAL	370,663	355,899	330,530	309,652	-6.32%	-16.46%
PSA 6	Congregate	294,059	292,593	290,217	294,791	1.58%	0.25%
	Home-Delivered	113,832	111,188	113,956	111,721	-1.96%	-1.85%
	TOTAL	407,891	403,781	404,173	406,512	0.58%	-0.34%
PSA 7	Congregate	144,406	136,210	133,767	129,983	-2.83%	-9.99%
	Home-Delivered	77,146	71,788	76,237	92,887	21.84%	20.40%
	TOTAL	221,552	207,998	210,004	222,870	6.13%	0.59%
PSA 8	Congregate	309,490	277,019	257,960	262,602	1.80%	-15.15%
	Home-Delivered	224,893	143,566	98,069	90,810	-7.40%	-59.62%
	TOTAL	534,383	420,585	356,029	353,412	-0.74%	-33.87%
PSA 9	Congregate	106,911	109,560	109,667	110,520	0.78%	3.38%
	Home-Delivered	77,829	71,609	70,648	65,957	-6.64%	-15.25%
	TOTAL	184,740	181,169	180,315	176,477	-2.13%	-4.47%
PSA 10	Congregate	255,810	251,485	233,159	225,361	-3.34%	-11.90%
	Home-Delivered	152,368	142,319	118,071	112,608	-4.63%	-26.09%
	TOTAL	408,178	393,804	351,230	337,969	-3.78%	-17.20%
PSA 11	Congregate	51,224	49,568	48,869	48,673	-0.40%	-4.98%
	Home-Delivered	114,226	114,456	116,350	122,737	5.49%	7.45%
	TOTAL	165,450	164,024	165,219	171,410	3.75%	3.60%
Statewide	Congregate	1,996,480	1,902,130	1,853,302	1,833,267	-1.08%	-8.18%
	Home-Delivered	1,532,583	1,385,421	1,319,981	1,314,578	-0.41%	-14.22%
	TOTAL	3,529,063	3,287,551	3,173,283	3,147,845	-0.80%	-10.80%

Source:

FFY year-end reports of OAA meals served through 9/30 of each FFY, less any state funded In-Home Nutrition Program meals.

18-7

OAA Meals by Nutrition Project

FY98 to FY 99 FY96 to FY99 EXHIBIT B2

PSA	Project	Meal Type	FFY-1996	FFY-1997	FFY-1998	FFY-1999	Change	Change
PSA 1	Wyandotte	Congregate	81,358	79,455	80,729	78,873	-2.30%	-3.05%
		Home-Delivered	115,658	113,292	117,157	116,656	-0.43%	0.86%
		TOTAL	197,016	192,747	197,886	195,529	-1.19%	-0.75%
PSA 1	Leavenworth	Congregate	34,360	29,235	23,553	23,905	1.49%	-30.43%
		Home-Delivered	38,033	36,104	38,428	39,482	2.74%	3.81%
		TOTAL	72,393	65,339	61,981	63,387	2.27%	-12.44%
PSA 2	Good Neighbor Nutrition Pgm.	Congregate	219,292	199,354	206,437	207,896	0.71%	-5.20%
		Home-Delivered	86,648	77,426	67,952	76,183	12.11%	-12.08%
		TOTAL	305,940	276,780	274,389	284,079	3.53%	-7.15%
PSA 2	Senior Services	Congregate	-	-	-	-	n/a	n/a
		Home-Delivered	155,075	154,317	129,668	119,054	-8.19%	-23.23%
		TOTAL	155,075	154,317	129,668	119,054	-8.19%	-23.23%
PSA 2	El Dorado	Congregate	-	-	-	-	n/a	n/a
		Home-Delivered	23,671	21,623	21,254	23,688	11.45%	0.07%
		TOTAL	23,671	21,623	21,254	23,688	11.45%	0.07%
PSA 2	Newton	Congregate	-	-	-	-	n/a	n/a
		Home-Delivered	22,910	24,852	25,642	25,264	-1.47%	10.27%
		TOTAL	22,910	24,852	25,642	25,264	-1.47%	10.27%
PSA 3	Homestead	Congregate	187,505	177,733	184,691	181,230	-1.87%	-3.35%
		Home-Delivered	68,267	60,703	59,706	61,447	2.92%	-9.99%
		TOTAL	255,772	238,436	244,397	242,677	-0.70%	-5.12%
PSA 4	Douglas Co	Congregate	36,294	36,650	37,660	37,863	0.54%	4.32%
		Home-Delivered	14,165	14,105	18,039	20,935	16.05%	47.79%
		TOTAL	50,459	50,755	55,699	58,798	5.56%	16.53%
PSA 4	Topeka MOW	Congregate	100,511	98,230	96,191	99,793	3.74%	-0.71%
		Home-Delivered	52,459	37,212	68,676	57,274	-16.60%	9.18%
		TOTAL	152,970	135,442	164,867	157,067	-4.73%	2.68%
PSA 5	SE Kansas	Congregate	175,260	165,038	150,402	131,777	-12.38%	-24.81%
		Home-Delivered	195,403	190,861	180,128	177,875	-1.25%	-8.97%
		TOTAL	370,663	355,899	330,530	309,652	-6.32%	-16.46%
PSA 6	SW Kansas	Congregate	294,059	292,593	290,217	294,791	1.58%	0.25%
		Home-Delivered	113,832	111,188	113,956	111,721	-1.96%	-1.85%
		TOTAL	407,891	403,781	404,173	406,512	0.58%	-0.34%
PSA 7	Mid-America	Congregate	110,815	103,834	103,070	97,950	-4.97%	-11.61%
		Home-Delivered	68,435	63,949	71,288	87,186	22.30%	27.40%
		TOTAL	179,250	167,783	174,358	185,136	6.18%	3.28%
PSA 7	Linn Co	Congregate	33,591	32,376	30,697	32,033	4.35%	-4.64%
		Home-Delivered	8,711	7,839	4,949	5,701	15.19%	-34.55%
		TOTAL	42,302	40,215	35,646	37,734	5.86%	-10.80%
PSA 8	Mid Kansas	Congregate	309,490	277,019	257,960	262,602	1.80%	-15.15%
		Home-Delivered	224,893	143,566	98,069	90,810	-7.40%	-59.62%
		TOTAL	534,383	420,585	356,029	353,412	-0.74%	-33.87%
PSA 9	Proj. Concern	Congregate	12,217	13,261	12,902	12,087	-6.32%	-1.06%
		Home-Delivered	16,559	19,306	18,514	19,477	5.20%	17.62%
		TOTAL	28,776	32,567	31,416	31,564	0.47%	9.69%
PSA 9	Doniphan Co	Congregate	18,157	18,335	17,859	20,886	16.95%	15.03%
		Home-Delivered	15,005	14,345	14,231	13,647	-4.10%	-9.05%
		TOTAL	33,162	32,680	32,090	34,533	7.61%	4.13%
PSA 9	Jackson Co	Congregate	14,876	12,559	12,496	12,311	-1.48%	-17.24%
		Home-Delivered	5,307	5,478	4,717	4,645	-1.53%	-12.47%
		TOTAL	20,183	18,037	17,213	16,956	-1.49%	-15.99%
PSA 9	Marshall Co	Congregate	21,779	24,918	27,413	26,083	-4.85%	19.76%
		Home-Delivered	15,973	15,048	14,110	12,417	-12.00%	-22.26%
		TOTAL	37,752	39,966	41,523	38,500	-7.28%	1.98%
PSA 9	Nemaha Co	Congregate	11,089	14,006	13,200	12,877	-2.45%	16.12%
		Home-Delivered	6,965	4,946	5,935	6,325	6.57%	-9.19%
		TOTAL	18,054	18,952	19,135	19,202	0.35%	6.36%
PSA 9	Washington Co	Congregate	28,793	26,481	25,797	26,276	1.86%	-8.74%
		Home-Delivered	18,020	12,486	13,141	9,446	-28.12%	-47.58%
		TOTAL	46,813	38,967	38,938	35,722	-8.26%	-23.69%
PSA 10	Aging Projects	Congregate	255,810	251,485	233,159	225,361	-3.34%	-11.90%
		Home-Delivered	152,368	142,319	118,071	112,608	-4.63%	-26.09%
		TOTAL	408,178	393,804	351,230	337,969	-3.78%	-17.20%
PSA 11	Johnson Co	Congregate	51,224	49,568	48,869	48,673	-0.40%	-4.98%
		Home-Delivered	114,226	114,456	116,350	122,737	5.49%	7.45%
		TOTAL	165,450	164,024	165,219	171,410	3.75%	3.60%
Statewide		Congregate	1,996,480	1,902,130	1,853,302	1,833,267	-1.08%	-8.18%
		Home-Delivered	1,532,583	1,385,421	1,319,981	1,314,578	-0.41%	-14.22%
		TOTAL	3,529,063	3,287,551	3,173,283	3,147,845	-0.80%	-10.80%

Source:

FFY year-end reports of OAA meals served through 9/30 of each FFY, less any state funded In-Home Nutrition Program meals.

18-B

**Kansas Department on Aging
Older Americans Act
Congregate and Home Delivered Meals
Actual and Projected Meals FFY97 - FFY01**

Year	Type	Meals	Dollars Expended	Persons Served
FFY97	C1*	1,902,130	\$7,164,149	36,208
	C2**	1,385,421	\$5,382,095	15,928
FFY98	C1*	1,853,302	\$7,176,856	32,824
	C2**	1,319,981	\$5,108,618	19,298
FFY99	C1*	1,833,267	\$7,421,206	30,716
	C2**	1,314,578	\$6,892,343	16,341
FFY00	C1*	1,825,872	\$6,967,143	30,594
Projected	C2**	1,296,790	\$6,431,208	16,120
FFY01	C1*	1,806,207	\$7,184,139	30,263
Projected	C2**	1,291,473	\$6,631,513	16,054

* Congregate

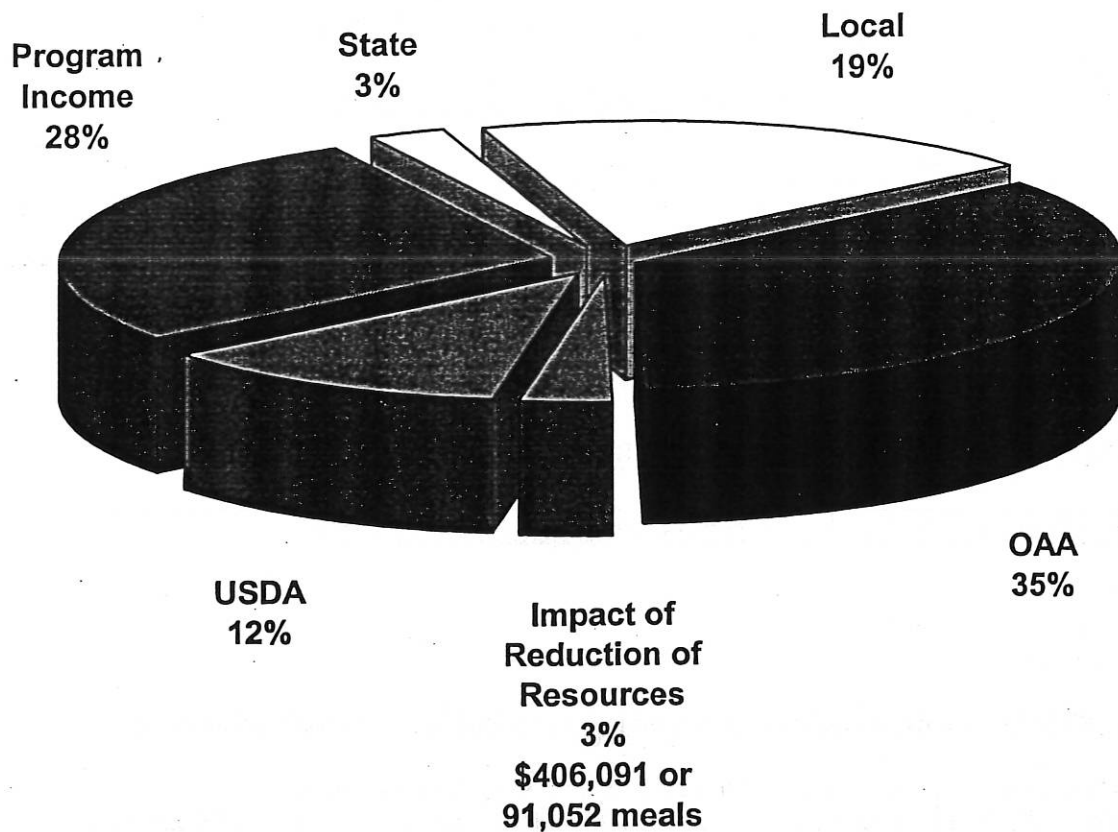
** Home Delivered

FFY00 and FFY01 Dollars expended represent amount needed to meet the projected demand.

For FFY00- It is anticipated the shortage of funding will be met by other supports.

For FFY01- If the \$450,000 is not reinstated, the shortage will equate to \$406,091 or 91,052 meals.

Kansas Department on Aging Older Americans Act Congregate and Home Delivered Meals FFY01 - Projected Funding Sources Meals Only



10
18/9

Kansas Department on Aging
NUTRITION PROVIDER SURVEY
Summary of 2000 and 2001 Budget Reduction Impact
Conducted February, 2000

1. Waiting Lists

Question: If you had a waiting list on February 29, 2000, how many unduplicated senior adults were on the list?

Answer: Of 22, three projects reported maintaining a waiting list with a total of 212 persons.

<u>Project</u>	<u>Number of Persons</u>
* HOMESTEAD NUTRITION PROJECT Waiting due to funding limitations	108
* TOPEKA MEALS ON WHEELS Waiting due to lack of delivery volunteers/personnel	100
* ELDERCARE, INC. Waiting due to funding limitations	4

2. FFY 2000 Funding Impact/Impact of FFY 2000 Funding Changes

Question: State the potential impact of SGF OAA match reduction in FFY 2000.

Answer: Please indicate what best describes how you plan to compensate for this impact.

<u>Choice</u>	<u>Number of Projects selected option</u>
1-Reduce Number of Meals	2
2-Use Project Reserve Funding	2
3-Change the Type of Meals or Amount of Food Served	0
2nd-choice 4-Increase Suggested Contribution Rate by X Amount Per Meal	6
1st-choice 5-Other, please be as specific as possible	7
6-Reduce Staff Hours	2
7-Begin or Add to Waiting List	1
8-Reduce Number of Serving Days	0

FFY 2000 Funding Impact/Impact of FFY 2000 Funding Changes(cont.)

C-1 Comments Regarding SGF OAA reduction in FFY 2000

- *Two providers reported not applicable.
- *Will use county funds.
- *Decreased amount of C1 into Administration.

C-2 Comments Regarding SGF OAA reduction in FFY 2000

- *Funds will be transferred from C1 to C2. Local funds will be used to the extent possible. Local funds are Mill levy.
- *Title III C(2) federal funds have increased by 7,476.00 and increase Mill-levy.
- *I lost my capital monies that I needed to replace kitchen equipment in our Chanute kitchen.
- *Raw food cost reduction.
- *Will use county funds.
- *Redefine delivery areas. Specify radius of travel.
- *Transfer dollars from C1.
- *CPAAA has informed us that the total fed and SGF dollars will be the same - a switch is being made to increase federal to make up the reduction in SGF.

3. FY 2001 Funding Impact

Question: State the potential impact of **SGF OAA match reduction in FFY 2001.**

Answer: Please indicate what best describes how you plan to compensate for this impact.

<u>Choice</u>	<u>Number of Projects selected option</u>
1-Reduce Number of Meals	4
2-Use Project Reserve Funding	3
3-Change the Type of Meals or Amount of Food Served	2
1st-choice 4-Increase Suggested Contribution Rate by X Amount Per Meal	8
2nd-choice 5-Other, please be as specific as possible	6
6-Reduce Staff Hours	3
2nd-choice 7-Begin or Add to Waiting List	6
8-Reduce Number of Serving Days	3

18-12

FY 2001 Funding Impact

C-1 Comments Regarding SGF OAA reduction in FFY 2001

- *If federal dollars are the same then problem is increased minimum wage impact.
- *Close kitchens resulting in job loss.
- *Reduce number of serving days - for congregate only. Possibly limit the number of meals
- *Possibly limit the number of meals available to congregate members.
- *Serve on a first come first served basis, requiring reservations without ability to have a standing order.
- *The funding is so low, we may have to discontinue the program.
- *If funding continues to decrease the county may not be able to help. The amount of money put into these programs is a lot higher than our Federal funding.
- *Evaluate congregate 5 day a week sites. Ask for waiver for 3 day a week sites.
- *Decreased amount of C1 into AAA Administration. We are unable to increase amount of suggested contribution since it was increased in FY2000 by \$.25.
- *Management considerations will include: evaluate menus and select lower costs items, possible closure/consolidation of nutrition centers to reduce staff hours. Increased gas prices will impact entire program with increases in food costs, transportation, and consumable supplies. To compensate for this depending on impact on budget may have to change policy of initiating next day meal service to a wait list of one week. Minimum wage will also impact the FY2001 budget depending on the amount of increase enacted. The program has 55% of the workers in minimum wage positions. A \$.50/hour increase in the minimum wage will result in an average \$10,000/year increase in personnel.

C-2 Comments Regarding SGF OAA reduction in FFY 2001

- *If federal dollars are the same then problem is increase minimum wage impact.
- *Close kitchens resulting in job loss and an increase in more costly in-home services and nursing home placement.
- *These will be suggestions that I will take to our Board of Directors. Will ask Board for their suggestions.
- *We will be able to maintain for 1 year between federal \$ and reduced SGF. In 2002 will be \$20,000 short.

FY 2001 Funding Impact(cont.)

C-2 Comments Regarding SGF OAA reduction in FFY 2001(cont.)

*The area agency has unawarded C2 dollars that will be used. There will be an impact in FY-2002 as the area agency has drawn down all the money they have available. The Linn County Commission would make a decision during their budgeting time.

*Will use county funds

*Redefine delivery areas. Use more frozen meals and less hot meals delivered daily.

*Transfer dollars from C1 to C2. See comments under c1.

*Area agency doesn't have budget, any reduction in funds cuts into program, cost of meals going up, client contribution going down, local grants harder to get.

18-14
17

Kansas Department on Aging Nursing Facility Staff Turnover Report

Nursing facility staff turnover is a major area of concern within the long-term care industry. Administrators throughout Kansas and the nation are struggling with ways to control this issue. When the Kansas Legislature created the Quality Enhancement Wage Pass-Through Program, they provided nursing facility administrators with a tool for combating the turnover problem.

