

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 11:00 a.m. on April 17, 2001, in Room 514-S of the Capitol.

All members were present

Committee staff present: Alan Conroy, Legislative Research
Rae Anne Davis, Legislative Research
Jim Wilson, Revisor of Statutes
Amy Kramer, Legislative Research
Robert Waller, Legislative Research
Robert Chapman, Legislative Research
Stuart Little, Legislative Research
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Secretary Steve Richards, Department of Revenue
Jeff Scott, Manager of Tax Compliance

Others attending: See Attached

Alan Conroy, Legislative Research Department, presented the Committee with a State General Fund Profile for FY 2000-FY 2005 (Attachment 1). Also distributed was the Potential State Budget Adjustments House Appropriations (Attachment 2). According to the report, expenditures must be reduced by \$172 million in order to meet the projected budget, or there must be an increase in the State General Fund receipts, or there must be an attempt to maximize non-State General Fund sources i.e. fee funds, changing the ending balance law from 7 ½ % which would be a temporary fix for one year only.

Also distributed by staff: Budget Committee room assignments for the week (Attachment 3), and Items for Omnibus Consideration (Attachment 4).

Chairman Wilk recessed the meeting at 11:50 a.m. The meeting was resumed at 1:45 p.m. by Chairman Wilk.

Steve Richards, Secretary of the Department of Revenue, presented their proposed management plan for the collection of past due Accounts Receivable and Bad Debts (Attachment 5). Secretary Richards explained that if the Department was authorized to hire 27 classified FTE's to work in the collection area before the next fiscal year, this could generate revenue in the amount of \$123 million. The majority of the Accounts Receivables are in owed sales tax. Delinquent tax payers would be allowed to set up payment plans or pay by credit card. Secretary Richards said he was not in favor of out-sourcing this collection process. The archives of Accounts Receivables which have been written off would be kept on file in the Department of Administration for reference should such individuals or companies attempt to enter into future contracts with the state. The Committee suggested the establishment of a Tax Task Force to be staffed by reassigning individuals who are currently working within the Department of Revenue. Secretary Richards was reluctant to short-staff other areas of the department in order to enhance the collections division. The Committee also requested a written explanation of the acceleration program for the collection of sales tax accounts with annual deposits over \$32,000 for FY 2001 and the acceleration program planned for FY 2002.

Staff distributed copies of FY 2001 and FY 2001 Children's Initiatives Fund (Tobacco) update (Attachment 6); update on the Economic Development Initiatives Fund (Attachment 7); update on the State Water Plan Fund for FY 2001 and FY 2002 (Attachment 8); and an update on Selected Special Revenue Funds (Attachment 9).

Chairman Wilk moved for the introduction of legislation regarding the acceleration of severance tax collection from 60 to 30 days. Motion was seconded by Representative Neufeld. Motion carried.

Chairman Wilk charged the Budget Committees to carefully review the Omnibus Report and formulate the issues; examine potential appropriation adjustments, and revisit the fee funds which may apply to particular budgets.

The meeting adjourned at 3:13 p.m. The next meeting is scheduled for 9:00 a.m. on April 18, 2001.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4/17

NAME	REPRESENTING
Lindsey de la Torre	KDOA
Sheli Sweeney	KDOA
Bill Watts	KDOT
J. Kenneth Hales	ija
John Hales	KLEAR, Inc.
Melinda Gaul	DOB
Debra Pricedoux	FHSU
Greg Watt	ESU
Julse Heen	Hein & Weir
Denielle Nae	DOA
Sch McDandl	KWC
Joe Luber	KS Co-op Council
Chris Wilson	SW Kansas GMD 3
Juan Sims	Ombudsman
Jan Brashe	KSC
Clark Jones	KSC
Ben Brown	KTEC
Lari Rost	KTEC
TOM DAY	KCC

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4/17/01

NAME	REPRESENTING
Sue Peterson	K-SMTE
Doug Bowman	KS Interagency Coordinating Council
Tom Burke	KCKS Comm College
Gary Hibbs	DoFA Div Fac Mgmt
Mark Stock	DoFA Div. Fac Mgt
Stacy Farmer	KASB
William Helsel	DOB
Jerry Sloan	Judicial Branch
James Cluff	KCC
John S.	KDWP
Dennis Williams	KDOC
Robert Myer	SOJ
Dave Wilson	KAC
John Linzer	Washburn Univ.
Kyle Smith	KBI
Jamie Dreasler	KBI
John A. Kellison	KC *
Karen Watney	DoFA
Debbie W. King	KS TNE

