

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 9:05 a.m. on February 16, 2001 in Room 514-S of the Capitol.

All members were present except: Representative Campbell

Committee staff present: Alan Conroy, Legislative Research  
Rae Anne Davis, Legislative Research  
Paul West, Legislative Research  
Debra Hollon, Legislative Research  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee:

Others attending: See Attached

Representative Stone moved for the introduction of legislation which would provide authorization for the Kansas Police and Fire retirement system members to purchase credit service. Motion was seconded by Representative Feuerborn. Motion carried.

Representative Pottorff, Chairperson of the General Government and Human Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Secretary of State for FY 2001 and moved for the adoption of the Budget Committee recommendations for FY 2001 with the notation of commendation regarding Secretary Thornburgh being elected President of the National Association of Secretaries of State (Attachment 1). Motion was seconded by Representative Stone. Motion carried.

Representative Pottorff presented the Budget Committee report on the Governor's budget recommendations for the Secretary of State for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 with notations (Attachment 1). Motion was seconded by Representative Stone. Motion carried.

Representative Stone presented the Budget Committee report on the Governor's budget recommendations for the Health Care Stabilization Board of Governors for FY 2001 and moved for the adoption of the Budget Committee recommendations for FY 2001 (Attachment 2). Motion was seconded by Representative Pottorff. Motion carried.

Representative Stone presented the Budget Committee report on the Governor's budget recommendations for the Health Care Stabilization Board of Governors for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 with the noted exception (Attachment 2). Motion was seconded by Representative Pottorff. Motion carried.

Representative Shriver presented the Budget Committee report on the Governor's budget recommendations for the Insurance Department for FY 2001 and moved for the adoption of the Budget Committee recommendations for FY 2001 with the noted comments and exceptions (Attachment 2). Motion was seconded by Representative Pottorff. Motion carried.

Representative Shriver presented the Budget Committee report on the Governor's budget recommendations for the Insurance Department for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 with the noted comments and exceptions (Attachment 2). Motion was seconded by Representative Pottorff. Motion carried.

Representative Pottorff presented the Budget Committee report on the Governor's budget recommendations for the State Treasurer for FY 2001 and moved for the adoption of the Budget Committee recommendations for FY 2001 with the noted adjustments (Attachment 3). Motion was seconded by Representative Shriver.

Representative Neufeld moved to amend the Committee report to recommend adding to the Governor's budget for FY 2001: \$29,451 for Unclaimed Property; \$24,017 for Municipal Bonds; and \$12,018 for the Pooled Money Investment Board for a total of \$65,486 in order to reduce the shrinkage in those budgets. The motion was seconded by Representative Toplikar. Motion carried 11 to 9.

Representative Pottorff moved for adoption of the Budget Committee recommendations on the Governor's recommendations on the budget for the State Treasurer for FY 2001 with the noted adjustments, as amended (Attachment 3). Motion was seconded by Representative Stone. Motion carried.

Representative Pottorff presented the Budget Committee report on the Governor's budget recommendations for the State Treasurer for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 with the noted adjustments (Attachment 3). Motion was seconded by Representative Shriver.

Legislative Research distributed copies of the Governor's Recommended Salaries and Wages Shrinkage FY 2001 and FY 2002 (Attachment 4).

Representative Neufeld moved to conceptually amend the Committee report by adding to the Governor's budget for FY 2002 : \$25,069 for Municipal Bonds; \$33,157 for Unclaimed Property; and \$12,550 for the Pooled Money Investment Board in order to reduce the shrinkage in those budgets. The motion was seconded by Representative Toplikar. The motion failed.

Representative Neufeld moved to amend the Committee report to recommend the House Appropriations Committee revisit the issue of shrinkage and the development of a state-wide policy prior to Omnibus. Motion was seconded by Representative Toplikar. Motion carried.

The Committee requested copies be provided of actual FY 2000 turnover rates of state agencies.

Representative Pottorff moved for the adoption of the Budget Committee report on the Governor's budget recommendations for the State Treasurer for FY 2002 with the noted adjustments as amended (Attachment 3). Motion was seconded by Representative Stone. Motion carried.

Representative Ballard presented the Budget Committee report on the Governor's budget recommendations for the Department on Aging for FY 2001 and moved for the Budget Committee recommendations for FY 2001 (Attachment 5). Motion was seconded by Representative Bethell.

Representative Neufeld made a motion authorizing staff to make technical changes in the FY 2001 Budget Committee report on the Department on Aging as required. Motion was seconded by Representative Ballard. Motion carried.

Representative Ballard moved for the adoption of the Budget Committee report on the Governor's budget recommendations for the Department on Aging for FY 2001 as amended (Attachment 5). Motion was seconded by Representative Landwehr. Motion carried.

Representative Ballard presented the Budget Committee report on the Governor's budget recommendations for the Department on Aging for FY 2002 and moved for adoption of the Budget Committee recommendations for FY 2002 with the noted exceptions and comments (Attachment 5). Motion was seconded by Representative Neufeld.

Representative Neufeld moved to authorize staff to make technical changes in the FY 2002 Budget Committee report on the Department on Aging as required. Motion was seconded by Representative Ballard. Motion carried.

Representative Hermes moved to change 2001 to 2002 on Page 3, Item 7, Line 6 in the FY 2002 Budget Committee report on the Department on Aging. Motion was seconded by Representative Landwehr. Motion carried.

It was noted in Item 4 of the above mentioned report that when the Department on Aging combined the Senior Care Act, Income Eligible, Case Management, Environmental Modification, and Custom Care into one program, the combined program was cut by \$200,000: \$100,000 from Environmental Modification and \$100,000 from Custom Care.

Representative Henry moved that the Committee revisit this issue during the Omnibus session. Motion was seconded by Representative Neufeld. Motion carried.

During Committee discussion regarding Recommendation 9 of the Budget Committee report on the Department on Aging, it was pointed out that when the 85 percent occupancy rate (Medicaid) was set, nursing homes usually had an occupancy rate of 96 percent. The average occupancy rate is now 85-86 percent and it is necessary to change the formula to 10 points below the average occupancy rate in order to be paid by Medicaid. Many beds have been decertified since this formula was established in 1985. Currently there are 11,200 Medicaid beds and 9,000 beds considered private pay.

Representative Ballard moved for the adoption of the Budget Committee report on the Governor's budget recommendations for the Department on Aging for FY 2002 with the noted exceptions and comments as amended (Attachment 5). Motion was seconded by Representative Landwehr. Motion carried.

Representative Bethell moved for the introduction of legislation concerning the conflict of interest in CCDO's Motion was seconded by Representative Neufeld. Motion carried.

Representative Landwehr moved to introduce legislation which would sunset the school finance formula in 2003, and establish a joint committee of House and Senate members to study the formula and make their recommendations. Motion was seconded by Representative Shriver. Motion carried.

Representative McCreary moved to introduce legislation regarding the exemption of pensions for disabled veterans. Motion was seconded by Representative Spangler. Motion carried.

Representative McCreary moved to introduce legislation which would exempt 100 percent disabled veterans from paying ad valorem taxes on their property. Motion was seconded by Representative Spangler. Motion carried.

Chairman Wilk adjourned the Committee at 10:00 a.m. The next meeting is scheduled for Tuesday, February 20, 2001.