Of the 357 nursing facilities that were eligible for the program, 228 elected to participate. These facilities requested a total of \$9 million in pass-through funds. To stay within the allocated budget of \$4.3 million each facility's request was reduced to approximately 47%.

Most facilities chose to use the pass-through funds to raise the wages of the frontline staff (nurse aides, medication aides, restorative-rehabilitation aides, licensed mental health technicians, plant operating/maintenance personnel, dietary personnel, laundry staff, housekeeping staff, and activity staff) that the program was targeted toward. The second most common use was to pay bonuses. Other uses included adding new positions, increasing benefits contributions and establishing new benefits for employees.

To measure the effectiveness of the program a turnover report was designed and included in the quarterly reporting requirements for each participating facility. These reports collect the beginning number of employees, the number added, the number terminated, and the ending number of employees for each of the eligible positions. Each turnover report is reviewed by KDOA staff members to check its accuracy.

To establish a basis for comparison for the turnover rates calculated from the quarterly reports, cumulative turnover statistics for Kansas nursing facilities have been compiled for 1996-1998. This information was taken from the Adult Care Home Annual Reports published by the Kansas University School of Social Welfare.

Some caveats should be noted regarding this analysis. The first of these would be to consider the **period of time** for which statistics are reported. Since the statistics available provide a picture of trends after **only four months** of the program, this analysis may not yet show the impact of the program. There may also be **seasonal factors** whose impact on turnover has not yet been balanced out in the wage pass-through program, although the impact of all such seasonal factors would be present in the calendar year statistics presented. Another consideration is that current economic factors may make the baseline statistics less relevant. A final concern would be that the facilities participating in the pass-through program are facilities that elected to participate. Therefore, they are a subgroup of all Kansas nursing facilities that may have a more serious turnover problem than all Kansas nursing facilities taken as a group. For this reason it may not be appropriate to compare statistics for this subgroup to cumulative statistics for all Kansas nursing facilities.

For more information on this report please contact Dave Halferty, KDOA Program and Policy Commission, by phone at (785) 296-8620, or via email at DavidH@Aging.wpo.state.ks.us.

18-15

Attachment 2

Senior Companion Program

1. KDOA coordinate with FHSU to determine appropriate placement for program

Response: The Senior Companion Program (SCP) is located at Fort Hays State University, which provides the administrative office space.

2. Amount of federal and other funding available to the Senior Companion Program.

Response: The Senior Companion Program (SCP) receives more than 90% of its funding from the federal government. SCP is required to provide a 10% match. SCP is currently generating more than 20% matching local funds. The KDOA grant that went to the program in 1999 went partially toward generating more volunteers and providing training to them, with the balance used to provide in-home services to elders, and to pay stipends to the volunteers providing that service.

3. Performance outcome information available.

Response: The program's goals/objectives for use of the KDOA grant were "...to provide volunteer opportunities to older adults who will provide personal support to frail elderly who are at risk for institutional placement", and "...to allow for an additional 13 Senior Companion volunteers to be placed with frail elderly to avoid institutional placement."

The program placed 16 companions into service in existing or expansion counties, exceeding the project's goal, which did provide volunteer opportunities for older adults. However, at least one companion provided services to a customer in a nursing home, which was beyond the scope of the KDOA grant of "assisting individuals who are "at risk of institutionalization." Finally, since 39% of the customers served during the first 6 months of the grant were already receiving services prior to that time, KDOA funds may have replaced current funding.

Kansas Department on Aging Nursing Facility Staff Turnover Report

Aides/LMHT

Period	Beginning	Added	Terminated	Ending	Turnover Rate
1996	10,819	12,604	12,451	10,972	115%
1997	10,666	11,472	11,927	10,211	112%
1998	9,740	12,171	11,726	10,185	120%
**2Q FY00	5,746	1,575	1,467	5,854	102%

Plant Operating and Maintenance Personnel

Period	Beginning	Added	Terminated	Ending	Turnover Rate
1996	707	366	368	705	52%
1997	698	342	334	706	48%
1998	676	340	347	669	51%
**2Q FY00	342	53	54	341	63%

Diet/Laundry/Housekeeping

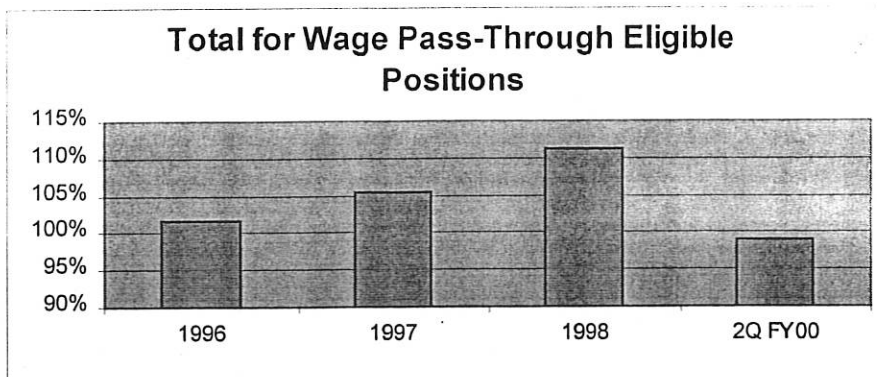
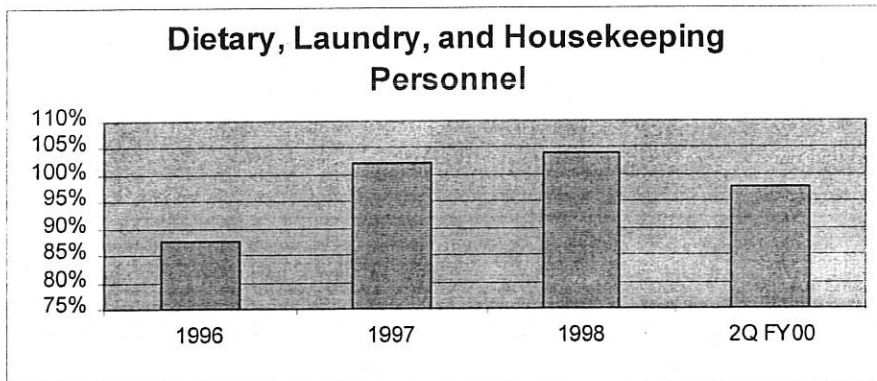
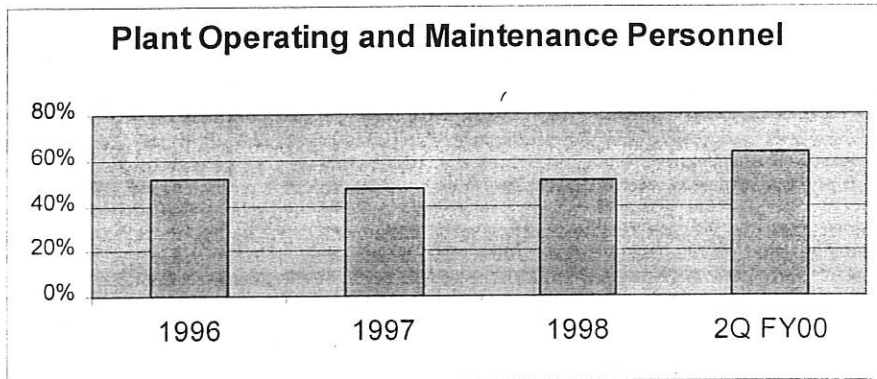
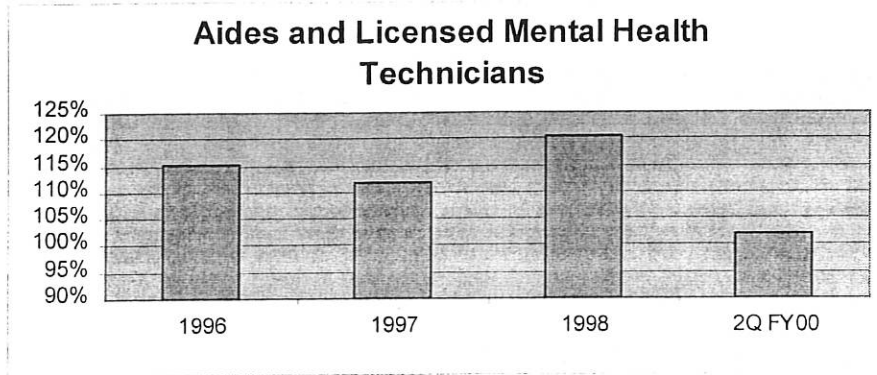
Period	Beginning	Added	Terminated	Ending	Turnover Rate
1996	7,763	6,781	6,812	7,732	88%
1997	7,544	7,832	7,696	7,680	102%
1998	6,627	7,632	6,906	7,353	104%
**2Q FY00	3,794	1,019	928	3,885	98%

All Eligible Positions

Period	Beginning	Added	Terminated	Ending	Turnover Rate
1996	19,289	19,751	19,631	19,409	102%
1997	18,908	19,646	19,957	18,597	106%
1998	17,043	20,143	18,979	18,207	111%
**2Q FY00	9,882	2,647	2,449	10,080	99%

** Because the first "quarter" consisted of only one month; two quarters equals four months in this report.

Kansas Department on Aging Nursing Facility Staff Turnover Report



18-13

**Concept Paper SFY2001
Retired Senior Volunteer Program**

Background:

The Kansas Department on Aging (KDOA) has recognized that most Area Agencies on Aging (AAAs) have significant waiting lists for In-Home services and other community services in addition to the unmet needs identified in the CARE program (the CARE program addresses the needs of individuals considering long-term care placement). Volunteers are needed for such services as: Adult Day Care/Adult Day Health, Alzheimer's Support Service, Chore, Homemaker, Letter Writing/Reading, Meal Delivery, Repairs/Maintenance/Renovations, Respite Care, Shopping, Telephoning, Transportation, and Visiting.

This year (SFY2000), the department asked the Retired and Senior Volunteer Program (RSVP) providers to begin working with the AAAs in pairing their volunteers with seniors that have a need for services which could be provided by a volunteer. Also, a statewide meeting was held with the Kansas Association of Area Agencies on Aging (K4A), the RSVP providers and Jim Byrnes, Corporation for National Service Director, about changing from the current process of awarding RSVP money to a new process. Previously, KDOA divided the dollar amount equally among all the projects (see attached spreadsheet).

The Project:

The new process would offer a competitive, two-year seed grant that would be used to assist Seniors waiting for services or other identified Senior unmet needs. In the first year, the grant would allow the RSVP provider to expand the number and type of volunteers and their service area. The second year would allow the new project to mature and find alternative funding sources. During the statewide meeting, several RSVP representatives and AAAs supported the new grant concept (no one voiced opposition or concerns).

Benefit:

The outcome is to reduce waiting lists and meet some of the identified unmet needs through promotion of a competitive grant process focused on outcome-based results. Also, it is the intent of KDOA to invest in projects that are moving toward self-sufficiency once the grant ends.

The Cost:

The Governor has recommended \$25,000 for FY2001. KDOA requested \$50,000.

18-19

**RETIRED AND SENIOR VOLUNTEER PROGRAM
PROJECT PROGRESS REPORT SUMMARY
SFY 1999**

REPORTING PERIOD: 07-01-98 TO 06-30-99

TITLE OF PROJECT	GRANT AMOUNT	COUNTY/COMMUNITY SERVED	NO. OF VOLUNTEERS BUDGETED (PLAN)	ACTUAL NO. OF VOLUNTEERS TO DATE	NO. OF HOURS	AREA IN WHICH KDOA FUNDS WERE EXPENDED
RSVP of Barton County	\$2,500	Barton County	50	50	1,000	Administration.
Finney County RSVP, Inc.	\$2,500	Finney County	36	20	1,524	Volunteer Insurance.
Ford County RSVP	\$2,500	Ford County / City of Dodge City	20	38	41,808	Administration (i.e., a portion of the salary of the project's part-time secretary).
Harvey County RSVP	\$2,500	Harvey County	48	59	14,974	Administration and Volunteer Recognition.
RSVP of Johnson County	\$2,500	Johnson County	1,000	948	118,600	Administration and Volunteer Recognition.
Marshall County RSVP	\$2,500	Marshall County / Hanover and Hollenberg in Washington County	10	32	1,546	Administration (personnel expenses and benefits, staff travel, equipment, supplies, communications, printing and rent); and Volunteer Expenses (Insurance, Travel, and Recognition).
Northwest Kansas RSVP	\$2,500	Thomas, Logan, Sheridan, and Phillips County	60	30	1,604	Volunteer Recognition.
Pratt County RSVP	\$2,500	Pratt County	10	10	2,725	Administration and Volunteer Recognition.
Reno County RSVP	\$2,500	Reno County	20	20	2,830	Administration.
Riley County RSVP, Inc.	\$2,500	Riley County	20	10	N/A	Administration and Volunteer Meals.
RSVP of Saline County	\$2,500	Saline County	18	18	N/A	Administration, Volunteer Insurance, and Volunteer Recognition.
RSVP-Senior Services, Inc.	\$2,500	Sedgwick County	1500	1673	242,996	Administration (general support of volunteer recruitment, program supplies, and volunteer recognition).
Southeast Kansas RSVP	\$2,500	Allen, Neosho, and Woodson County	14	14	N/A	Administration and Volunteer Recognition.
RSVP-United Way of Wyandotte Co.	\$2,500	Wyandotte County	1100	1150	144,601	Administration (funds were used in recruitment; especially as related to seniors as tutors/mentors in three inner city schools).
RSVP-Washburn University	\$2,500	Shawnee County / City of Topeka	300	223	14,476	Administration and Volunteer Expenses (Insurance, Meals, Travel and Recognition).

*SFY99 was "piggy-backed" off the Corporation for National Service (CNS) application.
(SFY2000 was separated from the CNS application to more clearly differentiate federal versus state dollars and state outcomes.)

18-
20



BILL GRAVES
A.W. DIRKS
GENE MERRY
FRANK WEIMER
RALPH SOELTER
FRANCIS X. THORNE
WALKER HENDRIX

GOVERNOR
CHAIR
VICE-CHAIR
MEMBER
MEMBER
MEMBER
CONSUMER COUNSEL

1500 Southwest Arrowhead Road
TOPEKA, KANSAS 66604-4027
Phone: (785) 271-3200
Fax: (785) 271-3116

MEMORANDUM

To: Kansas Legislators
From: Walker Hendrix, Consumer Counsel for the Citizens' Utility Ratepayer Board
Re: Omnibus Appropriations

During the regular appropriations process, it was identified by the House Appropriations Subcommittee and the Senate Ways and Means Subcommittee that the Citizens' Utility Ratepayer Board (CURB) was in need of additional resources to properly represent residential and small commercial customers before the Kansas Corporation Committee. It was identified that the case load for CURB had increased from 15 to 20 cases in 1995 to 40 to 50 cases for the 2001 fiscal year. CURB has also been asked to testify before several legislative committees during the past legislative sessions and has been asked to submit numerous budget analyses on various utility legislation being considered during the year.

CURB is a small agency with only two attorneys. The restructuring of gas, electric and telecommunication industries has lead to numerous proceedings before the Corporation Commission. Restructuring has been the subject of many legislative hearings. At the federal level, regulations are being changed by the FCC and FERC to advance transitional issues which are associated with restructuring. Keeping track of federal legislation is a full time occupation.

CURB functions as a small law office and does not have a secretary. It also relies on consultants to provide testimony in the many hearings in which it participates. Accordingly, CURB has indicated possible funding for the following items:

PRIORITY I: One new staff attorney.

Base Salary:	\$55,000
Benefits:	
KPERS	\$2,519
FICA	\$4,208
W. Comp	\$ 550
Unemployment	\$ 55
State Leave Ass.	\$ 237
Health/Single	\$2,553
Health/Dep.	\$1,318
Total:	\$66,440
Capital outlay	\$ 4,335
Total cost for atty	\$70,775

PRIORITY 2: Consulting: \$40,000

PRIORITY 3: Secretary III

Base Salary: \$20,384

Benefits:

KPERS \$934

FICA \$1,559

Workers Comp \$ 204

Unemployment \$ 20

State Leave Ass. \$ 88

Health/Single \$2,553

Health/Dep. \$1,318

Total: \$27,060

19-2



#200

Kathleen Sebelius
Commissioner of Insurance
Kansas Insurance Department

April 19, 2000

Senator Dave Kerr, Chairman
Senate Committee on Ways and Means
Statehouse, Room 120-South
Topeka, Kansas 66612

Re: Request consideration for omnibus
bill items

Dear Senator Kerr,

The Insurance Department is requesting that your Committee on Ways and Means consider the following items as part of the omnibus appropriations bill. Your support is greatly appreciated.

1. **Establish a "Surety Bond and Escrow Payment Fund" – for FY 2000 and FY 2001** with "No limit" expenditure authority.

A Wichita title insurance agent has misappropriated over \$1.0 million dollars from client trust and escrow accounts. As required by K.S.A. 40-1139, the agent obtained a surety bond that is payable to the Commissioner of Insurance. The Insurance Department is working with the bonding company and the title insurance company in order to maximize payment of claims. The fund is requested because it will enable the Insurance Department to collect bond and escrow monies and distribute them to claimants. K.S.A. 40-1139 became effective July 1, 1999. Our budget currently does not include a line item which would allow for the Commissioner of Insurance to receive the proceeds of the bond, in spite of the statutory requirement that the bond be payable directly to her.

2. **Add \$12,000 for FY 2000 and \$24,000 for FY 2001 (fee funds) for external review proceedings.** 1999 Senate Bill 3 established an external review process for specific insurance claims, effective January 1, 2000. When the bill was adopted, the Insurance Department was unsure of the number of

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Topeka, Kansas 66612-1678

785 296-3071
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claims that would be included or the cost per claim. At that time, the Department indicated that it would present more information during the next session.

In the first three months there have been six claims averaging \$800 each. The Department's request for FY 2000 projects a total of 15 claims. For FY 2001, the Department estimates 30 claims for the entire fiscal year.

Sincerely,



Kathleen Sebelius
Insurance Commissioner

20-2

STATE OF KANSAS

BILL GRAVES, Governor
State Capitol, 2nd Floor
Topeka, Kansas 66612-1590



(785) 296-3232
1-800-748-4408
FAX: (785) 296-7973

OFFICE OF THE GOVERNOR

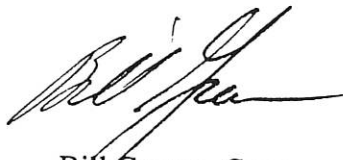
Message to the Senate of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return House Substitute for Senate Bill No. 326 with my signature approving the bill, except for the item enumerated below.