**Conference Committee Recommendations
April Consensus Revenue Estimates**

**State General Fund Profile
FY 2000 - FY 2005**

April 4, 2001 Consensus Revenue Estimates

Conference Committee Recommendations for Expenditures in FY 2001 and FY 2002 - Adj
Demand Transfers Reflect Current Law Beginning in FY 2003

Actual FY 2000 Receipts and Expenditures

Receipts Adjusted by Conference Committee Action

Ending Balance Maintained in FY 2002

	Actual FY 2000	Increase	Conf. Comm. FY 2001	Increase	Conf. Comm. FY 2002	Increase	Projected FY 2003	Increase	Projected FY 2004	Increase	Projected FY 2005	Increase
Beginning Balance(a)	\$542.4		\$377.9		\$355.4		\$336.4		\$345.2		\$360.2	
RECEIPTS:(b)	4,203.1	224.5 5.6%	4,410.6	207.5 4.9%	4,472.0	61.4 1.4%	4,633.8	166.8 3.7%	4,815.1	176.3 3.8%	5,177.3	362.2 7.5%
EXPENDITURES:												
General and Supplemental School Aid (c)	1,850.2	102.1	1,886.4	36.2	1,876.8	(9.6)	1,862.6	(14.2)	1,844.7	(17.9)	1,832.4	(12.3)
Base State Aid Per Pupil Increase in FY 2002 (\$50)	0.0	0.0	0.0	0.0	29.9	29.9	30.0	0.1	30.0	0.0	30.1	0.1
General and Supplemental School Aid (c)	1,850.2	102.1	1,886.4	36.2	1,906.7	20.3	1,892.6	(14.1)	1,874.7	(17.9)	1,862.5	(12.2)
		5.8%		2.0%		1.1%		-0.7%		-0.9%		-0.7%
Out-Year Additional KPERS Employer Contributions(d)	0.0	0.0	0.0	0.0	0.0	0.0	10.8	10.8	22.3	11.5	34.4	12.1
Higher Education Restructuring - S.B. 345(e)	0.0	0.0	21.8	21.8	42.6	20.8	75.8	33.2	107.4	31.6	107.4	0.0
Annualization of FY 2002 State Employee Salary Increase (1.5%)(f)	0.0	0.0	0.0	0.0	0.0	0.0	9.7	9.7	9.7	0.0	9.7	0.0
Demand Transfers: (g)	201.2	(18.4)	186.4	(14.8)	271.7	85.3	356.1	84.4	376.0	19.9	405.9	29.9
All Other Expenditures(h)	2,316.2	87.7	2,338.5	22.3	2,442.0	103.5	2,270.0	(172.0)	2,285.0	15.0	2,410.0	125.0
		3.9%		1.0%		4.4%		-7.0%		0.7%		5.5%
Available for Other Purposes(i)	0.0	0.0	0.0	0.0	(172.0)	(172.0)	15.0	187.0	125.0	110.0	320.0	195.0
TOTAL Expenditures	4,367.6	171.4	4,433.1	65.5	4,491.0	57.9	4,630.0	139.0	4,800.1	170.1	5,149.9	349.8
Percent Increase		4.1%		1.5%		1.3%		3.1%		3.7%		7.3%
Ending Balance(j)	377.9		355.4		336.4		345.2		360.2		387.6	
Percent of Expenditures	8.7%		8.0%		7.5%		7.5%		7.5%		7.5%	
Receipts in Excess of Expenditures	(164.5)		(22.5)		(19.0)		8.8		15.0		27.4	

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POTENTIAL STATE BUDGET ADJUSTMENTS HOUSE APPROPRIATIONS

This office has been requested to prepare a list of substantial State General Fund adjustments for either FY 2001 or FY 2002 in light of the recent Consensus Revenue Estimating Group reduction in State General Fund receipts of \$185.5 million. To address the shortfall, the Legislature could:

- ✓ Increase State General Fund receipts;
- ✓ Attempt to maximize non-State General Fund sources; or
- ✓ Reduce the current approved State General Fund budget by \$172.0 million.