# COMMITTEE GUEST LIST

DATE: 2/16/01

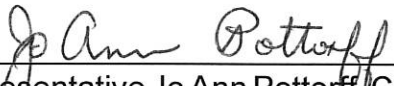
NAME	REPRESENTING
Mike Huttles	KS. Gov't Consulting
Luek Scott	KCC
Susan Muffy	KCC
Kristan Barrett	ESU
Melinda Gaul	DOB
Paul Johnson	JACK
<del>_____</del>	Rep Sheri Weber




**2001 GENERAL GOVERNMENT AND HUMAN  
RESOURCES BUDGET COMMITTEE**

**FY 2001 and FY 2002**


Secretary of State

  
\_\_\_\_\_  
Representative Jo Ann Pottorff, Chairperson

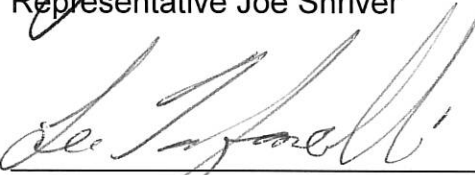
  
\_\_\_\_\_  
Representative Richard Alldritt

  
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Representative Annie Kuether

  
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Representative Ralph Ostmeyer

  
\_\_\_\_\_  
Representative Joe Shriver

  
\_\_\_\_\_  
Representative Lloyd Stone

  
\_\_\_\_\_  
Representative Lee Tafanelli

HOUSE APPROPRIATIONS

DATE 2/16/01  
ATTACHMENT 1

## House Budget Committee Report

**Agency:** Secretary of State

**Bill No. --**

**Bill Sec. --**

**Analyst:** Hollon

**Analysis Pg. No.** 1462

**Budget Page No.** 389

<u>Expenditure Summary</u>	<u>Agency Est. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>House Budget Committee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,673,067	\$ 3,672,581	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b><u>\$ 3,673,067</u></b>	<b><u>\$ 3,672,581</u></b>	<b><u>\$ 0</u></b>
<b>State General Fund:</b>			
State Operations	\$ 2,021,913	\$ 2,021,427	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b><u>\$ 2,021,913</u></b>	<b><u>\$ 2,021,427</u></b>	<b><u>\$ 0</u></b>
FTE Positions	57.0	57.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>57.0</u></b>	<b><u>57.0</u></b>	<b><u>0.0</u></b>

### Agency Estimate/Governor's Recommendation

The agency estimates FY 2001 operating expenditures of \$3,673,067 (\$2,021,913 SGF). The estimate includes \$2,228,988 for salaries and wages, \$1,283,666 for contractual services, \$95,491 for commodities, and \$64,922 for capital outlay.

The Governor recommends \$3,672,581 (\$2,021,427 SGF) for FY 2001 operating expenditures. The recommendation includes \$2,228,502 for salaries and wages, \$1,283,666 for contractual services, \$95,491 for commodities, and \$64,922 for capital outlay.

### House Budget Committee Recommendations

The House Budget Committee concurs with the Governor's recommendation with the following notation:

1. The Budget Committee commends Secretary Thornburgh on his recent election as President of the National Association of Secretaries of State.

## House Budget Committee Report

**Agency:** Secretary of State

**Bill No. --**

**Bill Sec. --**

**Analyst:** Hollon

**Analysis Pg. No.** 1462

**Budget Page No.** 389

<u>Expenditure Summary</u>	<u>Agency Req. FY 02</u>	<u>Gov. Rec. FY 02</u>	<u>House Budget Committee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,556,746	\$ 3,515,550	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b><u>\$ 3,556,746</u></b>	<b><u>\$ 3,515,550</u></b>	<b><u>\$ 0</u></b>
<b>State General Fund:</b>			
State Operations	\$ 1,855,405	\$ 1,803,349	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b><u>\$ 1,855,405</u></b>	<b><u>\$ 1,803,349</u></b>	<b><u>\$ 0</u></b>
FTE Positions	57.0	57.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>57.0</u></b>	<b><u>57.0</u></b>	<b><u>0.0</u></b>

### Agency Request/Governor's Recommendation

The agency requests FY 2002 operating expenditures of \$3,556,746 (\$1,855,405 SGF). The request includes \$2,315,307 for salaries and wages, \$957,602 for contractual services, \$95,491 for commodities, and \$188,346 for capital outlay.

The Governor recommends \$3,515,550 (\$1,803,349 SGF) for operating expenditures for FY 2002. The recommendation includes \$2,315,111 for salaries and wages, \$926,602 for contractual services, \$95,491 for commodities, and \$178,346 for capital outlay.

### House Budget Committee Recommendations

The House Budget Committee concurs with the Governor's recommendation with the following notations:

1. The Budget Committee notes that, due to the proportion of the agency's budget which is funded through its fee funds, those funds should be closely monitored to ensure sufficient balances. The Budget Committee is specifically concerned with



estimates that the Athlete Agent Fee Fund will be depleted during FY 2002 and recommends that the agency present information to the 2002 Legislature regarding changes to the statutory requirements of the Athlete Agent Act.

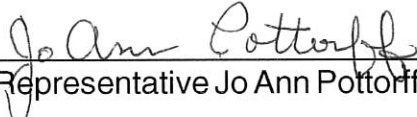
2. The Budget Committee acknowledges the agency's request of two Governor's Budget Amendments. One request of approximately \$50,000 concerns expenses related to the census adjustment inadvertently omitted from the agency's budget submission. The other request of approximately \$8,500 stems from the US Supreme Court decision in *Bush v. Gore* and relates to videoconference training of local election officials and computer programming.


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**2001 GENERAL GOVERNMENT AND HUMAN  
RESOURCES BUDGET COMMITTEE**

FY 2001 and FY 2002

Insurance Department  
Health Care Stabilization Bd. of Governors

  
\_\_\_\_\_  
Representative Jo Ann Pottorff, Chairperson

  
\_\_\_\_\_  
Representative Richard Alldritt

  
\_\_\_\_\_  
Representative Annie Kuether

  
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Representative Ralph Ostmeyer

  
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Representative Joe Shriver

  
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Representative Lloyd Stone

  
\_\_\_\_\_  
Representative Lee Tafanelli

HOUSE APPROPRIATIONS

DATE 2/16/01  
ATTACHMENT 2

## House Budget Committee Report

**Agency:** Health Care Stabilization Fund **Bill No. --**

**Bill Sec. --**

**Analyst:** Severn

**Analysis Pg. No.** 1435

**Budget Page No.** 209

<u>Expenditure Summary</u>	<u>Agency Estimate FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Budget Committee Adjustments</u>
State Operations	\$ 3,957,146	\$ 3,957,146	\$ 0
Other Assistance	25,618,475	25,618,475	0
TOTAL	<u>\$ 29,575,621</u>	<u>\$ 29,575,621</u>	<u>\$ 0</u>
FTE Positions	16.0	16.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	<u>16.0</u>	<u>16.0</u>	<u>0.0</u>

### Agency Estimate/Governor's Recommendation

The Health Care Stabilization Fund Board of Governors is responsible for administering the Health Care Stabilization Fund, which was created in 1976 to stabilize the availability of professional liability insurance coverage by establishing a money pool to pay damages for personal injury or death arising from care by a health provider. The same Act mandates professional liability insurance as a precondition to rendering services.

The agency's estimate for FY 2001 expenditures is \$29,575,621, a decrease of \$488,225 below the approved budget. The decrease is equal to the estimated decrease in claims and associated costs which resulted from the latest actuarial review. Within the administration program, the agency estimated a modest reallocation of expenditures.