Agricultural Remediation

Section 76 has been line-item vetoed in its entirety.

Although a provision of SB 501 created the Kansas Agricultural Remediation Board (KARB) to implement the Remediation Reimbursement Program, the bill did not specifically address whether the board would be a separate agency or operate under a current state agency. This board should be operated and budgeted through the Department of Agriculture. I do not wish to add to the bureaucracy of the state by adding an agency that could easily be absorbed by the current administration. I therefore find it necessary to veto this section that would make KARB a separate state agency, and I recommend that this appropriation be made instead with the Department of Agriculture.



Bill Graves, Governor

Dated: 4/20/00

#29

Grandstand - \$440,000

Fire alarm system
 Emergency lighting
 Exit signs
 New ramp and additional handicapped seating
 ADA assistive listening system
 ADA accessible ramp to the stage
 ADA signage
 Install a manual dry standpipe system
 Replace exit doors on lower and mezzanine levels
 Improve storage areas to meet fire code
 Repair and replace numerous handrails and guardrails

Medora Restrooms - \$12,210

2 new entry doors
 Modify dispensers
 New mirrors
 Relocate Signage

Beef Judging Arena - \$189,885

Modify concession window
 Install lit to upper level and modify floor level change
 Add ADA handrails to stairs
 Modify men's and women's restrooms
 New unisex ADA shower
 Replace existing doors and add exit doors
 Emergency lights and exit lights
 Fire alarm and smoke detection system

Administration - \$231,440

ADA compliant unisex toilet
 Ramp at east entry and curb cut at east sidewalk
 Handicapped ramp at east and main entrances
 Add power assist to main doors
 Install handrails at existing west ramp
 Modify existing countertops in Administration area
 ADA restrooms at Highway Patrol/Ticket/Gates areas
 ADA Signage, telephone, and TDD telephone
 Modify trooper area
 Install handicapped drinking fountains
 Make two main public restrooms compliant
 ADA compliant restroom at First Aid
 Modify ticket window
 Modify electrical outlets and controls
 Panic hardware on ten existing exterior doors
 Install fire alarm system
 Install exit lights and emergency lighting system

Rabbit Barn - \$26,695

Modify pass window
Emergency lights
Fire alarm system
Panic hardware at doors

Parking stalls - \$193,545

30 handicapped stalls at Industrial Building
60 additional spaces in East parking lot

New restrooms - \$40,000

New ADA compliant restroom near sheep and swine
New ADA complaint restroom near Fine Arts

STATE OF KANSAS
KANSAS ANIMAL HEALTH DEPARTMENT
George Teagarden, Livestock Commissioner

708 SW Jackson Topeka, Kansas 66603-3714
Phone 785/296-2326 Fax 785/296-1765

www.ink.org/public/kahd

March 22, 2000

Duane Goosen
Director of the Budget
Room 152-E
Sent via e-mail

Re: Governor's Budget Amendment

Dear Director Goosen:

The Kansas Animal Health Department requests a Governor's Budget Amendment for FY 2000 and FY 2001 to allow the Department to assume statutory responsibilities as set out in K.S.A. 2-908 to oversee the Poultry Disease Control Act.

This statute, enacted in 1984, authorizes the Livestock Commissioner to cooperate with the USDA to administer the National Poultry Improvement Plan and provides specific duties in conjunction with the administration of the plan.

Currently Scott Beyer, Associate Professor of Poultry Nutrition and Management for Kansas State University, manages the Poultry Disease Control Act. Kansas State wants out.

To manage this program, we need a new fund set up within our disease control program and the authority to receive and disperse from that fund for the National Poultry Improvement Plan.

Poultry improvement fees fund..... No limit
Provided, That expenditures may be made from the poultry improvement fees fund for operating expenditures for the disease control program for the Animal Health Department: *Provided further*, That the commissioner is hereby authorized to fix, charge and collect fees for the poultry disease control act: *And provided further*, That fees for such program shall be fixed in order to recover all or part of the operating expenses incurred for administering such act.

Estimated expenditures for FY 2000: \$ 100

Estimated receipts and expenditures, FY 2001

Receipts	Test cards, 10,000 @ \$.50	\$5,000
	Tester license fees 85 @ \$10.00	\$ 850
	Bird Certification Fees \$1 + \$.05/bird	\$ 400
		Total \$6,250

Expenditures	Test cards, 10,000 @ \$.50	\$5,000
	Travel 1,000 miles @ \$.24	\$ 240
	Overnight 3 x \$80	\$ 240
	Postage	\$ 300
	Paper supplies	
	Educational and Test material	\$ 470
		Total \$6,250

Thank you for your consideration of this proposed amendment.

Sincerely,



George Teagarden
Livestock Commissioner

STATE WATER PLAN FUND, FY 2001

H 0

Agency/Program	Gov. Rec. FY 2001	LEG. ADJ. FY 2001	LEG. APPR. FY 2001
State Conservation Commission			
Buffer Initiative	80,000	0	80,000
Conservation District Aid	1,035,500	0	1,035,500
Multipurpose Small Lakes	230,000	0	230,000
Nonpoint Source Pollution Asst.	3,000,000	0	3,000,000
Riparian and Wetland Program	200,000	0	200,000
Water Resources Cost Share	4,450,000	0	4,450,000
Water Rights Purchase	0	0	0
Watershed Dam Construction	805,000	0	805,000
Total--State Conservation Commission	9,800,500	0	9,800,500
Kansas Water Office			
Assessment and Evaluation	200,000	0	200,000
Basin Assessment	0	0	0
Cheney Agricultural Nonpoint Source	0	0	0
Federal Cost-Share Programs	250,000	0	250,000
GIS Data Access and Support Ctr.	177,300	0	177,300
GIS Data Base Development	250,000	0	250,000
Groundwater Condition Eval.*	70,000	0	0
Kansas Water Resource Research Institute	0	0	0
MOU Operation and Maintenance	429,787	0	429,787
PMIB Loan Payment for Storage	270,387	0	270,387
Public Information	30,000	0	30,000
Public Water Supply--GIS	0	0	0
Stream Gauging Program	370,000	0	370,000
Stream Team	0	0	0
Tech. Assist. to Water Users	440,000	0	440,000
Water Resource Education	60,000	0	60,000
Water Quality in Upper Arkansas River	0	0	0
Weather Modification	349,000	0	349,000
Total--Kansas Water Office	2,896,474	0	2,896,474
Department of Wildlife and Parks			
River Recreation	0	0	0
Stream Monitoring	50,000	0	50,000
Total--Wildlife and Parks	50,000	0	50,000
Department of Agriculture			
Best Management Practices	50,000	0	50,000
Floodplain Management	131,849	0	131,849
Interstate Water Issues	202,795	0	202,795
Subbasin Management Plan	647,291	0	647,291
Total--Department of Agriculture	1,031,935	0	1,031,935
Health and Environment			
Assessment of Sediment	50,000	0	50,000
Contamination Remediation	1,397,022	0	1,397,022
Local Environmental Protection Program	1,800,000	0	1,800,000
Nonpoint Source Program	469,430	0	469,430
TMDL Initiatives	220,000	0	220,000
Use Attainability Analysis	200,000	0	200,000
Total--Health and Environment	4,136,452	0	4,136,452
KCC--Well Plugging	400,000	0	400,000
Total Water Plan Expenditures	18,315,361	0	18,315,361

State Water Plan Resource Est.	Gov. Rec. FY 2001	LEG. ADJ. FY 2001	LEG. APPR. FY 2001
Beginning Balance	2,510,475	0	2,510,475
Revenues			
State General Fund Transfer	4,500,000	0	4,500,000
Economic Development Fund Transfer	2,000,000	0	2,000,000
Municipal Water Fees	3,685,000	0	3,685,000
Industrial Water Fees	1,300,000	0	1,300,000
Stock Water Fees	290,000	0	290,000
Pesticide Registration Fees	920,000	0	920,000
Fertilizer Registration Fees	3,087,000	0	3,087,000
Fines	70,000	0	70,000
Sand Royalty Receipts	367,837	0	367,837
Returned Funds/Transfers In	0	0	0
Total Receipts	16,219,837	0	16,219,837
Total Available	18,730,312	0	18,730,312
Less Expenditures	18,315,361	0	18,315,361
Less Transfer to the State General Fund**	395,000	0	0
Ending Balance	19,951	0	19,951

* Includes GBA No. 2, Item 52, pg. 23--Equus Beds Groundwater Research

**Includes GBA No. 2, Item 51, pg. 23--Released Encumbrances of the State Water

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STATE WATER PLAN FUND, FY 2000

	Gov. Rec. FY 2000	LEG. ADJ. FY 2000	LEG. APPR. FY 2000
Agency/Program			
State Conservation Commission			
Buffer Initiative	128,721	0	128,721
Conservation District Aid	1,032,750	0	1,032,750
Multipurpose Small Lakes	231,000	0	231,000
Nonpoint Source Pollution Asst.	3,124,846	0	3,124,846
Riparian and Wetland Program	125,000	0	125,000
Water Resources Cost Share	4,549,693	0	4,549,693
Water Rights Purchase	0	0	0
Watershed Dam Construction	845,426	0	845,426
Total--State Conservation Commission	10,037,436	0	10,037,436
Kansas Water Office			
Assessment and Evaluation	0	0	0
Basin Assessment	25,000	0	25,000
Cheney Agricultural Nonpoint Source	25,000	0	25,000
Federal Cost-Share Programs	100,000	0	100,000
GIS Data Access and Support Ctr.	162,800	0	162,800
GIS Data Base Development	250,000	0	250,000
Groundwater Condition Eval.	75,000	0	75,000
Kansas Water Resource Research Institute	0	0	0
MOU Operation and Maintenance	489,663	0	489,663
PMIB Loan Payment for Storage	267,394	0	267,394
Public Information	30,000	0	30,000
Public Water Supply--GIS	0	0	0
Stream Gauging Program	400,000	0	400,000
Stream Team	0	0	0
Tech. Assist. to Water Users	440,000	0	440,000
Water Resource Education	70,000	0	70,000
Water Quality in Upper Arkansas River	75,000	0	75,000
Weather Modification	360,000	0	360,000
Total--Kansas Water Office	2,769,857	0	2,769,857
Department of Wildlife and Parks			
River Recreation	0	0	0
Stream Monitoring	50,000	0	50,000
Total--Wildlife and Parks	50,000	0	50,000
Department of Agriculture			
Best Management Practices	0	0	0
Floodplain Management	110,619	0	110,619
Interstate Water Issues	193,157	0	193,157
Subbasin Management Plan	685,000	0	685,000
Total--Department of Agriculture	988,776	0	988,776
Health and Environment			
Assessment of Sediment	125,000	0	125,000
Contamination Remediation	1,390,000	0	1,390,000
Local Environmental Protection Program	1,800,000	0	1,800,000
Nonpoint Source Program	925,000	0	925,000
TMDL Initiatives	0	0	0
Use Attainability Analysis	0	0	0
Total--Health and Environment	4,240,000	0	4,240,000
KCC--Well Plugging	400,000	0	400,000
Total Water Plan Expenditures	18,486,069	0	18,486,069
State Water Plan Resource Est.			
Beginning Balance	1,196,771	0	1,196,771
Revenues			
State General Fund Transfer	5,940,000	0	5,940,000
Economic Development Fund Transfer	2,000,000	0	2,000,000
Municipal Water Fees	3,650,000	0	3,650,000
Industrial Water Fees	1,300,000	0	1,300,000
Stock Water Fees	290,000	0	290,000
Pesticide Registration Fees	920,000	0	920,000
Fertilizer Registration Fees	3,010,000	0	3,010,000
Fines	70,000	0	70,000
Sand Royalty Receipts	358,031	0	358,031
Returned Funds/Transfers In	2,261,742	0	2,261,742
Total Receipts	19,799,773	0	19,799,773
Total Available	20,996,544	0	20,996,544
Less Expenditures	18,486,069	0	18,486,069
Ending Balance	2,510,475	0	2,510,475

EXPENDITURES FROM THE STATE WATER PLAN FUND—FY 1999-FY 2001

Agency/Program	Agency		Agency		Diff. Betwn.
	Estimate	Gov. Rec.	Request	Gov. Rec.	Agc. & Gov.
	FY 2000	FY 2000	FY 2001	FY 2001*	FY 2001
State Conservation Commission					
Buffer Initiative	\$ 128,721	\$ 128,721	\$ 80,000	\$ 80,000	0
Conservation District Aid	1,032,750	1,032,750	1,035,500	1,035,500	0
Multipurpose Small Lakes	231,000	231,000	652,750	230,000	422,750
Nonpoint Source Pollution Asst.	3,124,846	3,124,846	3,000,000	3,000,000	0
Riparian and Wetland Program	125,000	125,000	200,000	200,000	0
Water Resources Cost-Share	4,549,693	4,549,693	4,800,000	4,450,000	350,000
Water Rights Purchase	0	0	0	0	0
Watershed Dam Construction	845,426	845,426	850,000	805,000	45,000
Total—Conservation Commission	\$ 10,037,436	\$ 10,037,436	\$ 10,618,250	\$ 9,800,500	\$ 817,750
Kansas Water Office					
Assessment and Evaluation	\$ 0	\$ 0	\$ 300,000	\$ 200,000	100,000
Basin Assessment	25,000	25,000	0	0	0
Cheney Agricultural Nonpoint Source	25,000	25,000	0	0	0
Federal Cost-Share Programs	0	100,000	250,000	250,000	0
GIS Data Access and Support Ctr.	162,800	162,800	177,300	177,300	0
GIS Data Base Development	250,000	250,000	250,000	250,000	0
Groundwater Condition Eval.*	75,000	75,000	0	70,000	(70,000)
Kansas Water Resource Research Institute	0	0	136,000	0	136,000
Milford and Perry Storage Acquisition Costs	0	0	0	0	0
MOU Operation and Maintenance	446,224	489,663	370,787	429,787	(59,000)
Neosho Sub-basin	0	0	0	0	0
PMIB Loan Payment for Storage	267,394	267,394	270,387	270,387	0
Public Information	30,000	30,000	40,000	30,000	10,000
Public Water Supply—GIS	0	0	95,200	0	95,200
Salt Water Intrusion Studies	0	0	0	0	0
State Water Plan Direction and Evaluation	0	0	0	0	0
Stream Gauging Program	400,000	400,000	400,000	370,000	30,000
Stream Team	0	0	50,000	0	50,000
Tech. Assist. to Water Users	440,000	440,000	451,000	440,000	11,000
Walnut Creek Study	0	0	0	0	0
Water Resource Education	70,000	70,000	60,000	60,000	0
Water Quality in Upper Arkansas River	75,000	75,000	0	0	0
Water Quality Planning Assist.	0	0	0	0	0
Weather Modification	360,000	360,000	360,000	349,000	11,000
Total—Kansas Water Office	\$ 2,626,418	\$ 2,769,857	\$ 3,210,674	\$ 2,896,474	\$ 314,200
Wildlife and Parks					
River Recreation	\$ 0	\$ 0	\$ 75,000	0	75,000
Stream Monitoring	50,000	50,000	50,000	50,000	0
Total—Wildlife and Parks	\$ 50,000	\$ 50,000	\$ 125,000	\$ 50,000	\$ 75,000
Department of Agriculture					
Best Management Practices	\$ 0	\$ 0	\$ 0	\$ 50,000	(50,000)
Floodplain Management	110,619	110,619	131,849	131,849	0
Interstate Water Issues	193,157	193,157	202,795	202,795	0
Subbasin Management Plan	685,000	685,000	652,353	647,291	5,062
Total—Department of Agriculture	\$ 988,776	\$ 988,776	\$ 986,997	\$ 1,031,935	(44,938)
Health and Environment					
Assessment of Sediment	\$ 125,000	\$ 125,000	\$ 150,000	\$ 50,000	100,000
Contamination Remediation	1,390,000	1,390,000	1,600,000	1,397,022	202,978
Local Environmental Protection	1,800,000	1,800,000	2,200,000	1,800,000	400,000
Nonpoint Source Program	925,000	925,000	482,500	469,430	13,070
TMDL Initiatives	0	0	220,000	220,000	0
Use Attainability Analysis	0	0	250,000	200,000	50,000
Total—Health and Environment	\$ 4,240,000	\$ 4,240,000	\$ 4,902,500	\$ 4,136,452	\$ 766,048
Kansas Corporation Commission					
Well Plugging	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	0
TOTAL EXPENDITURES	\$ 18,342,630	\$ 18,486,069	\$ 20,243,421	\$ 18,315,361	\$ 1,928,060

*Includes GBA No. 2, Item 52, pg. 23—Equus Beds Groundwater Research

24-3

State Conservation Commission, Released Encumbrances
from FY 1998

Nonpoint Source Pollution Asst.	161,000
Water Resources Cost-Share	<u>304,000</u>
TOTAL	<u><u>465,000</u></u>

The Non-Point Source (NPS) Pollution Program provides assistance to locally developed voluntary programs, targeted specifically at non-point source pollutants. The program provides financial assistance to local landowners for projects and provides technical assistance to develop area non-point source control programs.

The Water Resources Cost-Share program provides financial assistance to private landowners for the construction of enduring water conservation structures. The program also provides technical assistance to the state's conservation districts to supplement the technical assistance provided by the Natural Resources Conservation Service (NRCS) of the U.S. Department of Agriculture. The cost-share program has two main objectives: (1) to reduce sedimentation, nutrient and pesticide loading in targeted public water supply reservoirs, and (2) to assist landowners in the prevention cropland soil erosion.

April 17, 2000

To: House Education and Legislative Budget Committee

From: Ben F. Barrett, Director

Re: Requested Report on Four Topics

This report was prepared in response to matters raised initially by the House Education and Legislative Budget Committee in connection with the consideration of the Research Department's Budget. We are pleased to discuss these and any other issues in which members of the Legislature might have an interest, as our goal is to serve the Legislature as effectively as possible.

1. Cost and Efficiency of Using a Voice Mail System in the Research Department

Cost. The cost to the Research Department of adding the voice mail feature would be about \$111 per month or \$1,320 per year.