Potential adjustments that would impact receipts or funding sources include:

- **Capture Federal Intergovernmental Transfer Funds That Will Flow to the Senior Pharmacy Act Trust Fund.** Utilize the funds to offset State General Fund resources in Home and Community Based Services (HCBS) waiver programs—\$13.2 million in FY 2001 and \$61.6 million in FY 2002.
- **Capture Tobacco Funds.** Shift \$8.7 million from the Kansas Endowment for Youth (KEY) Fund from tobacco settlement payments to the State General Fund. In addition, hold Children's Initiatives Fund expenditures in FY 2002 to the FY 2001 level. The action would provide another \$10.0 million that could be utilized to offset State General Fund expenditures.
- **Department of Revenue Accounts Receivable.** The Department of Revenue has proposed that with additional resources (funding and staffing) additional State General Fund accounts receivable could be generated. The Department has estimated with 68.0 FTE positions and funding of \$3.1 million, the agency could generate an additional \$40.0 in State General Fund receipts.
- **Department of Revenue AMS Payment.** The Department of Revenue has a contractual obligation to pay AMS a total of \$10.0 million as the final payment on the Project 2000. The Consensus Revenue Estimating Group revised the estimated payment from the State Gen

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million in FY 2002 and another \$5.0 million in FY 2003. The Legislature could explore the possibility of shifting the entire payment to FY 2003.

- **Demand Transfers as Revenue Transfers.** In the State Treasurer's budget, the demand transfers for the Local Ad Valorem Tax Reduction Fund (LAVTRF) and the City and County Revenue Sharing Fund (CCRSF) total \$94.8 million under the approved FY 2002 budget. If these demand transfers were changed to revenue transfers the result would be a reduction in State General Fund expenditures without any reduction in all funds expenditures. This reduction in State General Fund expenditures would reduce the required ending balance by **\$7,112,599**, allowing those resources to be allocated elsewhere. This would be a one-time savings.

If all demand transfers (State Highway Fund, School District Capital Improvement Fund, State Water Plan Fund, State Fair Capital Improvement Fund, and the LAVTRF and CCRSF) were shifted to revenue transfers the total required ending balance would decrease **\$20.3** million.

If all payments to local units of government from the State General Fund (\$2.7 billion) were treated as a revenue transfer, the total required ending State General Fund balance would decrease by **\$200.8** million.

- **Reduce State General Fund Demand Transfer Expenditures.** The State General Fund demand transfer to the State Highway Fund in FY 2002 increases by \$69.4 million. Although this increase is still \$24.3 million below the statutory amount. Consideration could be given to reduce the demand transfer by an additional amount. However, whatever reduction might be considered, the impact on the Comprehensive Transportation Plan should first be reviewed.

Other demand transfers that might be considered for reduction would be to freeze the LAVTRF and CCRSF at the FY 2001 level. This action would save \$6.2 million in FY 2002.

- **State Employee Salary Increases.** The approved FY 2002 budget includes \$34.8 million (State General Fund) in state employee salary increases. Each of these components could be considered for reduction or elimination:
 - Classified Base Salary Adjustment—\$10.0 million State General Fund;
 - Longevity—\$0.3 million State General Fund;

- 2.5 Percent Uniformed Officer Increase—\$1.8 million State General Fund;
 - Highway Patrol Troopers—5.0 percent—\$0.8 million State General Fund;
 - Unclassified Base Salary Adjustment—\$13.5 million State General Fund; and
 - Regents Faculty Salary Enhancement—\$8.4 million State General Fund.
-
- **K-12 Education.** General and supplemental state aid increases \$29.9 million to finance a \$50 Base State Aid Per Pupil addition. Special education financing increases \$8.0 million above the current year. KPERS-School state employer contributions increase by \$16.4 million. With the exception of the KPERS-School amount, the other items could be reduced or eliminated in FY 2002.
 - **SB 345—Regents.** The FY 2002 increase to finance the 1999 SB 345 Higher Education Reform Act is \$20.8 million from the State General Fund. The increase amount in the budget year includes: \$8.4 million for faculty salary enhancements, \$1.3 million for the Washburn University Operating Grant, and \$11.1 million for community college operating grants.
 - **KPERS Death and Disability Moratorium.** If the KPERS contribution (0.6 percent of covered payroll) for death and disability was not made in FY 2002, due to the fund balance, the State General Fund employer contribution for KPERS could be reduced by **\$18.4 million**.
 - **KPERS Increased Employer Contribution.** The KPERS employer contribution for State/School is scheduled to increase by 0.2 percent to reflect the movement toward equilibrium of the employer's contribution and the actuarial determined rate. Consideration could be given to delaying this increase pending additional actuarial valuation information. This delay would save \$6.3 million in FY 2002 from all funds, including **\$5.3 million** from the State General Fund.

Although this list is not exhaustive, it does provide some options for policymakers to consider in addressing the current problem in the State General Fund budget.