The Governor concurs with the agency's estimate. The Governor's recommendation includes \$667,917 for salaries and wages, \$3,251,616 for contractual services, \$17,713 for commodities, \$19,900 for capital outlay, and \$25,618,475 for other assistance.

### House Budget Committee Recommendation

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



## Budget Committee Report

Agency: Health Care Stabilization Fund

Bill No. ---

Bill Sec. ---

Analyst: Severn

Analysis Pg. No. 1435

Budget Page No. 209

<u>Expenditure Summary</u>	<u>Agency Request FY 02</u>	<u>Gov. Rec. FY 02</u>	<u>Budget Committee Adjustments</u>
State Operations	\$ 3,990,279	\$ 3,989,254	\$ 0
Other Assistance	25,618,475	25,618,475	0
TOTAL	<u>\$ 29,608,754</u>	<u>\$ 29,607,729</u>	<u>\$ 0</u>
FTE Positions	16.0	16.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	<u>16.0</u>	<u>16.0</u>	<u>0.0</u>

### Agency Request/Governor's Recommendation

The Health Care Stabilization Fund Board of Governors is responsible for administering the Health Care Stabilization Fund, which was created in 1976 to stabilize the availability of professional liability insurance coverage by establishing a money pool to pay damages for personal injury or death arising from care by a health provider. The same Act mandates professional liability insurance as a precondition to rendering services.

The agency's request for FY 2002 expenditures is \$29,608,754, an increase of \$33,133 (3.7 percent above the FY 2001 estimate. The increase is entirely within the administration program, as the claims and associated costs estimate which resulted from the latest actuarial review did not change for FY 2002.

The Governor recommends operating expenditures of \$29,607,729. The Governor's recommendation includes \$693,848 for salaries and wages, \$3,257,195 for contractual services, \$18,211 for commodities, \$20,000 for capital outlay, and \$25,618,475 for other assistance. The Governor adds \$13,003 for his employee pay plan adjustment and subtracts \$10,281 to increase the shrinkage rate and adjust the calculation of fringe benefits.

### House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation, with the following exception:

1. The Budget Committee notes that the Governor's employee pay plan adjustment did not include an amount for the base salary adjustment and anticipates a Governor's Budget Amendment of approximately \$4,650 for that purpose.

## Budget Committee Report

**Agency:** Kansas Insurance Department

**Bill No. ---**

**Bill Sec. ---**

**Analyst:** Severn

**Analysis Pg. No. 1445**

**Budget Page No. 257**

Expenditure Summary	Agency Estimate FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
<b>Special Revenue Funds</b>			
State Operations	\$ 9,934,377	\$ 11,062,188	\$ 29,376
Aid to Local Units	5,318,200	5,318,200	0
Other Assistance	6,500,000	6,500,000	0
Subtotal - Operating	\$ 21,752,577	\$ 22,880,388	\$ 29,376
Capital Improvements	143,500	143,500	0
<b>TOTAL</b>	<b>\$ 21,896,077</b>	<b>\$ 23,023,888</b>	<b>\$ 29,376</b>
FTE Positions	157.0	157.0	0.0
Other Unclassified Positions	2.0	2.0	0.0
<b>TOTAL</b>	<b>159.0</b>	<b>159.0</b>	<b>0.0</b>

### Agency Estimate/Governor's Recommendation

The agency estimates operating expenditures of \$21,752,577 for FY 2001, a decrease of \$4,392,956 from the approved budget. Significant reductions in Workers Compensation Fund expenditures (\$4,000,000 in estimated second injury claims and \$50,000 associated professional service fees from reduced case loads), an estimated decrease of \$495,165 in payments from the Firefighters Relief Fund resulting from a decrease in estimated premiums taxes on fire or lightning coverage, and a reduction of \$76,168 in salaries and wages, are partially offset by a shift of \$200,000 for an imaging system. The latter expenditure was approved for FY 2000.

The agency received a federal grant of \$1,298,205 after its budget was submitted. The expenditure of this grant was approved by the Finance Council in December, 2000.

The Governor recommends FY 2001 operating expenditures of \$22,880,388, an increase of \$1,127,811 above the agency estimate. The Governor includes the \$1,298,205 for the expenditure of the federal grant authorized by the State Finance Council, subtracts \$170,394 for salaries and wages to correct the calculation of fringe benefits and to establish a shrinkage rate of 4.0 percent for the agency's largest program, the Insurance Company Regulation program, and shifts \$29,001 of expenditures from the Insurance Company Regulation Fund to KSIP. The Governor's recommendation includes \$6,830,031 for salaries and wages, \$3,627,864 for contractual services, \$210,654 for commodities, \$326,691 for capital outlay, \$66,948 for debt service (interest), \$5,318,200 for State Aid to Local Units, and \$6,500,000 for Other Assistance.

## House Budget Subcommittee Recommendation

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

1. Add \$29,376 from special revenue funds for salaries and wages to reduce the shrinkage rate for the Insurance Regulation program from 4.0 percent to 3.5 percent.



## Budget Committee Report

**Agency:** Kansas Insurance Department

**Bill No. ---**

**Bill Sec. ---**

**Analyst:** Severn

**Analysis Pg. No. 1445**

**Budget Page No. 257**

<u>Expenditure Summary</u>	<u>Agency Request FY 02</u>	<u>Gov. Rec. FY 02</u>	<u>Budget Committee Adjustments</u>
<b>Special Revenue Funds</b>			
State Operations	\$ 10,244,522	\$ 10,199,593	\$ 31,193
Aid to Local Units	5,449,450	5,449,450	0
Other Assistance	6,500,000	6,500,000	0
Subtotal - Operating	\$ 22,193,972	\$ 22,149,043	\$ 31,193
Capital Improvements	157,000	157,000	0
<b>TOTAL</b>	<b>\$ 22,350,972</b>	<b>\$ 22,306,043</b>	<b>\$ 31,193</b>
FTE Positions	157.0	157.0	0.0
Other Unclassified Positions	2.0	2.0	0.0
<b>TOTAL</b>	<b>159.0</b>	<b>159.0</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

The agency requests operating expenditures of \$22,193,972 for FY 2002, an increase of \$441,395 from FY 2001. A slight increase of \$131,250 in payments from the Firefighters Relief Fund results from an increase in estimated premiums taxes on fire or lightning coverage. The agency also requests an enhancement of \$150,000 to increase financial analyst salaries.

The Governor recommends FY 2002 operating expenditures of \$22,149,043, a decrease of \$731,345 from his FY 2001 recommendation. The Governor added \$148,919 in salaries and wages for the employee pay plan adjustment, approved the enhancement request for \$150,000 for financial analyst salaries, and subtracted a total of \$193,848 to correct the calculation of fringe benefits and to increase the shrinkage rate for the agency's largest program to 4.0 percent. The Governor's recommendation includes \$7,276,798 for salaries and wages, \$2,429,663 for contractual services, \$222,384 for commodities, \$210,823 for capital outlay, \$59,925 for debt service (interest), \$5,449,450 for State Aid to Local Units, and \$6,500,000 for Other Assistance.

### House Budget Subcommittee Recommendation

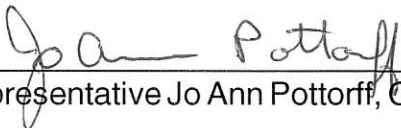
The House Budget Committee concurs with the Governor's recommendation with the following comments and exceptions:

1. Add \$31,193 from special revenue funds for salaries and wages to reduce the shrinkage rate for the Insurance Regulation program from 4.0 percent to 3.5 percent.