Efficiency. In making administrative decisions about services the Research Department provides, an effort is made to focus on the users of the Department's services who, for the most part, are legislators. Heretofore, drawing largely on our own experiences, we have felt that user satisfaction is better achieved through direct contact with real people. At the same time, we are aware that the voice mail option is being suggested by some of our users who have wanted only to leave a message and not necessarily speak to someone immediately about their issue. We are certain that some legislators consider a voice mail option to be more efficient, especially when there is a desire to deliver a message after normal office hours. The litmus test really is the result. Will a legislator receive a response at least as timely as under the current procedure, and does the response result in just as satisfactory an answer of the question posed?

The Research Department views the voice mail issue as one of marginal significance. We prefer the option that best suits our principal users—legislators. It is just that simple. We have thought legislators were better served without it. Had we believed otherwise, we now would be using it. In this connection, it is interesting to note legislation that has been introduced in Kentucky and Maine generally to require that during regular office hours, telephones in state agencies be answered by a person. This initial contact may be followed by the option to the caller of being transferred to an automated answering system. As these things are not always easy to know with certainty, we offer the following proposition. This issue was raised under the auspices of the House Committee on Appropriations. We request that this Committee poll its members on this matter. We

taken by the majority of the Committee. Either way, though, we will continue to monitor how we provide services and will make adjustments as deemed appropriate.

2. Adequacy of Travel Funding for Research Department Staff Who Serve on CSG or NCSL Committees

The FY 2000 (Revised—including the 1.0 percent reduction) and FY 2001 (Proposed) budgets submitted by the Research Department and approved by the Legislative Coordinating Council contained sufficient funding to support these travel items as well as other staff travel for professional development.

This fall, in the face of rather severe state agency FY 2001 budget reductions, the Department considered it prudent to restrict discretionary spending for the balance of the fiscal year to buffer, as much as possible, the impact of the potential FY 2001 reductions. The Governor's recommendation for FY 2001 was \$93,228 or 3.8 percent below the revised FY 2000 amount. If this were the level of funding approved by the Legislature for FY 2001, absent unanticipated staff turnover in FY 2000 or FY 2001, the Department would be compelled to severely limit discretionary spending, which includes staff travel, in order to maintain staff salaries in FY 2001 even at the FY 2000 level.

The Legislature now has acted to restore the Department's FY 2001 request for staff salaries. This action gives the Department flexibility enough to support the staff travel to which this House Education and Legislative Budget Committee inquiry was directed.

3. Options for Granting Compensatory Time for Research Department Staff

Compensatory Time Options. Some options for a compensatory leave time policy for the Research Department could include:

- A self-reporting system based on specific guidelines;
- Logging the time that the Legislature is in session beyond "normal" working hours and granting commensurate leave time; or
- Granting some discrete amount of time, such as, for example, 90 hours, roughly the equivalent of one hour for each day the Legislature is in session.

The advantage of these approaches is that they would be relatively easy to administer. A closely supervised individual staff monitoring system would be cumbersome to administer and likely would be harmful to staff morale.

Comment. For a variety of reasons, the Department does not regard a compensatory leave policy as particularly efficacious. When the Department discusses its professional positions with prospective employees, two things are strongly emphasized:

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- This is a professional position, and, as such, an employee must be willing to commit to the amount of time and effort needed to complete a task; and
- The salaries paid are intended to compensate for the employment expectations.

The point is that persons who are employed by the Department know, from the outset, what is expected of them.

The Department's current leave policies rarely result in a situation whereby staff are unable to be away from the office because of limits on annual leave accumulation. Annual leave is accumulated at the rate of about 1 day per month for employees having less than 5 years of service, 1.25 days per month for 5 to 10 years of service, 1.5 days per month for 10 to 15 years of service, and 1.75 days per month for 15 or more years of service. This leave is subject to accumulation limits equivalent to 21, 26, 33, and 40 days, respectively. This policy is somewhat more generous than that which applies to civil service employees. (This leave policy is set by the Legislative Coordinating Council.)

The lack of available annual leave time rarely surfaces as a concern. More often, staff members must focus on the accumulation limit endeavoring not to "lose" leave time above the limit. For example, 15 of 27 professional staff members currently have accumulated annual leave time in excess of three weeks. Just five employees have less than two weeks of accumulated leave, one of whom had to use leave time in connection with an illness. Only two of the five have more than three years' service in the Department.

The Department also follows the practice of allowing staff to be absent during the regular work day for a period of up to four hours for personal matters without this time being charged against their accumulated leave. Employees are asked to report the times scheduled for use of this leave to the Administrative Officer who maintains a log of the activity. The record is kept so that the staff will know when members will be absent and to signal any instances that might rise to the level of abuse of the practice. Our experience is that this option has been used responsibly.

4. Deferred Compensation (Defined Contribution) Plan

Relative Costs. The FY 2001 budget submitted by the Research Department included about \$89,300 for the combined KPERS contribution at the 4.58 percent rate. If all staff participated in the deferred compensation plan at a combined 8.6 percent rate, the amount budgeted would have been about \$167,700, or \$78,400 more than is contained in the budget. Note that these figures represent the maximum FY 2001 impact associated with this policy change. Given the choice, some Research Department employees likely would prefer to stay with KPERS.

Options. If the Legislature decides to make the deferred compensation plan available to legislative service agency employees, the most likely options would seem to be:

- Place all "new" employees under deferred compensation; or

- Give all employees (current and new) the choice of participating in deferred compensation or in KPERS.

If participation in the deferred compensation plan is made optional, the expectation is that, eventually, virtually all staff would choose that option, at least so long as there remains general optimism about the future of the U.S. economy.

Benefits. Philosophical Arguments. The advocates for the deferred compensation approach make two main arguments: individual employees should be given the opportunity to direct their own investments and, potentially, reap financial benefits that exceed those under KPERS, and the state should be freed from the future liability such as that associated with a defined benefits program. Opponents emphasize the advantage to employees of the defined benefits plan and the uncertainties related to performance of individually-directed investment plans.

Practical Application. An enormously appealing feature of a deferred compensation plan for Research Department staff is the benefit in income they would experience. People who now participate in KPERS and who elect to switch to deferred compensation would see an immediate 4.0 percent increase in their "take home" pay. Now, 4.0 percent of their salaries represents the employee contribution to KPERS. The deferred compensation plan requires no employee participation. The state "investment" in the employee nearly doubles (see "relative costs" discussion above) as, in effect, the employee's contribution obligation is transferred to the state. This benefit would seem virtually irresistible, at least to newer employees.

Effectiveness. It has been suggested that a deferred compensation plan could be an important tool in helping to reduce the rate of turnover among legislative staff. While we support making a deferred compensation plan option available to our employees, we would not expect it to affect staff turnover. We think such a plan has merit for recruitment purposes but not for retention. Rather, employee perception of the values they assign to the level of compensation, working conditions, family issues, and the health of the economy tend to be the pivotal issues.

Summary. The Research Department strongly supports access of the staff to the deferred compensation plan. Implementation of the plan would carry with it some additional costs, funding for which would need to be incorporated into the Department's budget.

We hope this satisfactorily responds to the questions raised. If there are further questions, we would be pleased to respond to them.

**PROPOSAL OF SENATOR DAVE KERR,
SENATOR BARBARA LAWRENCE, AND SENATOR DWAYNE UMBARGER**

On March 20, the Senate Committee on Education heard excellent presentations on Reading Recovery, an early literacy intervention program which principally targets first grade students, and the HOSTS structured mentoring program. The conferees made what seemed to be remarkable assertions about the impact of these programs in reducing special education placements. These were anecdotal reports. A few studies conclude that the Reading Recovery program has effectively reduced the number of referrals to special education, principally in the area of learning disabilities. However, there does not presently exist a body of research that broadly confirms this effect for Reading Recovery or that structured mentoring programs produce such results.

As these and similar programs appear very beneficial to children regardless of whether there currently exists a research based link to reduction in special education referrals or p'acements, we believe some pilot initiatives to test the assertions about the impact of these programs should be undertaken. Consequently, the following initiatives are recommended:

- **Reading Recovery.** Reading Recovery Teacher Leaders employed by school districts and working in that capacity should be treated as "special teachers" for purposes of special education categorical aid distributions. This means the employing school district would receive an amount equal to about \$20,500 per FTE Reading Recovery Teacher Leader. These amounts would be deposited in a district's special education fund and expenditure thereof would be considered to be special education expenditures.

A school district's receipt of this FTE distribution would be contingent upon its compliance with reporting requirements imposed by the State Board of Education. It is expected that the State Board would require preparation of historical data on elementary school special education pupil placements for at least five years prior to implementation of the district's Reading Recovery program and for any of the years the program has been in effect. The State Board would impose such other reporting requirements as it deems appropriate to measure statistically the effects, if any, of the Reading Recovery program on special education placements.

Currently, there are six fully-qualified Reading Recovery Teachers Leaders employed in Kansas public education—one each in Winfield, Great Bend, Clay Center, Valley Heights, Liberal, and the Greenbush interlocal agreement. Three more are in training. Consequently, about \$120,000 to \$160,000 of special education service categorical aid would be allocated to this pilot research project.

- **Structured Mentoring (HOSTS).** By appropriation action, this competitive grant program first was approved in the amount of \$975,000 for FY 1999. The FY 2000 funding for the program is \$965,250. The Governor has proposed no funding for the program in FY 2001. This has been a competitive grant program which required a 100 percent local match. There were 22 grant awards in FY 2000.

The proposal is to continue support for structured mentoring programs by use of a different funding approach. Our suggestion is that up to an aggregate total of 50 structured mentoring program coordinator/teachers and Reading Recovery Teacher Leaders be treated as "special teachers" for purposes of special education categorical aid distribution. This means the employing school district would receive an amount equal to about \$20,500 per FTE structured mentoring coordinator/teacher. (Some 41 to 44 FTE structured mentoring program coordinator/teachers could be funded under this proposal.)

In administering the program, the State Board of Education would determine the priority for funding to school districts for structured mentoring program coordinator/teachers which would include the requirement that projects eligible for funding be operated in the elementary grades and that participating school districts report information similar to that required for Reading Readiness programs in a format specified by the Board designed to document any effects of the program on special education referrals.

The fiscal impact of this recommendation, including the Reading Readiness component would be a maximum redistribution of about \$1.0 million of special education services categorical aid.

Vision Screening. Another initiative is to support continuation and expansion of the project conducted in FY 1999 under the auspices of the Kansas Optometric Association in accord with a state appropriation of \$27,000. Under that project, about 500 third grade students with reading problems were screened by optometrists and staff in cooperation with elementary principals and teachers and school nurses. Somewhat surprisingly, serious vision problems that could hinder learning were identified in 50 percent of these students. About 100 students exhibited the specific vision problems the pilot project was intended to address. This condition called "convergence insufficiency" is difficulty teaming the eyes to simultaneously turn in and aim at near objects. Therapies are available for treating the disorder. Consistent with other research indications, the pupils in the pilot project who participated in the vision therapy improved their reading level by an entire grade level. A likely ancillary result for a number of children would have been improved behavior due to reduced frustration associated with the inability to read comfortably and perform well in the classroom environment.

This initiative connects with Reading Recovery and structured mentoring as another promising intervention that might divert some children from a special education referral or placement.

We propose that the Legislature appropriate \$200,000 to support expansion of the initial pilot program of screening children early in the elementary grades for vision problems

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and making available the therapy for children who are found to manifest the convergence insufficiency disorder.

The Kansas Optometric Association would report its progress on the project to the Legislature during the 2001 Session and make its final report to the Legislative Budget Committee and Governor by September 1, 2001. Among other things, the report should address the impact, if any, of the project on special education referrals.

Provisos

Reading Recovery/Structured Mentoring (HOSTS). : *And provided further,* That in determining amounts of payments to school districts to be made from the amount specified in the foregoing proviso, fully-trained reading recovery teacher leaders and elementary school structured mentoring program coordinator/teachers, not exceeding 50 FTE teacher leaders and coordinator/teachers, aggregated, and selected by the state department of education in accordance with established criteria, shall be considered to be special teachers as defined in subsection (j)(1) of K.S.A. 72-962 and amendments thereto: *And provided further,* That consideration of reading recovery teacher leaders and structured mentoring program coordinator/teachers as special teachers for determination of the amount of the special education services aid of a school district shall be conditioned upon the school district providing the legislature by the end of the 2001 session with longitudinal data as the state department of education requires, including special education enrollment as a percentage of district-wide enrollment for at least five years prior to implementation of a reading recovery program or a structured mentoring program, or both such programs, and the effect, if any, of implementation of the program or programs on the percentage of special education enrollment to district-wide enrollment.

Vision Screening. *Provided,* That expenditures from the grant to the Kansas optometric association for vision study account shall be made by the Kansas optometric association to conduct a pilot study of the vision problem know as convergence insufficiency and its relationship to academic performance and special education referral for students in early elementary grades: *Provided further,* That the Kansas optometric association shall make a progress report to the legislature during the 2001 session and a final report to the legislative budget committee and governor on or before September 1, 2001.

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#27



KANSAS JUDICIAL COUNCIL

JUSTICE TYLER C. LOCKETT, CHAIR, TOPEKA
 JUDGE J. PATRICK BRAZL, TOPEKA
 JUDGE C. FRED LORENTZ, EMPORIA
 JUDGE MARLA J. LUCKERT, TOPEKA
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 MARVIN E. THOMPSON, RUSSELL

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 CHRISTY R. MOLZEN
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 JANELLE L. WILLIAMS
 ADMINISTRATIVE ASSISTANT
 KARLA D. KEYS
 ADMINISTRATIVE ASSISTANT

April 13, 2000

Senator Tim Emert
 Room 356-E
 Statehouse
 Topeka, Kansas 66612

Re: FY 2001 Cost of Judicial Council
 Study of CINC Code

Dear Tim,

I am responding to your inquiry about the cost of having the Judicial Council conduct a study and recodification of the Child in Need of Care Code.

A Committee to study the CINC code would be larger than the usual Judicial Council advisory committee in order to represent the various groups that are interested in the code. Our experience has shown that cost of such a committee would be approximately \$1,500 per meeting day. This includes mileage, subsistence, per diem and employer paid benefits.

The number of meetings we could utilize during fiscal year 2001 to conduct such a study would be ten. Experience has shown us that when persons serve on Judicial Council advisory committees, that about once a month is as often as the committees can meet because most of the committee members are reluctant to be out of their office more often.

In addition, there are usually one or two months during the year in which meetings are lost to either vacations, weather, holidays or the like. As a result, I conclude that ten meeting days during fiscal year 2001 would be the appropriate number, and a \$15,000 appropriation to the Judicial Council's FY 2001 budget will fully fund the study during FY 2001.

P. 01

FAX NO. 7852966716

SENATE PRESIDENT

SENATE WAYS & MEANS COMMITTEE
 April 20-25, 2000
 Attachment 27

As I told you when we discussed the study, the Judicial Council is unable to absorb such a large study within the current allotment of funded meetings. The number of those meetings has been reduced over the years. Also, the budget shortfall has caused further reduction in the number of meetings funded during FY 2000 and FY 2001. In addition, the 2000 Legislature has already decided to assign the Judicial Council studies of SB 506, relating to fees that might be increased to finance nonjudicial employee salary increases; HB 2906, relating to Court of Appeals jurisdiction and SB 485, relating to the Uniform Nonprobate Transfers on Death Act.

If the Judicial Council is assigned this study, I hope that you or your Committee will provide me with a description of the problems with the current system and what is hoped to be accomplished by the study. In addition, the suggestions of categories of persons that should serve on the committee and identification of a House and Senate member whom you believe would be good committee members would be appreciated.

Please contact me if you have any questions or comments.

Very truly yours,

Randy
Randy M. Hearrell

RMH/kdk

27-2

#28



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



April 18, 2000

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

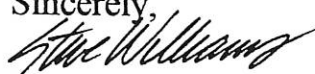
And

The Honorable David Adkins, Chairperson
House Committee on Appropriations
Room 514-S, Statehouse

Dear Gentlemen:

The FY 2000 capital improvement recommendations for the Kansas Department of Wildlife and Parks, as contained in the FY 2001 Governor's Budget Report, included a reduction in the amount of State Budget Stabilization Funds appropriated for ADA Accessibility projects. The intent of the recommendation was to reduce the amount available from \$88,671 to \$58,313, a reduction of \$30,358. However, Senate Bill No. 39, Sec. 68(f), was incorrectly posted to lapse the entire unencumbered balance in the above mentioned account.

Therefore, I am requesting that the Legislature appropriate for FY 2000 the amount of \$58,313 from the State Budget Stabilization Fund to correspond with the Governor's recommendations. These funds will allow the KDWP to continue with renovation of facilities to comply with ADA standards. Your consideration of this request is appreciated.

Sincerely,

Steven A. Williams, Secretary
Kansas Department of Wildlife and Parks

CC: Stuart Little, Legislative Research Department

SENATE WAYS & MEANS COMMITTEE
April 20-25, 2000
Attachment 28

#79 #124

Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary
April 19, 2000

Mental Health System Redesign and Financing

Background Information

A decade ago, Kansas implemented drastic change in its system of public mental health services. These changes, known as Mental Health Reform, set the agenda for the next 10 years. Kansas now has a system with a single point of entry and responsibility for individuals with the most serious mental illnesses that provide an array of community-based services. As a result, the need for state hospital beds has been dramatically reduced and hospitals have been closed and downsized. We can look at these accomplishments with a great deal of pride.

It is now time to look towards the future, and plan for the changes necessary in the next decade. There are six major improvements that need to be made, in order to be ready to take on the challenges of better assisting people with serious mental illness to live, learn, and work in their communities. These are summarized below:

1. Prioritize State Funded Services: Kansas, like many states, has historically used the definitions of target populations developed from the National Institute of Mental Health. These definitions are more than 10 years old, and do not adequately define the current needs of individuals with mental illness. In addition, the definitions are so broad, that they leave significant latitude to local providers when determining who is prioritized for services. It is critical the highest priority be given to serve individuals most in need, and that this be included as a performance measure for each community mental health center. For this to occur, the state must more clearly define the target population, and ensure that definition is applied consistently throughout the state. (Pilot projects will be implemented in June, 2000).

2. Update Information System: In order to collect information to manage the mental health system, SRS has required that a new information system be implemented. The mental health system must know the following: who is served, how much service they receive, what the outcome is, and the cost. The updated system will take us several steps in this direction. Kansas was one of the first states to actually measure outcomes in the lives of people served. The new system builds on this information, and can also be expanded in the future.