Tentative Schedule for Budget Committees

Budget Committee

Room

Education Budget Committee - Shultz

514-S

University of Kansas	West
Kansas State University	West
Kansas State University Veterinary Medical Center	West
KSU Extension and Ag Research	West
University of Kansas Medical Center	West
Fort Hays State University	Little
Emporia Sate University	Little
Wichita State University	West
Pittsburgh State University	Little
Board of Regents	West
State Library	Kramer
School for the Blind	Lovin
School for the Deaf	Lovin
Department of Education	Rampey
Behavioral Sciences Regularatory Board	Lovin
Kansas Historical Society	Nogle
Kansas Arts Commission	Nogle

Public Safety Budget Committee - Kline

531- N

Department of Corrections and Correctional Facilities	Little
Juvenile Justice Authority and Juvenile Correctional Facilities	Hollon
Adjutant General	Waller
Kansas Bureau of Investigation	Waller
Emergency Medical Services Board	Waller
State Fire Marshal	Waller
Kansas Highway Patrol	Waller

Agriculture and Natural Resources Budget Committee - Schwartz

521-S

Department of Agriculture	Chapman
Securities Commissioner	Severn
Kansas State Fair	Chapman
Department of Wildlife and Parks	Nogle
Animal Health Department	Chapman
Kansas Corporation Commission	Severn

Social Service Budget Committee - Neufeld

519-S

Department of Social and Rehabilitation Services (including Mental Health and Developmental Disability Institutions)	Sparks
Department of Aging	Sparks
Department of Health and Environment	Davis

General Government and Human Resources Budget Committee - Pottorff

526-S

Department of Commerce and Housing	Davis
Kansas Inc.	Davis
Kansas Technology Enterprise Corporation	Davis
State Treasurer	West
Department of Administration	Robinson
Department of Human Resources	Lovin
Kansas Public Employees Retirement System	Efird
Kansas Lottery	Efird
Racing and Gaming Commission	Efird
Commission on Veterans Affairs/Homes	Lovin
Board of Pharmacy	Lovin
Secretary of State	Hollon

Tax, Judicial, and Transportation Budget Committee - Peterson

522-S

Department of Revenue	Efird
Judicial Branch	Rampey
Homestead Property Tax Refunds	Nogle
Kansas Guardianship Program	Kramer

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ITEMS FOR OMNIBUS CONSIDERATION

Kansas Technology Enterprise Corporation

A. Economic Development Initiatives Fund (SB 57 Conference Committee). The Conference Committee recommended the deletion of all funding recommended by the Governor from the Economic Development Initiatives Fund pending further review. The reduction in FY 2002 totals \$13,043,143, including \$1,431,781 for agency operations.

Kansas, Inc.

A. Economic Development Initiatives Fund (SB 57 Conference Committee). The Conference Committee recommended the deletion of all funding recommended by the Governor from the Economic Development Initiatives Fund pending further review. The reduction totals \$343,267, the entire FY 2002 operating budget of Kansas, Inc.

Department of Commerce and Housing

A. Economic Development Initiatives Fund (SB 57 Conference Committee). The Conference Committee recommended the deletion of all funding recommended by the Governor from the Economic Development Initiatives Fund pending further review. The reduction in FY 2002 totals \$20,253,336, including \$8,729,936 for agency operations.

B. HB 2129 (Governor). HB 2129 authorizes members appointed to the Kansas Film Service Commission and the Information Technology Executive Council to receive mileage, tolls and parking. The bill authorizes legislative members of the Kansas Film Service Commission to receive compensation and travel and subsistence the same as for any other meeting authorized by law. The Department estimates a total cost in FY 2002 of \$7,798 from the State General Fund or the Economic Development Initiatives Fund for mileage, parking, and tolls only for non-legislative members; parking only for Topeka-based members; subsistence for the four legislative members plus lodging for two of the four legislative members. Additionally, there is a fiscal impact to the Legislature.

C. HB 2505 (Conference). HB 2505 would enact the Kansas Certified Capital Formation Company Act to enhance the development of seed and venture capital in Kansas and support the modernization and expansion of the state's economy. The Department of Commerce and Housing projects total first-year expenditures of \$170,528. This includes \$52,128 for 1.5 FTE positions and \$118,400 for operating costs for investigations. The

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Department projects FY 2002 expenditures of \$69,690 from the State General Fund and \$100,838 from fees. The Department projects that the \$69,690 from the State General Fund could be repaid once sufficient fee revenue exists, most probably in FY 2003. The Senate Committee amendments to the bill which are being considered by the Conference Committee do not change the fiscal impact.