**2001 GENERAL GOVERNMENT AND HUMAN  
RESOURCES BUDGET COMMITTEE**

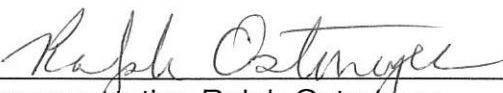
FY 2001 and FY 2002

State Treasurer

  
Representative Jo Ann Pottorff, Chairperson

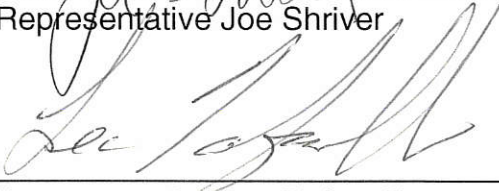
  
Representative Richard Alldritt

  
Representative Anne Kuether

  
Representative Ralph Ostmeyer

  
Representative Joe Shriver

  
Representative Lloyd Stone

  
Representative Lee Tafanelli

HOUSE APPROPRIATIONS

DATE 2/16/01

ATTACHMENT 3

## House Budget Committee Report

**Agency:** State Treasurer

**Bill No.** [Bill No.]

**Bill Sec.** [Bill Sec.]

**Analyst:** West

**Analysis Pg. No.** 1480

**Budget Page No.** 429

Expenditure Summary	Agency Est. FY 01	Gov. Rec. FY 01	House Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 3,673,960	\$ 3,544,950	\$ 22,500
Aid to Local Units	107,198,132	107,198,132	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b><u>\$ 110,872,092</u></b>	<b><u>\$ 110,743,082</u></b>	<b><u>\$ 22,500</u></b>
<b>State General Fund:</b>			
State Operations	\$ 1,952,161	\$ 1,871,115	\$ 0
Aid to Local Units	88,670,406	88,670,406	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b><u>\$ 90,622,567</u></b>	<b><u>\$ 90,541,521</u></b>	<b><u>\$ 0</u></b>
FTE Positions	55.5	55.5	0.0
Other Unclassified Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>55.5</u></b>	<b><u>55.5</u></b>	<b><u>0.0</u></b>

### Agency Estimate/Governor's Recommendation

#### State Operations

**The Treasurer's current year** estimate of state operations expenditures totals \$3.7 million, a net increase of \$11,812 from the approved budget. The majority of the change from the approved budget is associated with increased expenditures in the Unclaimed Property program (\$57,024). State General Fund expenditures total \$2.0 million, a reduction of \$33,662 from the approved budget. Net other changes reduce other special revenue expenditures by \$11,550. The estimate reflects a reduction of 4.0 other unclassified positions from the approved budget.

**The Governor recommends** a current year state operations budget of \$3.5 million, a reduction of \$129,010 (including \$81,046 from State General Fund financing) from the agency's estimate. Salaries are decreased by \$80,010 to reflect an increase in agency-wide shrinkage savings from 3.3 percent to 6.7 percent. Other operating expenditures are reduced from the agency's estimate by \$49,000. The Governor concurs with the agency's workforce estimate.

#### Local Aid

**The Treasurer's current year** estimate of aid to local units of government expenditures totals \$107.2 million, a decrease of \$1.1 million from the approved budget. State General Fund demand

transfers are decreased by \$1 to reflect a technical adjustment to the **County and City Revenue Sharing Fund. Rental Motor Vehicle Excise Tax** payments are anticipated to decrease \$1.1 million to \$2.5 million.

**The Governor** concurs with the current year estimate of local aid payments.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations, with the following adjustments:

1. Restore \$22,500 from the Unclaimed Property Expense Fund for operation of the Unclaimed Property program,. The Budget Committee notes that this program more than covers the expenses necessary for operation, with a projected current year performance of returning \$6.5 million to the citizens of the state and depositing \$13.0 million to the State General Fund.
2. The Budget Committee notes that the Postsecondary Education Savings program became active on July 1, under the name Learning Quest. The Budget Committee has been informed that it is anticipated that 18,360 accounts will be open by the end of the fiscal year, increasing to 23,740 accounts by the end of FY 2002.
3. The Budget Committee has been informed that the Agricultural Production Loan Deposit Program authorized by the 2000 legislature became active on July 1. The \$50.0 million authorized for deposit was committed within days and has provided discounted loans to over 500 farmers.

## House Budget Committee Report

**Agency:** State Treasurer

**Bill No.** [Bill No.]

**Bill Sec.** [Bill Sec.]

**Analyst:** West

**Analysis Pg. No.** 1,480

**Budget Page No.** 429

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 3,761,632	\$ 3,661,950	\$ 22,500
Aid to Local Units	128,054,540	114,008,199	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b><u>\$ 131,816,172</u></b>	<b><u>\$ 117,670,149</u></b>	<b><u>\$ 22,500</u></b>
<b>State General Fund:</b>			
State Operations	\$ 1,657,134	\$ 1,598,380	\$ 0
Aid to Local Units	108,881,000	94,834,659	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b><u>\$ 110,538,134</u></b>	<b><u>\$ 96,433,039</u></b>	<b><u>\$ 0</u></b>
FTE Positions	55.5	55.5	0.0
Other Unclassified Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>55.5</u></b>	<b><u>55.5</u></b>	<b><u>0.0</u></b>

### Agency Est/Governor's Recommendation

#### State Operations

**The agency** requests an FY 2002 state operations budget of \$3.8 million, an increase of \$87,672 (2.4 percent) from the current year. Requested State General Fund financing of \$1.7 million represents an decrease of \$295,027 (11.4 percent) from the current year. The decrease is primarily associated with the shift from State General Fund to special revenue fund financing for the Municipal Bond program and the Postsecondary Education Savings program. No budget enhancements are requested for FY 2002.

**The Governor** recommends an FY 2002 state operations budget of \$3.7 million, an increase of \$117,000 (3.3 percent) from the current year. Recommended **State General Fund** financing of \$1.6 million represents a decrease of \$272,735 (14.6 percent) from the current year. Recommended **special revenue** fund financing of \$2.1 million represents an increase of \$389,735 (23.3 percent) from the current year. The Governor concurs with the request to **shift** from State General Fund to special revenue fund financing for the Municipal Bond program and the Postsecondary Education Savings program. Recommended **salaries and wages** of \$2.3 million are a net decrease of \$35,182 from the agency's request, reflecting increased shrinkage savings (\$80,856) and the addition of \$45,356 for salary increases. Recommended **other operating expenditures** total \$1.4 million, a decrease of \$64,500 from the agency's request.



## Local Aid

**The agency's estimate** for payments to local units of government totals \$128.1 million, an increase of \$20.9 million (19.5 percent) from the current year. The **demand transfers** to local units of government are estimated by the Consensus Revenue Estimating Group to total \$108.9 million in FY 2002. Local Ad Valorem Tax Reduction Fund (LAVTRF) payments are estimated to be \$62.0 million, a \$7.9 million (14.5 percent) increase from the current year. County and City Revenue Sharing Fund (CCRSF) payments are estimated to total \$46.9 million, a \$12.4 million (35.9 percent) increase from the current year. **Both estimates assume current law and do not reflect any caps on the growth of expenditures.**

**Special revenue fund** payments to local units of government are estimated to total \$19.2 million in FY 2002, an increase of \$645,724 (3.5 percent) from the current year. The increases are associated with the Tax Increment Financing Revenue Replacement Fund (\$150,000) and the Local Alcoholic Liquor Fund (\$495,724).