3. Formula Redistribution: There is a significant difference in per capita funding between communities in Kansas, and the formulas that determine this distribution need to be reviewed to determine if they are still relevant. SRS will review these formulas, including relevant factors that may impact funding, such as poverty and geographic distance in a catchment area, with the community mental health centers. The goal is to redistribute funding if needed, but only in conjunction with other financing changes so that critical services are not decreased in any area of the state.

4. Maximize Medicaid Funding: SRS believes it is also time to review and make changes in how mental health services are funded. Medicaid rein

community mental health services are being reviewed in order to ensure that we maximize federal funding. The maximizing of federal funds, in conjunction with formula redistribution, would make for a more evenly funded system. It is critical that this effort is done carefully for the following reasons:

- Not all individuals, including individuals in the target population are Medicaid eligible. In fact, approximately half are not Medicaid-eligible.
- Many services are not Medicaid-reimbursable even to Medicaid-eligible clients. Examples of critical services which are not Medicaid-reimbursable are housing, emergency assistance, and employment services including supported employment and job coaching.
- The Health Care Financing Administration (HCFA) is closely reviewing at least one state which refinanced its mental health system, resulting in substantial reliance on Medicaid funds. HCFA is closely assessing whether Medicaid funding is indirectly supporting non-Medicaid services and non-Medicaid eligible clients.

Within these parameters, the Department believes that some enhancement of federal resources is clearly feasible.

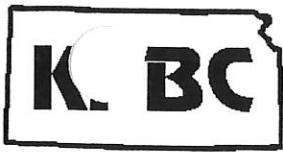
5. Incentive Financing: While Kansas has been a leader in measuring outcomes for people who experience mental illness, these outcomes have not been tied to any type of financial incentive. In fact, there are some disincentives in the current system. The next step in redesigning the mental health system would be to develop financial incentives for performance that are based on the outcomes that matter most in the lives of people we serve.

6. Development of Comprehensive Crisis System: One of the most significant gaps in our current system is a comprehensive community-based crisis system. The lack of alternatives in communities for acute care services has been identified by the recent Legislative Post Audit report, consumer satisfaction surveys, the Governor's Mental Health Planning Council, local hospital emergency rooms, and the Hospital Stakeholder Task Force. We believe that increases in funding should be reinvested in a safety net of services that assist individuals in living outside of state institutions.

These six steps are listed in this order by design. The final steps are very much dependent on accomplishing the initial steps.

A stakeholder taskforce will be established this fiscal year charged with equalizing services and increasing performance. Membership of this financing task force will include policy and financial staff from the Department and representatives from the community mental health center system. The Association of Community Mental Health systems has also made this issue a key priority for the next year. This task force will develop recommendations and a plan for presentation to the 2001 Legislature, with an implementation schedule anticipated to begin no later than FY 2002.

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KANSAS PUBLIC BROADCASTING COUNCIL

"Enhancing the quality of life for Kansas citizens."

#30
4/24

Chair

Jon Howard
General Manager
KRPS-FM
P.O. Box 899
Pittsburg, KS 66762-0899
316-235-4288

April 10, 2000

Senator Alicia Salisbury
Room 120-S
State Capital Building
Topeka, KS 66612

Vice Chair

Eugene Williams
General Manager
KTWU/11
Washburn University
1700 College
Topeka, KS 66621-1100
785-231-1111

Dear Senator Salisbury,

This letter is in response to the request from the Senate Ways and Means Subcommittee that the Kansas Public Broadcasting Council explore alternative funding mechanisms for the conversion of Kansas public television stations to digital.

Secretary

Brian Gibbons
Executive Director
High Plains Public Radio
210 North 7th Street
Garden City, KS 67846-0519
316-275-7444

I met with Annette Witt with the Department of Administration, State Master Lease Purchase Program in late February. After an initial positive response, the Council was informed in a letter dated March 15, that the KPBC would not be eligible for this program because the equipment to be financed would not be State property.

Treasurer

Mark McCain
General Manager
KMUW-FM
Wichita State University
3317 East 17th Street
Wichita, KS 67208-1595

I also met with Linda Wood with the Kansas Development Finance Authority. Her staff has looked over our needs and limitations based on federal participation in this project. They believe that issuing bonds is a realistic option and would be happy to work with the KPBC on this project. The KDFA would only be able to issue bonds on behalf of the Council based on Legislative approval.

Board

Kenneth A. Baker
Program Director
Radio Kansas

The KPBC would like to pursue this method of funding the conversion to digital television. The Council would like to propose that Legislative approval be granted for the issuance of bonds up to a limit of \$6 million. Any help or guidance you could give the Council to help secure Legislative approval would be greatly appreciated.

Janet Campbell
General Manager
KANU-FM

Thank you for your continued support of the Kansas Public Broadcasting Council. Personally, as my tenure as Chair ends, I would like to say that it has been a pleasure over these past two years to work with you and your staff on behalf of the KPBC.

Don Checots
President & General Manager
KPTS-TV

If you need more information from me or the Council please just let me know.

Richard Hicks
General Manager/CEO
Smoky Hills Public Television

Sincerely,

Larry Jackson
Station Manager
KKSU-AM

Jon R. Howard
Chair, Kansas Public Broadcasting Council

Bill Reed
President & CEO
KCPT-TV

SENATE WAYS & MEANS COMMITTEE
April 20-25, 2000
Attachment 30

Memo

To: Bill Wolff, Legislative Research
From: Kathy Greenlee, General Counsel *Kathy Greenlee*
CC: Commissioner Sebelius, Matt All
Date: 4/21/00
Re: Horizon Health Plan, Inc. and Heartland Health, Inc.

You asked earlier today about the status of the unpaid claims of Horizon Health Plan, Inc., a Kansas domestic health maintenance organization. We placed Horizon in liquidation in Shawnee County District Court on December 29, 1999. There are approximately \$10.5 million dollars in outstanding claims. The unpaid claims represent money owed to Kansas hospitals and providers. The company has approximately \$6.2 million dollars in assets. Thus, the company is \$4.3 million dollars short of being able to pay 100% of the claims.

In Kansas, health maintenance organizations do not belong to any guaranty association. Therefore, there is no statutory scheme in place to require other HMOs or insurers to pay the Horizon claims and assess members for the claim costs. Horizon does not belong to the Kansas Life and Health Guaranty Association. K.S.A. 40-3005(h)(1) says specifically that a "member insurer" of the Kansas Life and Health Guaranty Association does not include a health maintenance organization. The association does not have the authority to assess non-members. By statutory design, an HMO is a separate and distinct type of insuring entity. An HMO is not an insurer.

The Kansas Insurance Department is extremely concerned that Horizon claimants will only receive a portion of the money that they are due. We are willing to explore ways to fund full payment of these claims. However, we foresee time-consuming litigation if the Kansas legislature directs the Life and Health Guaranty Association to pay claims for a non-member HMO.

We are also currently liquidating Heartland Health, Inc., an insurance company owned by Horizon. Heartland Health is a member of the Kansas Life and Health Guaranty Association. In January the guaranty association paid \$886,000 to non-network providers. But, the guaranty association has refused to pay \$4.5 million dollars of in-network Heartland provider claims. K.S.A. 40-3003 provides guaranty association coverage for persons who are "the beneficiaries, assignees or payees" of policyholders. The guaranty association maintains that Heartland hospitals and providers are not the beneficiaries, assignees or payees of Heartland policyholders. The guaranty association position combines a narrow interpretation of K.S.A. 40-3003 with the fact that in-network providers signed a hold-harmless agreement. We disagree vehemently with the guaranty association position and we are litigating the issue of their refusal to pay claims of a member insurer.

The Horizon claimants and Heartland claimants are nearly identical. The claimants are most of the major hospitals, and many thousand doctors and providers, in Kansas.



BILL GRAVES
Governor

#30
(4/24)

DAN STANLEY
Secretary of Administration
Room 263-E
State Capitol
Topeka, KS 66612-1572
(785) 296-3011
FAX (785) 296-2702

DEPARTMENT OF ADMINISTRATION

LEGISLATIVE TESTIMONY

Bill Number: _____

Name of person testifying and division: Thaine Hoffman

Division of Architectural Services

Name of Committee: Ways and Means

Chamber: Senate

Date: April 24, 2000

Time: 1:00 p.m.

Room Number: 123-S

Explanation/Summary of Testimony: I have been asked to work with the
architects to simplify the design on the JJA Maximum Security
Facility at Topeka and the Medium Security Facility at Larned.

This has been done and I feel the designs are cost effective.

SENATE WAYS & MEANS COMMITTEE
April 20-25, 2000
Attachment 32

Testimony by
Thaine Hoffman – Director, Division of Architectural Services
April 24, 2000
JJA Funding for Capital Improvements
Senate Ways and Means

Senator Kerr, members of the committee. I am Thaine Hoffman, Director of the Division of Architectural Services. It is our responsibility to work with the agencies and administer the design and construction process for building projects. My staff has been involved in the JJA projects from the beginning.

There is a desire on the part of the designers to create facilities that have a less institutional appearance than we might provide for an adult prison. The obvious intent is to help the programs mainstream juveniles back into society. The early preliminary designs for the proposed maximum facility at Topeka and medium facility at Larned provided such designs.

There obviously needs to be a balance between avoiding the institutional character and building an economical facility. My personal feeling was that the first designs were more expensive than necessary. I directed the architects to simplify the designs. This has been done and they have met my expectations. Whether I had them go too far will be a matter of opinion and I welcome your comments.

Many of the changes would have been made without my involvement. As is normally the case, when the detailed estimates come in on the facilities, they are usually over the budget. That was the case on both of these. The architects, the JJA and my office have had many all day sessions combing the projects for ways to save money. Most of the changes were necessary to stay within the established budgets.

However, it appears that by the time these facilities are completed, we may already need additional beds. Thus, just in case there was any excess in the budgets, I requested the architects include an alternate in the bids for thirty additional beds at the Larned facility. I want to make it clear that I do not expect to have funds for that alternate, but if we get good bids, and one never knows, we will be in a positions to provide the extra beds.

Since some of you had the opportunity to see the early preliminary designs, I would like to very quickly show you the new designs:

First the Maximum facility at Topeka:

- This is a large and complex facility. The layout is intended to maximize the efficiency of the operation and minimize the needed staff.
- You will note that items such as curved walls have been removed.
- On the elevations, the design has been simplified to basic blocks with brick walls and metal panels.

Again, this is a large and complex facility, but the shapes are for functional rather than aesthetic purposes.

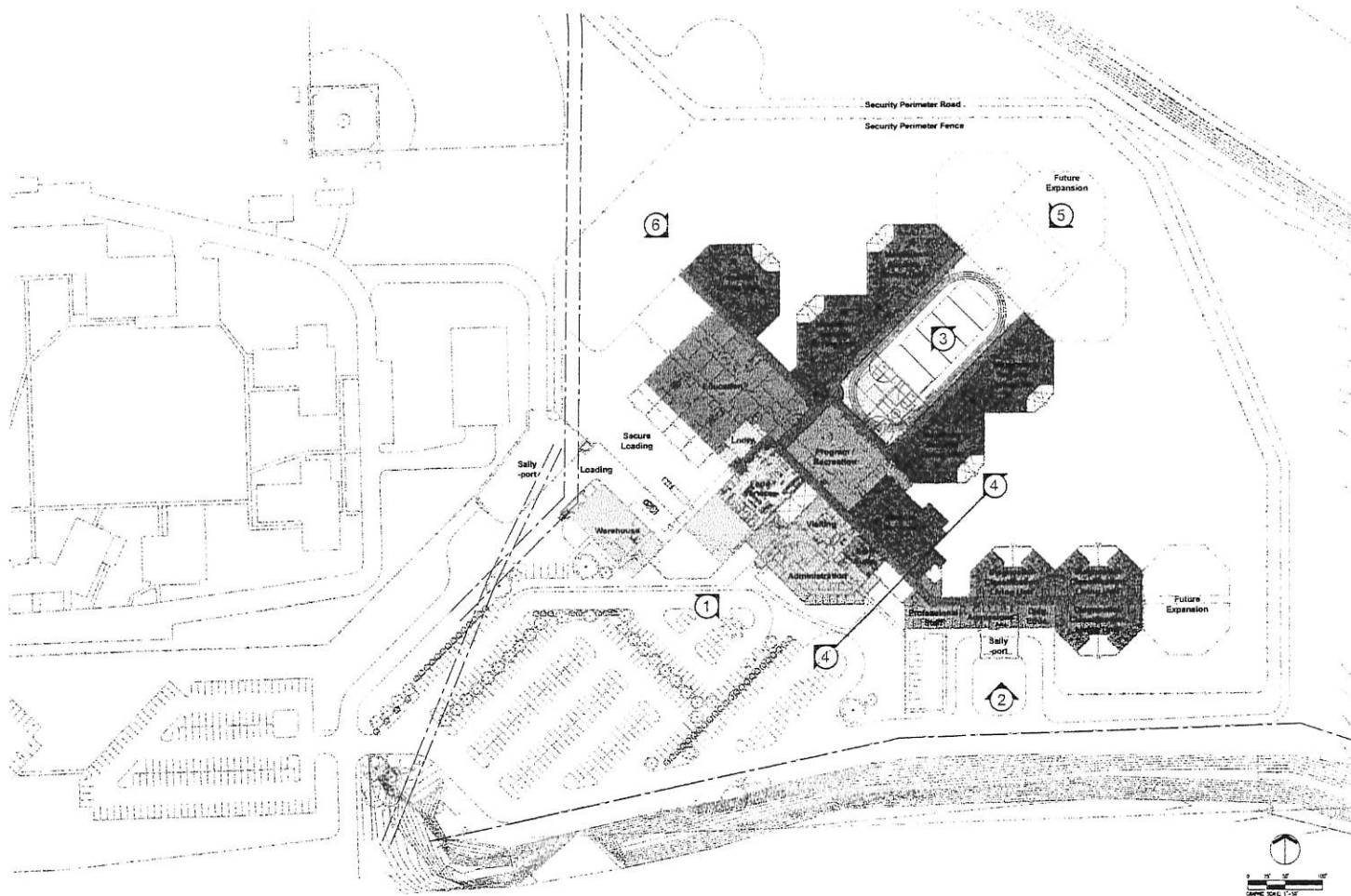
On the Larned facility:

- The bend was left in to avoid the view down the very long hallway, but otherwise, the spaces have been reduced and simplified. Again, it is a very large and complex facility, but the layout is for functional purposes.
- On the elevations, one original criteria was that sloped roofs be used to go with the sloped roofs of the existing state hospital buildings. These have been retained, but greatly simplified, and shingles are being considered in place of the metal roof.
- The ceiling heights and volumes of the structure have been reduced as well as the size of the gym.

We will continue to work with the architects, but I believe the designs have been reduced about as much as can be done and not hinder the effectiveness of the program.

I thank you for your time and would stand for any questions.

32-28



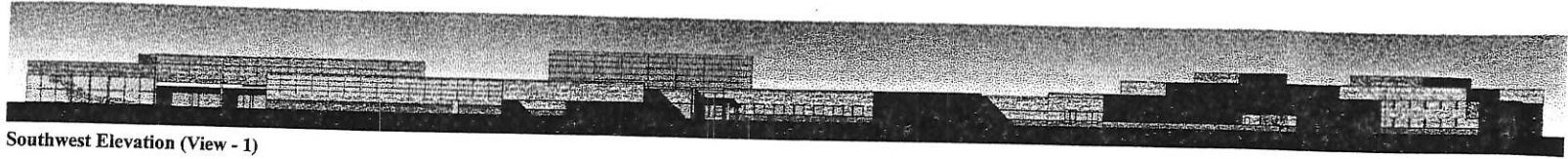
DESIGN DEVELOPMENT

STATE OF KANSAS 20 April 2000

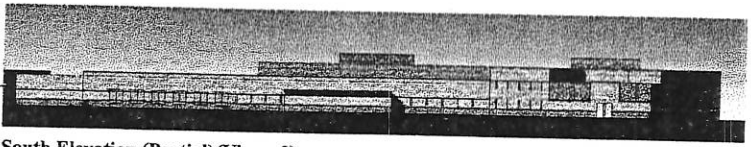
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SENATE WAYS & MEANS COMMITTEE
 April 20-25, 2000
 Attachment 33

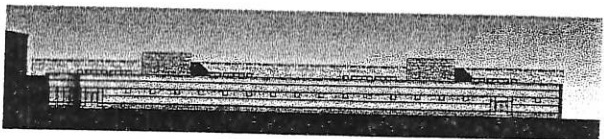
Page 33



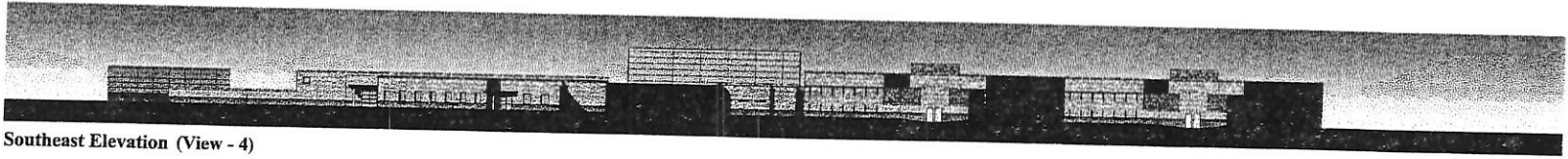
Southwest Elevation (View - 1)



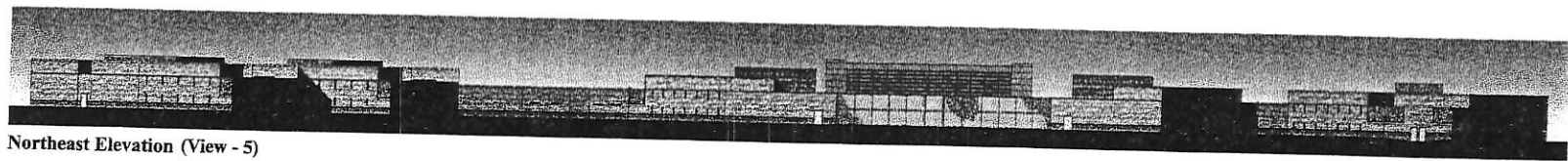
South Elevation (Partial) (View - 2)