**The Governor** recommends \$114.0 million for payments to local units of government, an increase of \$6.8 million (6.4 percent) from the current year. The **demand transfers** to local units of government are recommended by the Governor to total \$94.8 million. **The Governor recommends that the demand transfers be limited to the same amount as was paid in FY 2000. The Governor** concurs with the agency's estimates of \$19.2 million for special revenue fund payments to local units of government in FY 2002.

## House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendations, with the following adjustments:

1. Restore \$22,500 from the Unclaimed Property Expense Fund for operation of the Unclaimed Property program. As noted in the FY 2001 report, this program more than covers the expenses necessary for operation, with a projected FY 2002 performance of returning \$6.5 million to the citizens of the state and depositing \$13.0 million to the State General Fund.
2. The Budget Committee notes that the Governor's recommendation for both years increases salary shrinkage from an agency wide rate of 6.7 percent from the agency's estimate of 3.3 percent.
3. In reviewing the agency's performance measures, the Budget Committee notes that the Pooled Money Investment Board is projecting an average rate of return on temporarily idle funds of 6.2 percent, 40 basis points better than the average rate of return on US Treasuries. This is anticipated to provide an additional \$48.2 million for the State General Fund in FY 2002.

**GOVERNOR'S RECOMMENDED SALARIES AND WAGES SHRINKAGE\*  
FY 2001 and FY 2002**

Agency	FY 2001				FY 2002			
	Total Before Shrinkage	Shrinkage Amount	Shrinkage Percentage	FTE Positions	Total Before Shrinkage	Shrinkage Amount	Shrinkage Percentage	FTE Positions
Legislative Coordinating Council	621,937	0	0.0 %	13.0	642,029	0	0.0 %	13.0
Legislative Research Department	2,373,263	1,812	0.1	37.0	2,450,291	0	0.0	37.0
Revisor of Statutes	1,775,558	0	0.0	26.0	1,834,036	0	0.0	26.0
Legislature	7,022,753	0	0.0	33.0	7,084,908	0	0.0	33.0
Division of Post Audit	1,295,820	853	0.1	21.0	1,338,464	0	0.0	21.0
Governor's Department	1,559,545	52,320	3.4	30.0	1,640,637	124,020	7.6	30.0
Lieutenant Governor	98,586	0	0.0	3.0	101,503	0	0.0	3.0
Attorney General	5,186,680	133,796	2.6	90.0	5,716,701	252,658	4.4	96.0
Secretary of State	2,396,239	167,737	7.0	57.0	2,436,960	121,849	5.0	57.0
State Treasurer	2,339,901	156,183	6.7	55.5	2,426,543	161,835	6.7	55.5
Insurance Department	7,063,031	233,000	3.3	157.0	7,526,342	249,544	3.3	157.0
Health Care Stabilization Fund	687,157	19,240	2.8	16.0	708,008	14,160	2.0	16.0
Judicial Council	365,611	0	0.0	4.0	258,159	0	0.0	4.0
State Board of Indigents' Defense Services	7,215,096	504,742	7.0	164.0	7,473,169	523,121	7.0	164.0
Judicial Branch	84,449,956	2,318,143	2.7	1,815.5	88,696,942	3,767,007	4.2	1,815.5
KPERS	4,089,203	125,183	3.1	80.0	4,280,411	142,672	3.3	80.0
Governmental Ethics Commission	434,741	0	0.0	9.0	458,165	0	0.0	9.0
Kansas Human Rights Commission	1,513,247	75,910	5.0	36.0	1,531,966	55,396	3.6	37.0
State Corporation Commission	10,307,086	257,676	2.5	209.0	10,725,557	268,138	2.5	210.0
Citizens' Utility Ratepayer Board	259,887	2,600	1.0	4.0	261,919	0	0.0	4.0
Department of Administration (Reportable)	13,279,315	697,577	5.3	874.4	13,444,851	721,899	5.4	879.4
State Board of Tax Appeals	1,559,864	23,398	1.5	31.0	1,599,114	23,987	1.5	31.0
Department of Revenue	44,526,566	3,116,860	7.0	1,162.0	46,669,593	3,266,871	7.0	1,162.0
Kansas Lottery	3,905,487	97,637	2.5	88.0	4,041,229	101,032	2.5	89.0
Kansas Racing and Gaming Commission	3,505,751	175,285	5.0	63.0	3,395,853	169,793	5.0	64.0
Department of Commerce and Housing	6,553,194	217,511	3.3	136.0	6,816,249	283,939	4.2	136.0
Kansas, Inc.	236,049	0	0.0	4.0	245,087	0	0.0	4.0
Kansas Technology Enterprise Corporation	1,971,997	0	0.0	19.0	2,036,403	40,728	2.0	19.0
Abstracters Board of Examiners	16,468	0	0.0	0.0	16,721	0	0.0	0.0
Board of Accountancy	117,979	92	0.1	3.0	111,677	0	0.0	3.0
State Bank Commissioner	3,830,344	117,260	3.1	77.0	4,313,863	24,485	0.6	81.0
Board of Barbering	77,608	0	0.0	1.5	78,624	0	0.0	1.5
Behavioral Sciences Regulatory Board	284,782	5,696	2.0	7.8	296,730	5,889	2.0	8.0
State Board of Healing Arts	1,154,872	23,097	2.0	29.0	1,191,649	23,833	2.0	29.0
Board of Cosmetology	409,572	0	0.0	12.0	437,078	0	0.0	12.0

HOUSE APPROPRIATIONS  
 DATE 2/16/01  
 ATTACHMENT 4

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**GOVERNOR'S RECOMMENDED SALARIES AND WAGES SHRINKAGE\*  
FY 2001 and FY 2002**