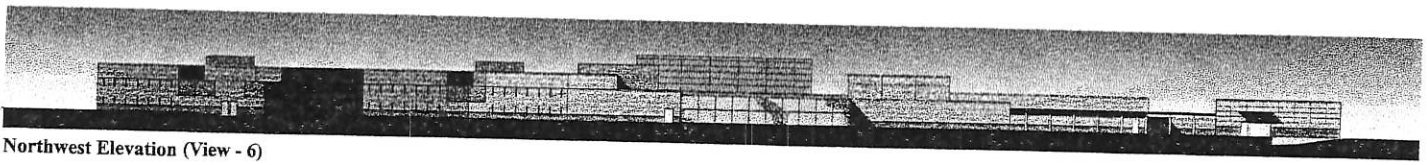
Northwest Courtyard Wall (View - 3)



Southeast Elevation (View - 4)



Northeast Elevation (View - 5)



Northwest Elevation (View - 6)



STATE OF KANSAS

2215 East Combined National Security Classification Facility

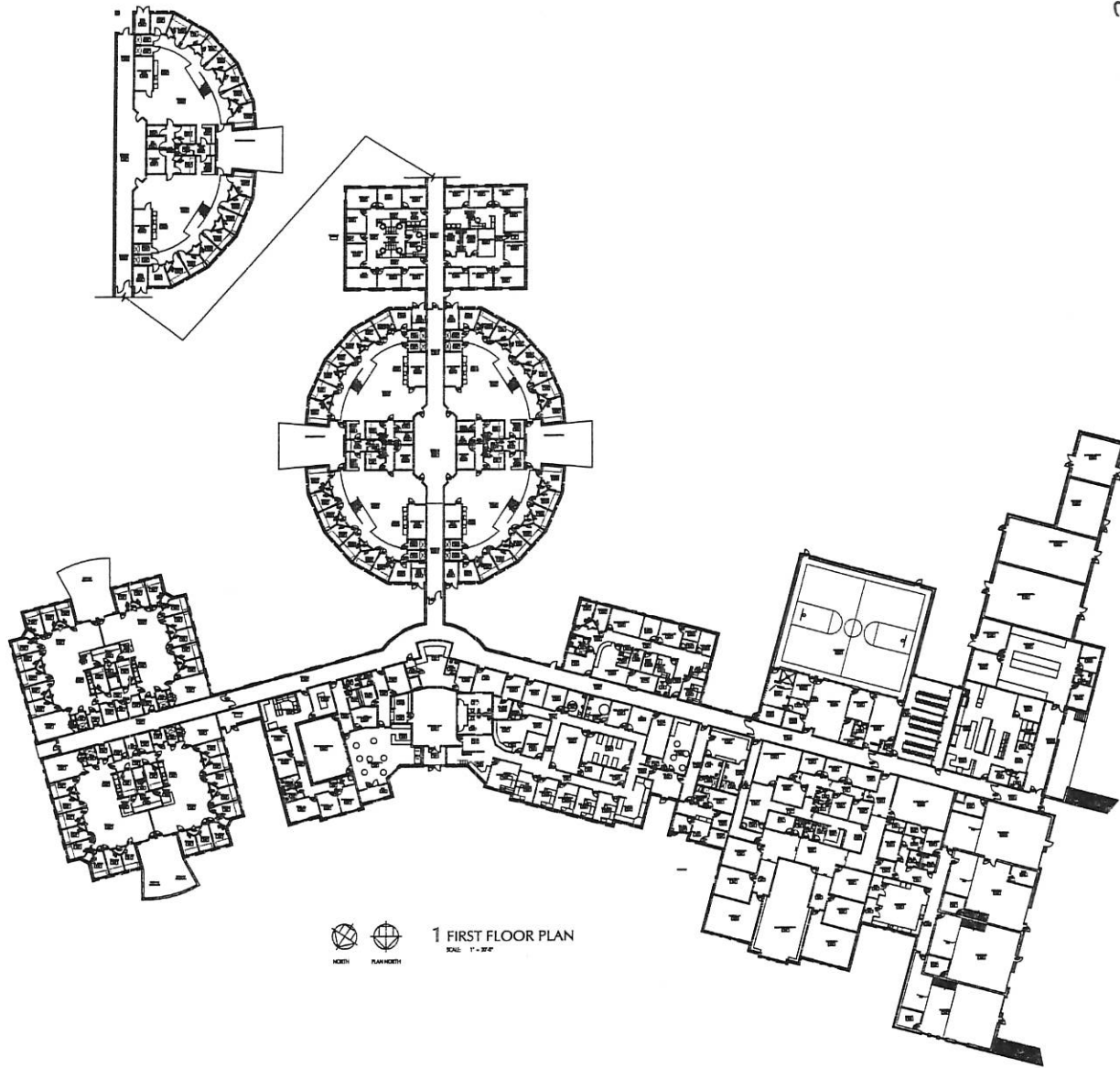
DESIGN DEVELOPMENT

20 April 2000

KMB Justice, Horstmann & Lutz Architects

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33-3





1 FIRST FLOOR PLAN
 SCALE: 1" = 20'

LARNED JUVENILE CORRECTIONAL FACILITY
 122 BED SPECIAL PROGRAM FACILITY
 LARNED, KANSAS

HWA
 HOEFER WYSOCKI
 ARCHITECTS

CROSLIN
 AND ASSOCIATES

REVISION DATES:

PROFESSIONAL SEAL

A2.1

ISSUE DATE: 28 APR 2001

HWA PROJECT # 1201

33-5

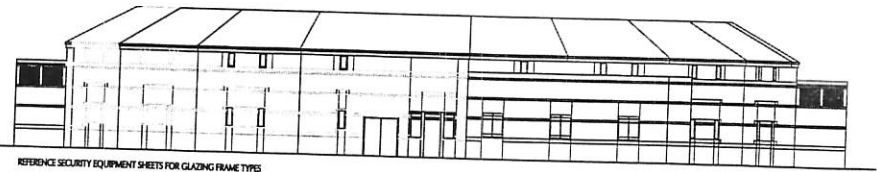


REFERENCE SECURITY EQUIPMENT SHEETS FOR GLAZING FRAME TYPES

MECHANICAL / GYMNASIUM / INFIRMARY

SCALE: 1/8" = 1'-0"

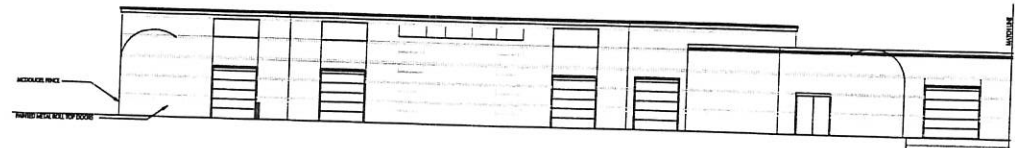
FINISHING BRASS METAL BODY
FINISHING GLASS



REFERENCE SECURITY EQUIPMENT SHEETS FOR GLAZING FRAME TYPES

GENERAL HOUSING POD

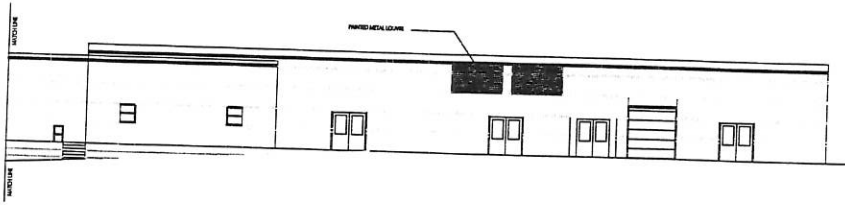
SCALE: 1/8" = 1'-0"



REFERENCE SECURITY EQUIPMENT SHEETS FOR GLAZING FRAME TYPES

VOCATIONAL / INDUSTRIAL / MECHANICAL

SCALE: 1/8" = 1'-0"



LARNED JUVENILE CORRECTIONAL FACILITY
LARNED, KANSAS
122-BED SPECIAL PROGRAM FACILITY

HWA
HOEFER WYSOCKI
ARCHITECTS

CROSLIN
AND ASSOCIATES

REVISION DATES:

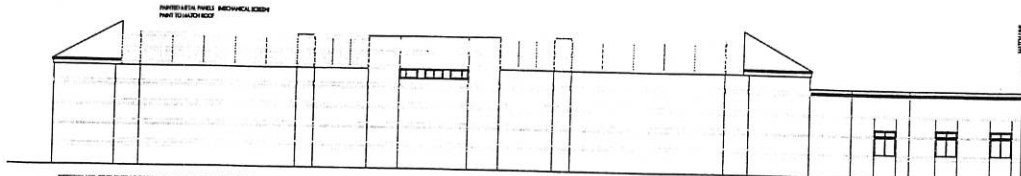
PROFESSIONAL SEAL

A4.2

DATE: 28 APRIL 2001

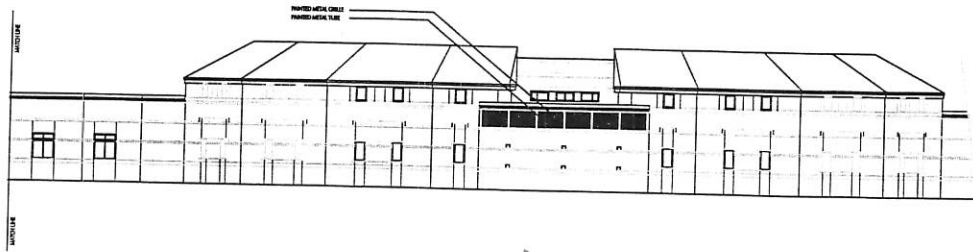
HWA PROJECT # 0301

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REFERENCE SECURITY EQUIPMENT SHEETS FOR GLAZING FRAME TYPES

GENERAL HOUSING POD / PROF. STAFF / GENERAL HOUSING POD
 SIBB: 1/4" = 1'-0"



33-1

LARNED JUVENILE CORRECTIONAL FACILITY
 LARNED, KANSAS
 122 BED SPECIAL PROGRAM FACILITY

HWA
 HOEFER WYSOCKI
 ARCHITECTS
CROSLIN
 AND ASSOCIATES

REVISION DATES:

PROFESSIONAL SEAL
A44
 SHEET DATE: 20 APRIL 2008
 HWA PROJECT # 0401

**SB 323
 SUMMARY OF BEDSPACE SAVINGS
 INCLUDES
 SB 490, SB 491, SB 665 And AMENDMENTS**

Gov. rec deletion → 665
Gov. rec deletion → 665
Gov. rec deletion → 665
Gov. rec deletion → 665
Gov. rec deletion → 665
Gov. rec deletion → 491
Gov. rec deletion → 491
Gov. rec. no re: for 5 & 6 → 491

Fiscal Year	1 No Conditional Probation Violators on N9&N10 Revoked to Prison*	2 Combine Criminal History "H"& "I"	3 Graduated Probation Periods - Beds Saved From Cond. Probation Violators Only*	4 Graduated Probation Periods - Beds Saved From Probation Violator w/new Sent*	5 No PIS Period for Cond. Probation Violators, Exclude Departures & Sex Offenders*	6 Increase Jail Time from 30 days to 120 days as condition of probation Exclude N9&N10	7 Mandatory Placement in Community Corrections for Condition Probation Violators	8 Reduce PIS Period Exclude Conditional Probation Violators but Include Sex Offenders & Departures*	9 Total Beds Saved All Mutually Exclusive
2001	176	18	158	32	120	25	168	227	924
2002	178	27	158	32	118	26	133	199	871
2003	184	38	167	35	129	25	110	109	797
2004	193	48	167	37	127	31	112	111	826
2005	186	45	171	35	125	25	113	103	803
2006	191	49	173	35	126	31	116	105	826
2007	197	48	175	35	137	29	119	113	853
2008	195	51	176	38	131	28	122	111	852
2009	201	61	183	39	142	28	124	108	886
2010	202	62	185	37	139	34	123	110	892

* Assumes implementation of the fully inclusive" provision

*(Barb Jomba
 figure
 Sentencing
 Comm)*

Prevention Grants to Communities

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

Note: Preventions grants are to be funded through the Children's Initiatives Fund.

Judicial District	Counties	Average Graduation Failure Rate*	Percentage Distr. (Dropouts/Total Dropouts)	Prevention Grants - FY 2000	Agency Proposed Formula for FY 2001				House Budget Committee Proposal	
					Prevention Grants Base Amount - FY 2001	Prevention Grants Distribution Amount - FY 2001	Prevention Grants Total - FY 2001	Per Unit Share - FY 2001	Revised Prevention Grants - FY 2001	Per Unit Share - FY 2001
1	Atchison, Leavenworth	269.31	3.64%	109,228	50,000	156,560	206,560	767	209,449	778
2	Pottawatomie, Jackson, Wabunsee, Jefferson	96.25	1.30%	39,038	50,000	55,954	105,954	1,101	74,856	778
3	Shawnee	659.21	8.91%	267,365	50,000	383,224	433,224	657	512,683	778
4	Osage, Franklin, Coffey, Anderson	185.97	2.51%	75,427	50,000	108,111	158,111	850	144,633	778
5	Lyon, Chase	112.87	1.53%	45,778	50,000	65,616	115,616	1,024	87,782	778
6	Miami, Linn, Bourbon	112.70	1.52%	45,709	50,000	65,517	115,517	1,025	87,649	778
7	Douglas	103.73	1.40%	42,071	50,000	60,302	110,302	1,063	80,673	778
8	Dickinson, Geary, Morris, Marion	260.37	3.52%	105,602	50,000	151,363	201,363	773	202,496	778
9	McPherson, Harvey	131.06	1.77%	53,156	50,000	76,190	126,190	963	101,928	778
10	Johnson	495.78	6.70%	201,081	50,000	288,216	338,216	682	385,580	778
11	Crawford, Cherokee, Labette	208.97	2.83%	84,755	50,000	121,482	171,482	821	162,521	778
12	Jewell, Republic, Washington, Mitchell, Cloud, Lincoln	36.79	0.50%	14,921	50,000	21,387	71,387	1,940	50,000	1,359
13	Butler, Greenwood, Elk	192.86	2.61%	78,221	50,000	112,117	162,117	841	149,992	778
14	Chautauqua, Montgomery	130.99	1.77%	53,128	50,000	76,149	126,149	963	101,874	778
15	Cheyenne, Rawlins, Sherman, Thomas, Wallace, Logan, Sheridan	48.80	0.66%	19,793	50,000	28,369	78,369	1,606	50,000	1,025
16	Gray, Ford, Meade, Clark, Kiowa, Comanche	138.00	1.87%	55,971	50,000	80,225	130,225	944	107,326	778
17	Decatur, Norton, Phillips, Smith, Osborne, Graham	16.81	0.23%	6,819	50,000	9,772	59,772	3,556	50,000	2,974
18	Sedgwick	1,868.12	25.26%	757,681	50,000	1,086,009	1,136,009	608	1,452,881	778
19	Cowley	99.96	1.35%	40,542	50,000	58,111	108,111	1,082	77,741	778
20	Barton, Russell, Ellsworth, Rice, Stafford	146.78	1.98%	59,532	50,000	85,329	135,329	922	114,154	778
21	Clay, Riley	68.16	0.92%	27,645	50,000	39,624	89,624	1,315	53,010	778
22	Marshall, Nemaha, Brown, Doniphan	77.53	1.05%	31,445	50,000	45,071	95,071	1,226	60,297	778
23	Gove, Trego, Ellis, Rooks	41.40	0.56%	16,791	50,000	24,067	74,067	1,789	50,000	1,208
24	Lane, Ness, Rush, Hodgeman, Pawnee, Edwards	52.43	0.71%	21,265	50,000	30,480	80,480	1,535	50,000	954
25	Greeley, Wichita, Scott, Hamilton, Kearny, Finney	272.50	3.68%	110,522	50,000	158,415	208,415	765	211,930	778
26	Stanton, Grant, Haskell, Morton, Stevens, Seward	160.67	2.17%	65,165	50,000	93,404	143,404	893	124,957	778
27	Reno	201.95	2.73%	81,908	50,000	117,401	167,401	829	157,061	778
28	Ottawa, Saline	143.54	1.94%	58,218	50,000	83,445	133,445	930	111,634	778
29	Wyandotte	841.44	11.38%	341,275	50,000	489,161	539,161	641	654,408	778
30	Pratt, Kingman, Barber, Harper, Sumner	102.88	1.39%	41,727	50,000	59,808	109,808	1,067	80,012	778
31	Woodson, Allen, Wilson, Neosho	118.90	1.61%	48,224	50,000	69,121	119,121	1,002	92,471	778
Totals		7,396.73	100.00%	3,000,000	1,550,000	4,300,000	5,850,000		5,850,000	

Notes:

- Graduation failure average numbers are from school years 95, 96, and 97. Because they are averaged over 3 years, and will so again when the data is collected, the increase or decrease of prevention dollars received will not be as great as if one year were used.
- These numbers are estimations only; they do not represent a final appropriation.
- The graduation failure rate has not change from FY 1999 to FY 2000 to reflect individual district population fluctuations.
- The formula is based on the fact that 5 Districts had totals (using \$5.85 million as a base) under \$50,000. That equals \$250,000 that is not factored into formula distribution.
- Total prevention funding is \$6,000,000, which includes a \$1.0 million carry-over from FY 2000, and a \$150,000 reward fund for innovative prevention programs.

4
 SENATE WAYS & MEANS COMMITTEE
 April 20-25, 2000
 Attachment 35

36
(4/25)

Horizon.wpd

Grant to Horizon Health Plan

For the fiscal year ending June 30, 2001.....\$1,000,000

Provided, That all expenditures from the grant to Horizon Health Plan account shall be for a grant to Horizon Health Plan, Inc., a Kansas domestic health maintenance organization, to provide a donation of financial aid to assist the grantee in satisfying the claims of Kansas hospitals and other health care providers which provided health care services to Kansans through Horizon Health Plan, Inc., and thereby provide financial support to the health care system in Kansas: *Provided further*, That the grant to Horizon Health Plan, Inc., shall not constitute the assumption of any liability or responsibility for Horizon Health Plan, Inc., the activities or operations of Horizon Health Plan, Inc., or any claims against Horizon Health Plan, Inc., whatsoever.