Agency	FY 2001				FY 2002			
	Total Before Shrinkage	Shrinkage Amount	Shrinkage Percentage	FTE Positions	Total Before Shrinkage	Shrinkage Amount	Shrinkage Percentage	FTE Positions
Department of Credit Unions	633,708	2,404	0.4	12.0	673,022	0	0.0	13.0
Kansas Dental Board	81,446	0	0.0	2.0	106,795	0	0.0	2.5
Board of Mortuary Arts	140,846	0	0.0	3.0	146,076	0	0.0	3.0
Hearing Aid Board of Examiners	13,786	0	0.0	0.4	15,648	0	0.0	0.4
Board of Nursing	788,960	17,357	2.2	22.0	864,437	19,018	2.2	22.0
Board of Examiners in Optometry	28,005	0	0.0	1.0	40,165	0	0.0	1.0
Board of Pharmacy	322,792	16,140	5.0	6.0	336,957	0	0.0	6.0
Real Estate Appraisal Board	162,837	0	0.0	3.0	168,269	0	0.0	3.0
Real Estate Commission	467,870	0	0.0	13.0	492,989	0	0.0	13.0
Office of the Securities Commissioner	1,556,952	14,369	0.9	27.8	1,616,066	14,682	0.9	27.8
Board of Technical Professions	251,394	0	0.0	6.0	260,534	0	0.0	6.0
Board of Veterinary Medical Examiners	139,742	0	0.0	3.0	144,328	0	0.0	3.0
<b>Subtotal - General Government</b>	<b>227,073,483</b>	<b>8,573,878</b>	<b>3.8</b>	<b>5,466.9</b>	<b>237,152,717</b>	<b>10,376,556</b>	<b>4.4</b>	<b>5,487.6</b>
Department of Human Resources	40,298,994	2,464,312	6.1	964.3	42,039,851	2,312,138	5.5	964.3
Kansas Commission on Veterans Affairs	11,356,055	2,499,115	22.0	460.8	15,787,401	4,351,069	27.6	552.8
Dept. of Health & Environment-Health	23,990,676	1,796,383	7.5	428.5	25,259,842	2,012,139	8.0	438.5
Department on Aging	6,871,335	584,063	8.5	157.0	7,163,458	561,872	7.8	157.0
Department of Social & Rehabilitation Services	154,432,674	10,359,988	6.7	3,878.5	160,800,509	13,815,657	8.6	3,878.5
Kansas Neurological Institute	22,740,118	1,905,623	8.4	655.5	23,729,531	2,491,601	10.5	655.5
Larned State Hospital	26,981,066	2,239,428	8.3	741.8	28,137,272	3,089,474	11.0	741.8
Osawatomie State Hospital	17,761,983	1,607,459	9.0	477.4	18,491,412	2,028,507	11.0	477.4
Parsons State Hospital & Training Center	18,290,554	1,037,074	5.7	513.0	19,115,117	1,538,766	8.0	513.0
Rainbow Mental Health Facility	5,235,052	363,836	6.9	132.4	5,458,633	448,700	8.2	132.4
Kansas Guardianship Program	482,828	0	0.0	13.0	489,272	0	0.0	13.0
<b>Subtotal - Human Resources</b>	<b>328,441,335</b>	<b>24,857,281</b>	<b>7.6</b>	<b>8,422.2</b>	<b>346,472,298</b>	<b>32,649,923</b>	<b>9.4</b>	<b>8,524.2</b>
Department of Education	11,853,907	242,621	2.0	201.5	12,295,809	318,360	2.6	201.5
State Library	1,053,849	0	0.0	27.0	1,087,729	482	0.0	27.0
Arts Commission	387,397	468	0.1	8.0	407,418	0	0.0	8.0
School for the Blind	3,906,438	155,339	4.0	92.5	4,017,492	159,689	4.0	92.5
School for the Deaf	6,890,021	352,208	5.1	173.5	7,101,405	362,238	5.1	173.5
Historical Society	5,625,952	281,059	5.0	136.5	5,798,273	405,880	7.0	136.5



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**GOVERNOR'S RECOMMENDED SALARIES AND WAGES SHRINKAGE\*  
FY 2001 and FY 2002**

Agency	FY 2001				FY 2002			
	Total Before Shrinkage	Shrinkage Amount	Shrinkage Percentage	FTE Positions	Total Before Shrinkage	Shrinkage Amount	Shrinkage Percentage	FTE Positions
Fort Hays State University	37,633,037	539,536	1.4	722.6	39,014,429	547,874	1.4	722.6
Kansas State University	173,933,859	4,698,188	2.7	3,178.0	179,689,418	4,828,361	2.7	3,178.0
KSU-Ext. Sys. And Ag. Res. Programs	75,175,121	2,105,969	2.8	1,264.9	77,277,743	2,076,825	2.7	1,264.9
KSU-Veterinary Medical Center	15,481,315	391,743	2.5	254.5	16,009,421	404,277	2.5	254.5
Emporia State University	39,288,384	446,540	1.1	758.1	40,600,846	454,905	1.1	758.1
Pittsburg State University	41,664,507	579,555	1.4	794.0	43,259,293	591,506	1.4	794.0
University of Kansas	246,661,677	4,285,820	1.7	4,485.1	255,135,011	4,435,185	1.7	4,485.1
University of Kansas Medical Center	143,967,467	3,208,142	2.2	2,448.7	148,913,637	3,326,999	2.2	2,448.7
Wichita State University	92,613,282	1,760,579	1.9	1,727.3	95,619,370	1,819,641	1.9	1,727.3
Board of Regents	1,819,916	28,856	1.6	28.0	1,874,685	33,070	1.8	30.0
<i>Subtotal-Regents</i>	<i>868,238,565</i>	<i>18,044,928</i>	<i>2.1</i>	<i>15,661.2</i>	<i>897,393,853</i>	<i>18,518,643</i>	<i>2.1</i>	<i>15,663.2</i>
<b>Subtotal - Education</b>	<b>897,956,129</b>	<b>19,076,623</b>	<b>2.1</b>	<b>16,300.2</b>	<b>928,101,979</b>	<b>19,765,292</b>	<b>2.1</b>	<b>16,302.2</b>
Department of Corrections	14,037,769	352,826	2.5	315.0	14,684,701	406,212	2.8	319.0
Topeka Correctional Facility	11,121,254	500,455	4.5	218.0	9,471,702	426,226	4.5	247.0
Hutchinson Correctional Facility	20,512,090	925,986	4.5	512.0	21,499,443	971,662	4.5	512.0
Lansing Correctional Facility	27,412,401	1,237,116	4.5	710.0	29,024,240	1,305,788	4.5	710.0
Ellsworth Correctional Facility	7,080,374	361,099	5.1	182.5	8,164,512	416,391	5.1	223.0
Winfield Correctional Facility	7,546,049	377,303	5.0	201.0	8,037,688	401,885	5.0	201.0
Norton Correctional Facility	9,970,192	498,510	5.0	266.0	10,640,367	532,019	5.0	266.0
El Dorado Correctional Facility	15,970,440	798,185	5.0	468.5	18,473,006	923,310	5.0	468.5
Larned Correctional MH Facility	6,846,985	397,125	5.8	183.0	7,218,969	418,700	5.8	186.0
<i>Subtotal-Corrections</i>	<i>120,497,554</i>	<i>5,448,605</i>	<i>4.5</i>	<i>3,059.0</i>	<i>127,214,628</i>	<i>5,802,193</i>	<i>4.6</i>	<i>3,132.5</i>
Juvenile Justice Authority	2,181,198	44,070	2.0	36.0	2,263,785	45,278	2.0	36.0
Topeka Juvenile Correctional Facility	8,152,486	347,328	4.3	226.0	8,649,469	423,780	4.9	226.0
Atchison Juvenile Correctional Facility	4,097,646	195,303	4.8	120.0	4,352,331	212,574	4.9	120.0
Beloit Juvenile Correctional Facility	3,510,213	87,755	2.5	104.0	3,710,952	111,328	3.0	104.0
Larned Juvenile Correctional Facility	4,509,991	225,613	5.0	128.0	4,769,354	238,467	5.0	128.0
<i>Subtotal-Juvenile Justice</i>	<i>22,451,534</i>	<i>900,069</i>	<i>4.0</i>	<i>614.0</i>	<i>23,745,891</i>	<i>1,031,427</i>	<i>4.3</i>	<i>614.0</i>
Adjutant General	11,004,760	328,854	3.0	215.0	11,354,363	335,869	3.0	215.0
State Fire Marshal	2,139,970	21,400	1.0	44.0	2,240,940	22,408	1.0	44.0
Kansas Parole Board	444,461	0	0.0	4.0	459,899	0	0.0	4.0
Kansas Highway Patrol	37,542,881	1,381,952	3.7	823.8	40,262,245	1,952,350	4.8	823.8
Kansas Bureau of Investigation	11,509,568	443,512	3.9	200.0	11,270,503	528,433	4.7	200.0
Emergency Medical Services Board	630,527	10,454	1.7	13.0	654,877	13,098	2.0	13.0
Kansas Sentencing Commission	518,412	25,921	5.0	10.0	476,880	23,844	5.0	9.0