Title XIX
and
Title
XXI

Children's Initiatives Fund (Tobacco)

7-1
(1/25)

Agency/Program	FY 2001 Children's Cabinet Recommendation	FY 2001 Governor's Recommendation	FY 2001 Conference Comm. Adjustments
Miscellaneous Programs			
Statewide Strategic Planning	\$ 350,000	\$ 0	
Enhance Community Access Network catalog	70,000	0	
Research and Planning	350,000	0	
Cabinet Costs	387,058	0	
Subtotal - Misc.	\$ 1,157,058	\$ 0	
Department of Health and Environment			
Healthy Start/Home Visitor	\$ 250,000	\$ 250,000	\$ (250,000)
Infants and Toddlers Program	500,000	500,000	(500,000)
Vaccine Purchases	250,000	0	
Newborn Screening Equipment Purchases	0	0	
Community Partnership Grants	6,950,000	3,000,000	(3,000,000)
Smoking Cessation/Prevention Program Grants	2,500,000	500,000	(500,000)
Early Prevention Grants for Local Health Departments	0	0	
Subtotal - KDHE	\$ 10,450,000	\$ 4,250,000	\$ (4,250,000)
Juvenile Justice Authority			
Juvenile Prevention Program Grants	\$ 4,000,000	\$ 5,000,000	\$ (5,000,000)
Juvenile Graduated Sanctions Grants	2,000,000	2,000,000	(2,000,000)
Community Management Information Systems Grants	85,000	0	
Subtotal - JJA	\$ 6,085,000	\$ 7,000,000	\$ (7,000,000)
Department of Social and Rehabilitation Services			
Children's Mental Health Initiative	\$ 1,000,000	\$ 1,000,000	\$ (1,000,000)
Family Centered System of Care	5,000,000	5,000,000	(5,000,000)
HCBS Services for Mentally Retarded	3,000,000	3,000,000	(3,000,000)
HCBS Services for Physically Disabled	1,800,000	1,800,000	(1,800,000)
Best Children's Programs Practices Research	0	250,000	(250,000)
Subtotal - SRS	\$ 10,800,000	\$ 11,050,000	\$ (11,050,000)
Attorney General			
Statewide DARE Program	\$ 165,300	\$ 159,956	\$ (159,956)
Department of Education			
Parent Education	\$ 777,833	\$ 1,277,833	\$ (1,277,833)
Four-Year -Old At-Risk Programs	0	1,000,000	(1,000,000)
School Violence Prevention	500,000	500,000	(500,000)
Kan-Ed	0	4,500,000	(4,500,000)
Natl. Geographic Society Ed. Foundation Endowment	0	0	
School District Reading Readiness Programs	0	0	
Subtotal - Dept. of Ed.	\$ 1,277,833	\$ 7,277,833	\$ (7,277,833)
University of Kansas Medical Center			
Tele-Kid Health Care Link	\$ 0	\$ 250,000	\$ (250,000)
Pediatric Biomedical Research	0	0	0
Subtotal - KU Medical Center	\$ 0	\$ 250,000	\$ (250,000)
TOTAL	\$ 29,935,191	\$ 29,987,789	\$ (29,987,789)

* The Conference Committee recommends deleting all Children's Initiatives funding pending further consideration at Omnibus.

SENATE WAYS & MEANS COMMITTEE
April 20-25, 2000
Attachment 37

Children's Initiatives Fund (Tobacco)

K 38

Agency/Program	FY 2001 Children's Cabinet Recommendation	FY 2001 Governor's Recommendation	FY 2001 House Adjustments*	FY 2001 Senate Adjustments
Miscellaneous Programs				
Statewide Strategic Planning	\$ 350,000	\$ 0		
Enhance Community Access Network catalog	70,000	0		
Research and Planning	350,000	0		
Cabinet Costs	387,058	0		
Subtotal - Misc.	\$ 1,157,058	\$ 0		
Department of Health and Environment				
Healthy Start/Home Visitor	\$ 250,000	\$ 250,000	\$ (250,000)	
Infants and Toddlers Program	500,000	500,000	(500,000)	
Vaccine Purchases	250,000	0		
Newborn Screening Equipment Purchases	0	0		
Community Partnership Grants	6,950,000	3,000,000	(3,000,000)	(3,000,000)
Smoking Cessation/Prevention Program Grants	2,500,000	500,000	(500,000)	
Early Prevention Grants for Local Health Departments	0	0		3,000,000
Subtotal - KDHE	\$ 10,450,000	\$ 4,250,000	\$ (4,250,000)	\$ 0
Juvenile Justice Authority				
Juvenile Prevention Program Grants	\$ 4,000,000	\$ 5,000,000	\$ (5,000,000)	
Juvenile Graduated Sanctions Grants	2,000,000	2,000,000	(2,000,000)	
Community Management Information Systems Grants	85,000	0		
Subtotal - JJA	\$ 6,085,000	\$ 7,000,000	\$ (7,000,000)	
Department of Social and Rehabilitation Services				
Children's Mental Health Initiative	\$ 1,000,000	\$ 1,000,000	\$ (1,000,000)	
Family Centered System of Care	5,000,000	5,000,000	(5,000,000)	
HCBS Services for Mentally Retarded	3,000,000	3,000,000	(3,000,000)	
HCBS Services for Physically Disabled	1,800,000	1,800,000	(1,800,000)	
Best Children's Programs Practices Research	0	250,000	(250,000)	
Subtotal - SRS	\$ 10,800,000	\$ 11,050,000	\$ (11,050,000)	
Attorney General				
Statewide DARE Program	\$ 165,300	\$ 159,956	\$ (159,956)	
Department of Education				
Parent Education	\$ 777,833	\$ 1,277,833	\$ (1,277,833)	
Four-Year -Old At-Risk Programs	0	1,000,000	(1,000,000)	
School Violence Prevention	500,000	500,000	(500,000)	(500,000)
Kan-Ed	0	4,500,000	(4,500,000)	
Natl. Geographic Society Ed. Foundation Endowment	0	0		
School District Reading Readiness Programs	0	0		500,000
Subtotal - Dept. of Ed.	\$ 1,277,833	\$ 7,277,833	\$ (7,277,833)	\$ 0
University of Kansas Medical Center				
Tele-Kid Health Care Link	\$ 0	\$ 250,000	\$ (250,000)	
Pediatric Biomedical Research	0	0	0	
Subtotal - KU Medical Center	\$ 0	\$ 250,000	\$ (250,000)	
TOTAL	\$ 29,935,191	\$ 29,987,789	(29,987,789)	\$ 0

* The Conference Committee recommends deleting all Children's Initiatives funding pending further consideration at Omnibus.

CHILDREN'S INITIATIVES FUND

Program or Project	FY 2001 Gov. Rec.
Prevention Programs	
<p>Healthy Start/Home Visitor (Kansas Dept. of Health and Environment)</p> <ul style="list-style-type: none"> The program supports nurses and supervised lay visitors in providing early identification of high-risk expectant families and families with newborns. The program provides education and support to pregnant women and families with a baby (birth through one year) for the purpose of reducing the incidence of poor pregnancy outcomes, child abuse and neglect 	\$250,000
<p>Smoking Prevention Grants (Kansas Dept. of Health and Environment)</p> <ul style="list-style-type: none"> The purpose of this funding is to provide grants to non-profit organizations or to administer a state program for the prevention of tobacco use. The program will be administered by the Director of Health, Kansas Department of Health and Environment. According to the Department, funding at this level would be used to create a model comprehensive program in a single community with a population of approximately 30,000. 	\$500,000
<p>Juvenile Justice Community Funding - Prevention Programs (Juvenile Justice Authority)</p> <ul style="list-style-type: none"> These programs include substance abuse, health, education, family management/crisis management, and mentoring. The programs will serve an unknown number of at-risk juveniles from preschool to high school. For FY 2001 the Juvenile Justice Authority has refined definitions for the targeted population and specific funding criteria. 	\$5,000,000
<p>Drug Abuse Resistance Education Project (Attorney General)</p> <ul style="list-style-type: none"> The 1999 Legislature established the statewide DARE program in the Office of the Attorney General and two staff positions were filled in January 2000. The responsibility of the statewide office is to provide training for law enforcement officers who conduct local anti-drug and anti-violence programs for Kansas students. The training provided by the statewide office is not available elsewhere in Kansas. 	\$159,956
<p>School Violence Prevention (Experimental Wraparound) (State Dept. of Education)</p> <ul style="list-style-type: none"> The Governor recommends \$500,000 for the second year of the school violence prevention program, a competitive grant program designed to reduce school violence, substance abuse, school dropouts, and delinquency. The program requires a 25 percent local match and is for school districts that have developed a collaborative program with a community mental health system. Services that may be provided include attendant care, case management, respite care, family therapy, psychiatric care, outpatient therapy, and parent support. In FY 2000, 8 school districts received grants out of 16 that applied. 	\$500,000
Education and School Based Programs	
<p>Infants and Toddlers Program (Kansas Dept. of Health and Environment)</p> <ul style="list-style-type: none"> The program provides screening, evaluation and assessment, and intervention for children with developmental delay. Kansas families with infants or toddlers (from birth to three years of age) who have developmental delays or disabilities are eligible for early intervention services. Services are provided through local health agencies. The program is administered by the Bureau of Children, Youth and Families in the Department of Health and Environment. 	\$500,000
<p>Parent Education (State Dept. of Education)</p> <ul style="list-style-type: none"> The Governor recommends a total of \$5,917,333 for parent education, of which \$1,277,833 is tobacco money and the remainder (\$4,639,500) is from the State General Fund. Currently, 12,391 families with 15,178 children are being served. The Governor's recommendation is an increase of \$572,775 over the current year and would allow additional children to be served. 	\$1,277,833
<p>Four-Year-Old At-Risk Program (State Dept. of Education)</p> <ul style="list-style-type: none"> The Governor recommends \$1.0 million in general state aid to expand the four-year-old at-risk program from 1,794 children to 2,232, an increase of 438. In the school finance formula, four-year-old at-risk children are counted as 0.5 pupil. 	\$1,000,000
<p>Technology Infrastructure (State Dept. of Education)</p> <ul style="list-style-type: none"> The Governor recommends \$4.5 million to establish a state education technology network known as "KAN-ED." The network would provide Internet connectivity to school districts, accredited private schools, and public libraries. 	\$4,500,000

Program or Project	FY 2001 Gov. Rec.
Health Programs	
Kansas Health Foundation Community Partnership Grants (Kansas Dept. of Health and Environment) <ul style="list-style-type: none"> These grants are intended to be used in conjunction with private funds from the Kansas Health Foundation as a part of a long-term commitment to local children's health initiatives. 	\$3,000,000
Home and Community Based Services (HCBS) for Physically Disabled (Dept. of Social and Rehabilitation Services) <ul style="list-style-type: none"> The Home and Community Based Services Waiver Program is for individuals with a physical disability who would be institutionalized if not for this program. Individuals receive in-home services based on the Kansas Uniform Assessment Instrument score and the individualized Plan for Care. The funding is matched with federal Medicaid funds to provide the services. 	\$1,800,000
TeleKid Health Care Link (University of Kansas Medical Center) <ul style="list-style-type: none"> In 1998 the University launched a pilot program to deliver medical services to children in school. Using personal computer based telemedicine technology, the project linked the school nurse's office with physicians to provide clinical consultations for students. For FY 2001, the Governor recommends \$250,000 from the Children's Initiatives Fund to expand the pilot program to other areas of the state. KUMC would serve as a facilitator to link local health care providers with schools in their service areas. In those cases where there are no health care providers or if back up medical services are requested, KUMC physicians would be available to provide clinical consultations. 	\$250,000
Mental Health Programs	
Children's Mental Health—Serious Emotional Disturbed Waiver (Dept. of Social and Rehabilitation Services) <ul style="list-style-type: none"> This program serves only the most seriously ill children who require very intensive services (approximately 10 percent of the Serious Emotional Disturbed population). 	\$1,000,000
Family Centers System of Care (Dept. of Social and Rehabilitation Services) <ul style="list-style-type: none"> The program services children who have been diagnosed with serious emotional disturbance but are not in crisis. In addition, the program provides for prevention education services and day services when children are out of school. The program is administered through the Community Mental Health Centers. 	\$5,000,000
Other Programs	
Juvenile Justice Community Funding - Intervention/Graduated Sanctions Programs (Juvenile Justice Authority) <ul style="list-style-type: none"> These programs include attendant care, intake and assessment, out-of-home placement, residential group homes, sanction houses, alcohol and drug services, community corrections, and diversion and truancy services. 	\$2,000,000
Best Children's Programs Practices Research (Dept. of Social and Rehabilitation Services) <ul style="list-style-type: none"> This is a study to research the most effective ways to target the tobacco settlement moneys for children's programs. The contract would be administered through the Children's Cabinet. 	\$250,000
Home and Community Based Services (HCBS) for Mental Retardation/Developmental Disabilities (Dept. of Social and Rehabilitation Services) <ul style="list-style-type: none"> The Home and Community Based Services Waiver Program for individuals with Mental Retardation/Developmental Disabilities provides for in-home services to replace institutional care. The tobacco settlement funds are used to match federal Medicaid moneys to serve individuals currently waiting for in-home services. 	\$3,000,000
TOTAL	\$ 29,237,789

#5
(4/25)

TOBACCO SETTLEMENT PAYMENTS

Tobacco Settlement Payments

FY 1999—\$20,583,592—received December 1999



Kansas Endowment for Youth Fund (KEY)

FY 2000—\$17,929,266 —initial payment received January 2000

29,714,549 (est.)—expected in April 2000

\$47,643,815



KEY Fund

Ending Balance in Fund: \$68,227,407

FY 2001—\$58.0 million (est.)
(Installments in January and April)

July 1, 2000 (or when money available)



KEY Fund

→ \$20.3 Million to State General Fund (SGF) as payback

→ \$70,740,000 to SGF

→ \$30.0 Million to Children's Initiatives Fund

Ending Balance in Fund: \$5,187,407

FY 2002—\$69.0 Million (est.)

July 1, 2001 (or when money available)



KEY Fund

→ \$40.0 Million to Children's Initiatives Fund

→ \$10.0 Million to SGF

Ending Balance in Fund: \$24.2 Million

FY 2003—\$70.0 Million

July 1, 2002 (or when money available)



KEY Fund

→ \$45.0 Million to Children's Initiatives Fund*

Ending Balance in Fund: \$49.2 Million

* Transfers to the Children's Initiatives Fund are capped at \$45.0 million, plus a 2.5 percent annual inflationary increase.

NOTE: Ending balances do not take into account interest earnings on invest Board of Trustees.

SENATE WAYS & MEANS COMMITTEE
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Attachment 40

HB 2558

Tobacco Settlement Payments

↓
Kansas Endowment for Youth (KEY) Fund (Endowment Fund)

Managed by →

KPERS Board of Trustees

↓
Annual transfers to:

Also manages the Family and Children Endowment Account in the Family and Children Investment Fund.

↓
Children's Initiatives Fund

Expenditures recommended by →

Kansas Children's Cabinet (15 members, including ex officio members and appointees of Governor and Legislature)

↓
Transfers to:

↓
Children's Initiatives Accountability Fund (Fund to pay for post audits, higher education research, and assessments of children's programs)

Assumes duties of the Advisory Committee on Children and Families

Approves expenditures from Family and Children Trust Account

Initiates studies, assessments, and audits of children's programs

Administratively attached to SRS

A 2
(4/25)

KANSAS CHILDREN'S CABINET



415 sw 8th avenue, 1st floor
Topeka, Kansas 66612-1570
tele: 785.368.7044
fax: 785.296.6610

The Kansas Children's Cabinet held its initial meeting in August of 1999. Since that time, it has met at least monthly and heard extensive testimony from a wide range of experts and advocates for families and children as well as other important issues such as tobacco prevention.

Throughout this eight-month period, it has become readily apparent that the earliest possible intervention is the most effective. While the body of knowledge that supports this is overwhelming, the testimony of Rutgers University's Dr. Steve Barnett to the Cabinet on November 4, 1999 was extremely persuasive.

Another essential premise which became obvious to the Cabinet is that the initiatives with the best chance of success are locally driven. Therefore, when ascertaining how approximately \$10.0 million in "new tobacco settlement moneys" for SFY 2001 should be allocated, the Cabinet recommended that 70% of those funds be directed toward community-based partnerships.

After exploring a number of community-based partnerships over a period of some months, the Cabinet on April 14th voted to have a model based upon North Carolina's nationally recognized Smart Start implemented in Kansas.

Among the key facets of this plan which make it attractive to the Cabinet are: local control and design to meet a particular community's needs; emphasis upon children ages 0 to 5 with flexibility beyond 0 to 5 if the activity being supported relates to children in that age group; community assessment prior to grants being awarded; evaluation methodology that is so that strong politics are eliminated and results drive subsequent funding; requirement for a 20 percent local match; support and involvement from the business community; and, coordination of services to eliminate gaps and barriers.

Two cabinet members, Abby Baucom and Joyce Cussimanio traveled to North Carolina to observe this program and talk with its partners. This group became enthusiastic supporters of Smart Start and its applicability to Kansas. (An executive summary of Smart Start Site Visit is attached.) The remaining members of the Cabinet were also impressed with the Smart Start program based partially upon this group's endorsement and other information about it the Cabinet had previously received.

The Cabinet decided its community-based partnerships should be based upon the Smart Start model. Appropriately, the Cabinet directed the creation of a technical working group comprised of practitioners and other interested parties to create a derivative of Smart Start during the next 30 to 60 days which will be tailored specifically to Kansas. For example, the state of Kansas appears to be ahead of where North Carolina was in 1993, the year Smart Start began, in having programs addressing the needs of children ages 0 to 5. All of these programs and other Kansas unique factors should be fully considered.

The Cabinet has recommended that \$7.0 million of approximately \$10.0 million of "new tobacco settlement money" in SFY 2001 be dedicated to these partnerships. The Governor has proposed funding these partnerships in SFY 2001 at \$3.0 million. Funding at the Governor's recommended level for SFY 2001 will enable the technical task force to modify the Smart Start model to fit Kansas and have a program capable of being implemented in SFY 2001 on a pilot basis. That would also provide the Cabinet an opportunity to prepare budget recommendations for SFY 2002 in the June/July time frame of this year for timely presentation to the Governor and legislative leaders.

The Cabinet also voted to request that the legislature not take steps to modify the Cabinet's structure during the remainder of this session. The Cabinet's hope is that their proposal will be given an opportunity to be implemented. It is the work product of dedicated members of the Cabinet who were appointed to do just this.

As a final note, if it becomes apparent in SFY 2001 that the Cabinet's approach is not a vehicle which will produce desired outcomes, reconsideration of a change of direction for SFY 2002 is a possibility.

42-2

#4
(4125)

Summary of Smart Start Site Visit
Raleigh, North Carolina
March 21st- 22nd, 2000

Submitted to Kansas Children's Cabinet and Trust Fund
on
April 14th, 2000

Joyce Cussimano
James Buchele
Donna Shank

On March 20-22, 2000 four representatives of the Kansas Children's Cabinet attended a site visit of the North Carolina Smart Start program to learn specifics of the state's program which targets high-quality and affordable childcare, health care and other critical family services for children under six. The site visit included presentations by the executive director of the North Carolina Partnership for Children (NCPC), business leaders, the director of the Division of Child Development, and the Assistant Secretary of the Department of Health and Human Services (HHS). In addition, team members visited to a local childcare center funded by Smart Start.

Structure of North Carolina and the project:

North Carolina social and health services is more diffused than the Kansas system. The most striking difference is that North Carolina has 100 county welfare departments similar to those that Kansas abolished and reorganized into a state system in the 1960's.

The Smart Start program, established in 1993, has continually increased its annual funding to improve early childhood education. The current rate of state support is \$220 million. Funding for the Smart Start program flows from the General Assembly through the state Budget Office to the Department of Health and Human Services. The North Carolina Partnership for Children, a statutorily created not-for-profit corporation, is the body that administers the funding. HHS has no policymaking authority over the NCPC, rather, the administrative procedures merely assure accountability for the flowthrough of funds. Funding is made on a two-year cycle. In addition, NCPC provides substantial technical assistance and training to local partnerships established to use these funds for the purpose of enhancing early childhood education.

The Smart Start Program:

The Smart Start vision is that "every child in North Carolina will arrive at school healthy and prepared for success."

Key concepts that characterize the Smart Start program are:

- **A comprehensive approach**—services funded by Smart Start can be applied to a broad group rather than being targeted to a specific group;
- **Local design and control**—the function of Smart Start is to fill gaps and enhance ongoing efforts by supporting programs chosen by each community;
- **Integrated, high-quality services**—Smart Start does not seek to replace, change or compete with existing programs for children; Smart Start funding does not supplant funding for existing programs, rather it represents additional funding designed to enhance and improve existing available programs;
- **Collaboration**—funding requirements exist about membership on local collaboratives.

43-2

Relationships with local partnerships:

The NCPC established general guidelines and priorities for funding, but local community partnerships determine the specific programs they desire and administer them. The RFP submitted by the community-based partnership must state performance goals and is evaluated for funding by NCPC. Funding is approved based upon demonstrated community need and ability to meet the performance standards. NCPC evaluates community outcomes through an independent audit.

Grants require a 20% local match which may include 10% in-kind match, however, the match must involve new services rather than existing services, and must directly “touch” the Smart Start initiative. These match funds are audited by rigid guidelines which parallel those found in state government. Staff suggested that the 10% cash match may prohibit submission of some applications, especially in poorer regions. Currently the legislature is considering lowering the amount or adding some flexibility regarding match so that cost effective and worthwhile projects may move forward. Nearly \$33 million has been garnered through in-kind match.

NCPC began Smart Start by funding a planning process in every county. The result was formation of 80 community-based partnerships in 100 counties. NCPC staff felt that administration of 80 partnerships was too costly and, from a business perspective, recommended regionalization. However, Durham County project staff felt that the closer projects were to the community level, the more effective they became. They recommended localization.

NCPC staff felt that initially programs were too broad and were not sufficiently focused on outcomes for children. This prevented measuring the impact of programs with any reliability. Another learning from the group related to the focus of the projects. After two years, core services were established to create a focus for services. (See Attachment A) They suggest the role of the cabinet is to provide a structure for decision-making and an overarching focus for use of funds but that local communities should have flexibility and be able to set priorities.

Smart Start serves as a catalyst for community efforts, not the entire program. The group cited several elements that contribute to the success of the program:

Accountability. Evaluation is a big part of the success of the North Carolina initiative. A learning of the initiative was that accountability must be built into the design of the system. Recommendations about evaluation were:

- To begin early on in the process
- Consideration should be given to both statewide and local evaluations
- Require a self-assessment and provide technical assistance to complete the self-assessment
- Provide training and technical assistance on evaluation at the local level so that local efforts are cognizant of the importance and requirement for local evaluation of program effectiveness

- Recognize that evaluations evolve and expand over time
- Conduct randomized evaluation of effectiveness of community based program initiatives and the utilization of funding
- They recommended that evaluation be done by evaluators familiar with the state, preferably an in-state provider. They offered Kansas technical assistance in the evaluation process.

Evaluation contracts ranged from \$500,000 the first year to slightly over \$1million currently.

Members of the team expressed their desire that the integrity and independence of the evaluator be unquestionable. It is believed these factors are important to objectively evaluate data and to ward off political attacks on children's programs.

Support of high ranking officials and the business community. The importance of multiple "champions" was stressed.

Business leaders that spoke to the group were from AT&T, IBM and a local law firm. Prominent business leaders have sought financial support through company foundations. Business and community organizations such as Rotary, JayCees and Chamber of Commerce have advocated for this program. Every bank in the state has given its largest contribution to this project.

Governor Hunt made Smart Start a key part of his re-election campaign and has continued support of this program. The visibility of the program has led it to be a campaign banner—support of Smart Start is a campaign issue for many candidates in the upcoming election. Political ads for the May 2 gubernatorial primary use support of the Smart Start program as a critical talking point. One lesson learned by Smart Start organizers is never to underestimate how political a program can become.

Strong media campaign surrounding the project. A compelling story about local and state initiatives was created and shared by all. The CEO's from the top twenty companies in the state can articulate the Smart Start vision.

Active fund-raising focus. The NCPC has an active program to garner both political and business financial support for Smart Start. The ability to receive private money is one reason that a private not for profit was formed.

43-4

Core Services

Improving the quality of child care programs

- ▶ **Classroom assessments**
- ▶ **Quality enhancement grants**
- ▶ **teacher compensation**
- ▶ **Teacher Education**

Making child care and education available

- ▶ **Subsidies for child care, Head Start, public preschools**

Making child care and education accessible

- ▶ **Additional childcare and preschool spaces**
- ▶ **Additional infant/toddler spaces**
- ▶ **Additional child care spaces at non-traditional hours**
- ▶ **Transportation services**

Supporting families with needed services

- ▶ **Child care resource and referral**
- ▶ **Parent education**
- ▶ **Comprehensive literacy programs**
- ▶ **Family resource centers**

Delivering comprehensive health care and education

- ▶ **Integration of health services**
- ▶ **Assessing health care needs of young children**
- ▶ **Health and safety consultation to child care programs**
- ▶ **Direct health care services as start up when no other sources are available**

43-5

Smart Start Performance Standards

Every child has access to a high quality early care and education program.

Teacher education—All teachers working in early childhood programs have an associates or bachelors degree in early childhood education or child development or they are enrolled in a program leading toward the attainment of such a degree

Program standards—Every early childhood program has a AA license and/or is nationally accredited or is progressing toward the attainment of AA and /or national accreditation

Compensation of early childhood workforce—Teachers working directly with children in early childhood programs are compensated at a rate that is comparable to teaching staff with comparable education in public schools (measured at the county media).

Child Care and Education are *available*.

Supply—Sufficient supply of child care is available that is appropriate and accessible.

Accessibility—Families are able to find and access needed and appropriate child care.

Child Care and Education are *affordable*.

Subsidized Care—At least 75 percent of young children (0-5) living in families earning less than 75 percent of the county media income will receive subsidized care and education services.

Tuition incentives—No family will pay more than 10 percent of their income for child care.

Health Predictors for School Success

Primary health care—All young children will have a source of primary medical and dental care, with access to comprehensive, integrated, specialized care (including mental health services) as necessary. All care, including preventive screenins, will be coordinated with the child's primary care provider.

Care environments—Child care environments are safe and healthy for all children in care.

Family Support

Referral—Families are able to find needed and appropriate services.

Parenting Skills—Opportunities are available to all families to learn appropriate, responsible parenting.

*Smart Start's Impact on Children
and
Family Systems in North Carolina*

1. **An infrastructure of services for young children is being created.**
2. **Agencies at local and state levels are leveraging additional revenues using Smart Start funds as a match.**
3. **State-level agencies are reducing barriers to local service delivery.**
4. **Agencies are blending funds to provide seamless services to previously unserved or under served populations.**
5. **Gaps in services are being addressed and overlapping services are being reduced.**
6. **Collaboration is taking place among agencies and organizations at the county and state levels.**
7. **Local community service agencies and organizations are becoming more accountable to the community for the services they provide.**

43-1

#44
4/25

Tele-Kid Care

Background

Tele-KidCareSM, sponsored jointly by the University of Kansas Medical Center (KUMC) and USD 500, connects physicians and school nurses through PC-based telemedicine technology. The technology allows physicians located several miles away to see and hear the school nurse, the child, and parents present at a telemedicine consult through the computer screen. The visual image is transmitted by a small camera mounted on the computer monitor with the help of specialized software and high bandwidth telecommunications lines. Included is an *analog stethoscope* allowing the physician to hear heart, lung, and bowel sounds and an *electronic otoscope* for ear, nose, and throat examinations. At the completion of a consult, the physician coordinates the appropriate treatment which may include over-the-counter medication, prescription drugs, or a referral to see another physician. Prescriptions are faxed to the family's preferred pharmacy or directly to the school nurse. Thus, Tele-KidCareSM allows for children to be seen by a physician, and also for appropriate treatment plans to be carried out. Statistics from the project reveal its success:

- Over 650 elementary school children suffering from a variety of acute healthcare concerns were diagnosed and treated without leaving their school.
- In 80% of these cases, parents attended the consult either in person or by telephone
- All visits occurred with prior consent from a parent or guardian.
- The most common reason for consults include ENT, dermatology, and psychiatry
- When a same day request was made, an appointment was scheduled 85% of the time.
- The average time to confirm a scheduled clinic time was 8 minutes.
- The number of schools involved has grown from 4 elementary schools to 6 elementary schools, 3 middle schools, and 1 high school. A 7th elementary school will be added in February 2000.
- After a consult, one child was rushed to ICU for an acute asthma condition that had previously been undiagnosed.
- 11 consults for school officials have occurred.
- Technical problems have been virtually negated.

Funding to expand Tele-KidCareSM has come from several sources that recognize its potential benefit:

- \$425,000 grant from the US Department of Commerce, National Telecommunications and Information Administration, to expand the project by four schools and design a critical research agenda for the project (October 1998)
- \$22,000 grant from Southwestern Bell's Community Enrichment Program supporting the addition of one elementary school (September 1998)
- \$26,915 grant from the Wyandotte Health Foundation to establish the 11th site.

Tele-KidCareSM was developed because community leaders were concerned that children of Wyandotte County were not receiving adequate access to services due to social and economic barriers. Because children have d

accessing health services, they are often sent to school ill and therefore, not ready to learn. One USD 500 elementary teacher explained it this way:

Even if the nurse sends a note home, we don't know if the child sees a doctor. If a mom or dad doesn't have transportation or money, they don't take the child to the doctor. The children come back to school, and they are still sick. It's tough for them to learn when they're sick."

Tele-KidCareSM has been successful in breaking down healthcare access issues facing many Wyandotte County residents. Assessing the viability of implementing Tele-KidCareSM throughout Kansas is a necessary step in determining the future utility of delivering health care to children in the state.

Proposal

The proposal for bringing Tele-KidCareSM to Kansas has two major components: the Design and the Infrastructure

In this proposal, three Tele-KidCareSM systems would be implemented. Ideally, one system would be placed in an urban setting; two systems would be established in rural settings. Each system would be placed within one school district and linked to one community provider. Within each school district, two or three school-based sites would be identified and equipped to provide access to healthcare via telemedicine for students. In total, the current proposed budget allows for 8 school sites with 3 provider sites.

- 1 Urban site with 3-4 schools participating.
Wichita would be an appropriate urban site. They have expressed an interest in Tele-KidCare and have demonstrated a need.
- 2 Rural sites with 2-3 schools participating at each site
There are many rural communities in Kansas that would be appropriate for this venture. Several specific communities in southeast Kansas and in northwest Kansas have expressed an interest in Tele-KidCare and have demonstrated a need.

Each school site would be equipped with the following technology:

- PC
- Teleconferencing software and camera
- Video Otoscope
- Analog Stethoscope
- Fax Machine
- IDSN and analog lines to support the technology

The second part of the proposal focuses on the individuals who will initiate, establish, and maintain the project. Tele-KidCareSM is not just about technology. It is about removing barriers that prevent students from receiving appropriate healthcare. Changing the way healthcare is delivered is a process that takes time, energy, and effort. New relationships must be established and maintained. Tele-KidCareSM is a project that involves the participation and interaction of several groups. Community information meetings will announce this program to parents and school supporters. With Tele-KidCareSM, the role of the school nurse is impacted as new responsibilities are assumed.

44-2

Working in close conjunction with the health care provider, the nurse's clinical skills receive renewed emphasis. The physician relies on and trusts the assessment skills of the nurse. The school administrators and faculty begin to realize that the nurse is capable of much more than updating immunization records and rudimentary health screenings.

The Project Coordinator will address the concerns of the various groups within each community. Serving as a liaison, trainer, and facilitator, the Coordinator will establish, build, and support the ongoing and continuous new relationships that evolve. The administrative assistant will provide support for the project. The technician's involvement will be concentrated during the initial training of the nurses and healthcare providers. The technician will serve as a consultant to local technicians throughout the project on an as-needed basis.

- Project Coordinator
- .25 FTE Administrative Assistant
- .75 FTE Technician

44-3

State Tele-Kid Care Budget

	<u>FTE</u>		<u>Cost</u>
Project Coordinator	1.00		\$40,000
Administrative Assistant	.50		10,000
Technician	.75		18,750
Fringes			<u>16,436</u>
Total Salary/Fringe			\$85,186
	<u># of Sites</u>	<u>Unit Cost</u>	<u>Cost</u>
Telecommunications			
ISDN Line installation	11	\$100	\$1,100
ISDN Monthly charge	8	200	1,600
Analog Line installation	8	60	<u>480</u>
Total Telecommunications			\$3,180
Equipment			
Computer System	8		\$17,556
Videoconferencing system	11		32,424
Video otoscope	8		21,160
Video otoscope light source	8		49,142
Video otoscope coupler	8		6,000
Analog Stethoscope sending	8		14,154
Analog Stethoscope receiving	3		5,308
Power supply	8		1,584
Exam light	8		1,468
Fax machine	8		<u>2,338</u>
Total Equipment			\$151,134
Travel			7,000
Total Travel			<u>7,000</u>
Printing			1,500
Total Printing			<u>1,500</u>
Medical Supplies			
Strep tests, Urinalysis, ...			2,000
Total Medical Supplies			<u>2,000</u>
TOTAL EXPENSES			<u>\$250,000</u>

Handwritten signature/initials

The University of Kansas

#46
4/25

Office of the Chancellor

April 21, 2000

The Honorable Dave Kerr
Chair, Senate Ways and Means Committee
Capitol Building, Room 120-S
Topeka, KS 66612

Dear Senator Kerr:

As the Senate Committee on Ways and Means completes work on the omnibus appropriations bill, I would urge inclusion of \$1 million of funding from the Children's Initiative Fund for pediatric research at the Kansas University Medical Center. The House subcommittee originally recommended such appropriation, which the full House endorsed. With the decision to delay action on use of Children's Initiative Funds until omnibus, this item was deleted along with all other appropriations from this fund source.

A year ago I appeared before a House Committee charged with developing legislation regarding the use of tobacco settlement monies. I encouraged the Committee to recommend setting aside a portion of this revenue source for biomedical and health research. I believed then, as I do even more today, that the State of Kansas has a unique opportunity to invest a portion of these funds in a way that will not only improve the health of Kansans for years to come, but will also pay economic development dividends as well. The fact that 18 states report using tobacco settlement funds for support of health research suggest others also see this opportunity and are moving to seize it. The huge increases in federal funding for health research provides an unequalled opportunity to those states that have made the necessary investments to be competitive in securing Federal dollars to the benefit of the state.

I have enclosed a brief summary of the proposed use of the \$1 million by the Medical Center. As we believed this specific amount was to be one-time, we opted to invest the money in such a manner as to not only benefit children's healthcare, but also to enable us to leverage significantly more federal research funds.

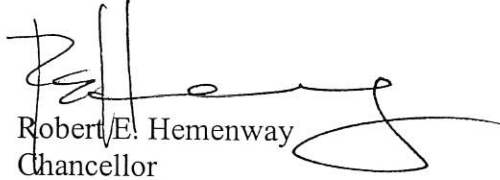
This funding has importance beyond merely expanding research at the Kansas University Medical Center. The Civic Council of Greater Kansas City and the Kansas City Area Development Council have joined together to establish a Kansas City Area Life Sciences Institute in order to launch a major initiative to establish Kansas City as a national leader in biomedical research. Over the next ten years, it is envisioned that upwards of \$300 million of public, private and foundation funds will be invested in life sciences research. The medical center is central to this effort. The appropriation of this \$1 million would

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send a strong signal that Kansas has the interest and the will to be a partner in this major undertaking. The long-term economic benefits to the area and the State of Kansas could be dramatic.

I would be pleased to provide any additional information that would be helpful to the Committee. I thank you for your consideration.

Sincerely,



Robert E. Hemenway
Chancellor

Enclosure

45-2

University of Kansas Program for Imaging Brain Development and its Disorders in Children



About Magnetoencephalography (MEG).

MEG is a recently developed harmless method of imaging magnetic fields generated by the electrical currents of cells that lie deep in the human brain.

Why MEG is Important to the Child Development Unit (CDU) at KUMC

The CDU provides care for children with developmental delay, mental retardation, cerebral palsy, hearing impairment, speech and language disorders, visual impairment, epilepsy, autism, learning disorders, and behavioral disorders. Many babies and children have chronic conditions and there is a reluctance to risk their exposure to PET and high magnetic fields employed in MRI. MEG therefore provides the potential of a completely safe diagnostic investigation for such children.

Why MEG is Important to the Health of All Children in Kansas

The more scientists understand about normal brain development and what places the brain in peril during birthing and development, the healthier children will be.

What Costs are involved?

We are requesting support for the MEG instrument and measurement systems including a magnetically shielded room. The total cost to set up the unit is \$2.25 million and to operate the unit is \$350,000 each year. A first payment of \$1 million will acquire the system. The residual cost will be obtained from research grants generated by having the system.

What Will Be the Measures of Success?

Better prevention and treatment of childhood brain disorders such as epilepsy
Access to the very latest methods of harmlessly diagnosing brain disorders in children
Increased federal and industrial grants to Kansas
Enhance the image of Kansas as a center for excellence in the biomedical sciences
Provision of the most advanced health care available to the people of Kansas

HSB