H-H

**GOVERNOR'S RECOMMENDED SALARIES AND WAGES SHRINKAGE\*  
FY 2001 and FY 2002**

Agency	FY 2001				FY 2002			
	Total Before Shrinkage	Shrinkage Amount	Shrinkage Percentage	FTE Positions	Total Before Shrinkage	Shrinkage Amount	Shrinkage Percentage	FTE Positions
Ombudsman of Corrections	157,643	0	0.0	3.5	163,158	0	0.0	3.5
<b>Subtotal - Public Safety</b>	<b>206,897,310</b>	<b>8,560,767</b>	<b>4.1</b>	<b>4,986.3</b>	<b>217,843,384</b>	<b>9,709,622</b>	<b>4.5</b>	<b>5,058.8</b>
Department of Agriculture	14,333,518	899,292	6.3	303.2	14,642,858	916,604	6.3	303.5
Animal Health Department	1,220,414	30,510	2.5	31.0	1,269,876	31,747	2.5	31.0
State Fair Board	1,316,980	36,217	2.8	22.0	1,384,772	38,082	2.8	22.0
Department of Health and Environment-Environ.	22,853,860	1,294,687	5.7	411.0	24,499,265	1,416,744	5.8	425.0
State Conservation Commission	625,479	9,382	1.5	13.5	650,540	9,758	1.5	13.5
Kansas Water Office	1,370,108	93,025	6.8	23.5	1,417,746	28,338	2.0	23.5
Department of Wildlife and Parks	19,372,936	561,815	2.9	397.5	20,407,016	591,803	2.9	406.5
<b>Subtotal - Agriculture and Natural Resources</b>	<b>61,093,295</b>	<b>2,924,928</b>	<b>4.8</b>	<b>1,201.7</b>	<b>64,272,073</b>	<b>3,033,076</b>	<b>4.7</b>	<b>1,225.0</b>
Kansas Department of Transportation	134,194,634	7,650,534	5.7	3,247.5	140,327,421	9,617,619	6.9	3,247.5
<b>Subtotal - Transportation</b>	<b>134,194,634</b>	<b>7,650,534</b>	<b>5.7</b>	<b>3,247.5</b>	<b>140,327,421</b>	<b>9,617,619</b>	<b>6.9</b>	<b>3,247.5</b>
<b>TOTAL</b>	<b>\$ 1,855,656,186</b>	<b>\$ 71,644,011</b>	<b>3.9 %</b>	<b>39,624.8</b>	<b>\$ 1,934,169,872</b>	<b>\$ 85,152,088</b>	<b>4.4 %</b>	<b>39,845.3</b>

Note: Excludes off-budget expenditures of the Department of Administration and the Kansas Highway Patrol

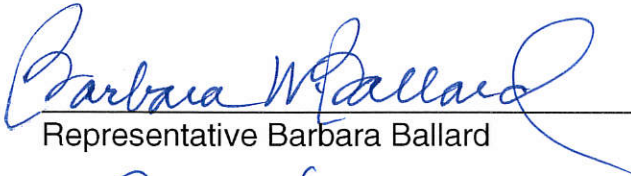
# 2001 SOCIAL SERVICES BUDGET COMMITTEE

FY 2001 and FY 2002

Department on Aging



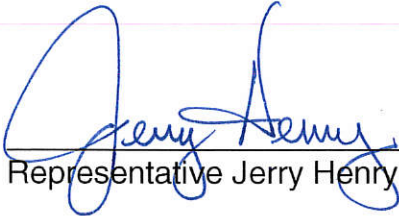
Representative Melvin Neufeld, Chairperson



Representative Barbara Ballard



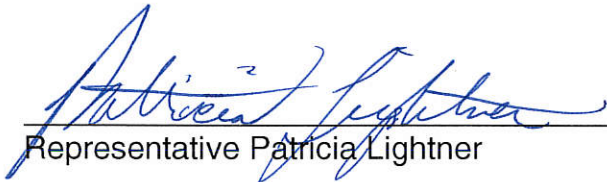
Representative Bob Bethell



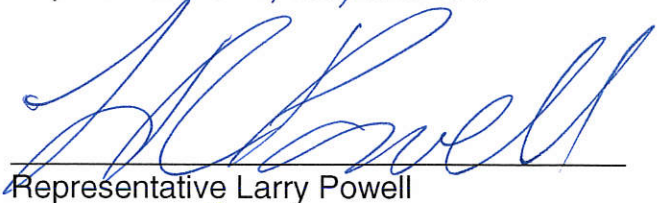
Representative Jerry Henry



Representative Brenda Landwehr




Representative Patricia Lightner



Representative Larry Powell



Representative Dennis Pyle



Representative Jerry Williams

HOUSE APPROPRIATIONS

DATE 2/16/01

ATTACHMENT 5



## HOUSE BUDGET COMMITTEE REPORT

**Agency:** Department on Aging

**Bill No.**

**Bill Sec.**

**Analyst:** Sparks

**Analysis Pg. No.** 175

**Budget Page No.** 40

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	House Budget Committee Adjustments
State Operations	\$ 10,405,714	\$ 10,148,191	\$ 0
Aid to Local Units	6,593,868	6,593,868	0
Other Assistance	375,404,435	371,319,984	0
Total - Oper. Expend.	<u>\$ 392,404,017</u>	<u>\$ 388,062,043</u>	<u>\$ 0</u>
State General Fund	\$ 131,639,046	\$ 130,874,538	\$ 0
All Other Funds	260,764,971	257,187,505	0
Total - Oper. Expend.	<u>\$ 392,404,017</u>	<u>\$ 388,062,043</u>	<u>\$ 0</u>
FTE Positions	157.0	157.0	0.0
Unclassified Temp. Positions	4.0	4.0	0.0
TOTAL	<u>161.0</u>	<u>161.0</u>	<u>0.0</u>

### Agency Request/Governor's Recommendation

**For FY 2001** the agency requests \$392.4 million from all funding sources, including \$131.6 million from the State General Fund. The request is an increase of \$6.9 million (1.8 percent) all funds, and a decrease of \$11.4 million (8.0 percent) from the State General Fund below actual FY 2000 expenditures. The State General Fund decrease is attributable to the Kansas Intergovernmental Transfer Program. The request provides \$305.6 million for nursing facilities; \$48.8 million for the Home and Community Based Services for the Frail Elderly (HCBS/FE); \$6.8 million for Targeted Case Management; \$8.6 million for nutrition grants; \$4.4 million for the Income Eligible Program; \$2.2 million for the Senior Care Act; \$3.5 million for Older Americans Act programs; and \$10.4 million for agency administration.

**The Governor recommends** \$388.1 million from all funding sources, including \$130.9 million from the State General Fund. The recommendation is a decrease of \$4.3 million (1.1 percent) all funds, including \$764,508 (5.8 percent) below the agency request. The major recommended reduction is in the nursing facilities budget which is decreased by \$4.5 million below the agency request. The recommendation for nursing facilities does fund the consensus caseload estimate for the program. The HCBS/FE waiver, nutrition grants, Senior Care Act, and Older Americans Act programs are funded as requested; Targeted Case Management is recommended at \$6.6 million; Income Eligible Program is recommended at \$5.1 million; and agency operations is recommended at \$10.2 million.

## House Budget Committee Recommendation

The House Social Services Budget Committee concurs with the Governor's recommendation for FY 2001.

## HOUSE BUDGET COMMITTEE REPORT

**Agency:** Department on Aging

**Bill No.**

**Bill Sec.**

**Analyst:** Sparks

**Analysis Pg. No.** 175

**Budget Page No.** 40

Expenditure Summary	Agency Request FY 02	Gov. Rec. FY 02	House Budget Committee Adjustments
State Operations	\$ 10,255,109	\$ 10,250,799	\$ 0
Aid to Local Units	7,178,585	6,498,577	0
Other Assistance	402,790,858	389,952,181	0
Total - Oper. Expend.	<u>\$ 420,224,552</u>	<u>\$ 406,701,557</u>	<u>\$ 0</u>
State General Fund	\$ 145,659,946	\$ 152,666,080	\$ 0
All Other Funds	274,564,606	254,035,477	0
Total - Oper. Expend.	<u>\$ 420,224,552</u>	<u>\$ 406,701,557</u>	<u>\$ 0</u>
FTE Positions	157.0	157.0	0.0
Unclassified Temp. Positions	4.0	4.0	0.0
TOTAL	<u>161.0</u>	<u>161.0</u>	<u>0.0</u>

### Agency Request/Governor's Recommendation

**For FY 2002** the agency requests \$420.2 million from all funding sources, including \$145.7 million from the State General Fund. The request is an increase of \$27.8 million (7.1 percent) all funds, and a State General Fund increase of \$14.0 million (10.7 percent) above the revised FY 2001 request. The increase is primarily attributable to the increase in nursing facilities and the Home and Community Based Services for the Frail Elderly waiver programs. The request provides \$324.8 million for nursing facilities; \$55.5 million for the Home and Community Based Services for the Frail Elderly (HCBS/FE); \$7.3 million for Targeted Case Management; \$10.2 million for nutrition grants; \$5.2 million for the Income Eligible Program; \$2.2 million for the Senior Care Act; \$3.5 million for Older Americans Act programs; and \$10.5 million for agency administration.

**The Governor recommends** \$406.7 million from all funding sources, including \$152.7 million from the State General Fund. The recommendation is a decrease of \$13.5 million (3.3 percent) all funds, and an increase of \$7.0 million (4.8 percent) above the agency request. The increase in State General Fund is attributable to the decrease in Kansas Intergovernmental Transfer revenues. The major recommended reduction is in the nursing facilities budget which is decreased by \$11.2 million and the HCBS/FE waiver program which is decreased by \$2.5 million below the agency request. The recommendation for nursing facilities does fund the consensus caseload estimate for the program. The recommendation provides \$10.0 million for nutrition grants, \$2.2 million for the Senior Care Act, \$3.5 million for the Older Americans Act programs; \$6.9 million for Targeted Case Management, \$5.3 million for the Income Eligible Program; \$10.3 million for agency operations, and \$1.2 million for the Senior Pharmacy Program.

## House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2002 with the following exceptions and comments:

1. The Budget Committee was informed that the ElderCare pilot project which provided restaurant meal vouchers to senior citizens in Englewood, Kansas was a success. As of August 2000, the Englewood Café was serving three to eight persons daily on the program. According to ElderCare staff, customers like the arrangement because it allows them to eat lunch whenever they like. Also, restaurant vouchers can be used on Saturday. The Department has expanded the program statewide during the current fiscal year. In an attempt to promote intergenerational activity, the Committee recommends that the Department explore the option of providing meal vouchers for seniors at school lunch programs in one urban and one rural area. In addition, the Committee recommends that in developing the pilot program preference be given to a community that does not have a senior nutrition program.
2. Add \$30,000 from the State General Fund for the Senior Legal Hotline. The program began operation in FY 1996 with federal funding of approximately \$103,000 per year. Kansas Legal Services, the service provider, scaled back the program to operate on an annual budget of \$62,000 and has secured a Kansas Bar Foundation grant of \$32,000. The State General Fund amount recommended will be used with the Kansas Bar Association grant to finance the program. The Budget Committee was informed that the Kansas Senior Legal Hotline is the only one in the United States staffed with volunteer attorneys. Currently, approximately 135 practicing attorneys donate their time and expertise to the program. During FY 2000 the Hotline handled 3,649 calls from 3,400 Kansas senior citizens on such matters as consumer finances and bill collector practices, wills and trusts, housing, and visitation of grandchildren.
3. Delete \$30,000 of State General Fund financing from the agency operating budget in order to offset the cost of the Senior Legal Hotline. The Budget Committee wants to give the Secretary the option of determining where the savings are to be taken in order for the agency to continue in an effective and efficient manner.
4. The Budget Committee directs the agency to combine the Senior Care Act, Income Eligible, Case Management, Environmental Modification, and Custom Care programs and funding into one program. In addition, the Area Agencies on Aging are to establish expenditure priorities for these services in order to address specific needs of individual communities, and present their service priorities to the Secretary for approval.
5. The Budget Committee requests the Secretary of Aging to prepare a plan to increase the minimum threshold score to 26 for the Income Eligible Program in order to conform with the requirement for services under the nursing facilities and waiver programs. In addition, the Committee directs that the new minimum service score apply only to individuals entering the program July 1, 2001 or later. Prior to the beginning of the Omnibus Session the Department is to present the plan with financial estimates to the Committee.

6. The Budget Committee expresses concern that lack of communication between state funded and non-state funded senior programs result in duplicated services. Therefore, the Committee directs the Secretary to undertake a study of services to determine whether they are being duplicated and report back to the Committee prior to the Omnibus Session. The Budget Committee recognizes that the time available for the study is short, however, any information that the Secretary can obtain with regard to non-state funded programs would be very useful to the Committee. Also, the information should be used by the agency to improve communication between programs and as part of training for case managers regarding services that are available from not-for-profit and faith-based organizations.
7. The Budget Committee directs the agency to collect data regarding the number of hours and types of services family and community members provide to the agency's client population. The Committee understands that this undertaking will require approximately one year to complete and will be accomplished as each individual in service has their annual case management review. The report findings are to be provided to the Legislature and Governor during the 2001<sup>2</sup> Legislative Session.
8. The growing demand for senior services has raised the Committee's concerns about the state's ability to continue to pay for services. Therefore, the Committee strongly recommend the Department undertake an education effort to inform the public of the importance of planning for senior services early in life. The education effort should include potential costs of providing such services, information on long-term care insurance, savings plans, and possible federal legislation on tax credits for long-term care plans.
9. The Budget Committee was informed that the 85 percent occupancy rule for nursing facilities participating in the Medicaid program is causing problems for several facilities. When the rule was original enacted, the statewide average occupancy was 96 percent, according to testimony presented to the Committee; however, today the statewide average occupancy is 85 percent. The Budget Committee directs the agency to calculate the cost of three proposals to address this issue prior to the Omnibus Session. The agency is to examine what it would cost to change the rule to the statewide average occupancy rate for the previous year less 10 percent; the statewide average occupancy rate for the previous year less 5 percent; and applying the 85 percent only to fixed costs of the nursing facilities.