Department of Health and Environment

A. Children's Initiatives Fund (SB 57 Conference Committee). The Conference Committee recommended the deletion of all funding recommended by the Governor in FY 2002 from the Children's Initiatives Fund pending further review. The reduction totals \$750,000, including \$250,000 for Healthy Start and \$500,000 for Infant Toddler.

B. Smoking Prevention Matching Grant from the American Legacy Foundation (House Budget Committee). The House Budget Committee recommended that the Department and the Children's Cabinet review whether the Governor's recommendation to fold tobacco use prevention dollars from the Children's Initiatives Fund in to the Kansas Smart Start program in FY 2002 would allow the state to be eligible for the dollar for dollar match for youth tobacco prevention programs provided by the American Legacy Foundation (a national public health foundation committed to decreasing the use of tobacco by Americans funded through the tobacco settlement master agreement). At the time this memorandum was prepared, the American Legacy Foundation had not provided a definitive answer. Prior to deleting all funding from the Children's Initiatives Fund, pending review at Omnibus, the Senate Committee recommended shifting \$875,000 from the Children's Cabinet Kansas Smart Start program to the Department of Health and Environment for tobacco use prevention activities aimed at youth in order to draw down \$875,000 from the American Legacy Foundation.

C. Public Water Systems – Request For Information (House Budget Committee). The House Budget Committee requested information regarding the cause in the decrease in compliance with the federal Safe Drinking Water Act from 85 percent to 75 percent 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 Environmental Protection Agency has adopted regulations requiring more stringent treatment of surface water by systems serving more than 10,000 population and this fall will adopt requirements for water systems using surface water and serving less than 10,000. In addition, regulations controlling the amount of disinfectant by-products for water systems serving less than 10,000 have been adopted, reducing the level of allowable by-products. Only water systems serving a population of over 10,000 have had to control by-products before the new regulations. Further, regulations lowering allowable arsenic regulation levels in drinking

water (from 50 ppb to 10 ppb) were issued in January 2001, but have since been postponed pending further review. The Department estimates 20 systems will be impacted by the arsenic rule if the standard remains at 10 ppb. Detailed information on new rules and those systems which would be impacted has been provided by the Department.

D. Food Inspection Program (House Budget Committee). The House Budget Committee 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 HB 2500 which was introduced by the House 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. Prior to first adjournment, no action had been taken on the bill. FY 2002 budgeted expenditures for the program are \$2,235,126, including \$350,039 from the State General Fund.

E. Dedicated Funding Source for Local Health Departments. The Department in FY 2002 requested \$2.8 million from the State General Fund for increased funding for local health departments. The Senate Committee introduced a bill to increase taxes on cigarettes by one cent per pack and create a fund for receipt of the one cent increase to be used to fund local health departments through the statutory formula. The Senate Subcommittee recommended review of the status of the dedicated revenue stream for local health departments so that if the tax increase recommended by the Subcommittee has been enacted, expenditures of \$1.965 million could be added to be distributed by the statutory formula, with the minimum-funded local health department allocation to be increased by proviso from \$7,000 to \$14,000. SB 345 was introduced by the Senate Committee and referred to the Senate Committee on Assessment and Taxation. Prior to first adjournment, no action had been taken on the bill.

F. Interagency Cooperation on Prevention Activities – Request for Information (Senate Subcommittee). The Senate Subcommittee requested the Department of Health and Environment, the Juvenile Justice Authority, the Department of Social and Rehabilitation Services, the Department of Education, and the Children's Cabinet report on plans to improve collaboration on program delivery and to develop standards for evaluation the effectiveness of prevention programs. KDHE has provided information reporting its programs in a manner consistent with the other agencies and the Kansas Connect model. KDHE reports that the agencies have met several times to discuss how to best report such data.

G. Infant Toddler Regulations – Request for Information (Senate Subcommittee). The Senate Subcommittee expressed concern that the Department's interpretation of Infant Toddler regulations appears to be too restrictive in that it is not allowing for reimbursement for services when parents chose to seek services in a center-based environment where disabled children are educated with non-disabled children. The Subcommittee requested that the Department review the situation to determine how such center-based environments may be made eligible for Infant Toddler funding and report back at Omnibus.

The Department reports that it has contacted such centers and advised that because federal rules require that local networks develop policies and procedures that work best for each community, discussion with the local interagency coordinating councils should be the first step taken. KDHE has provided copies of the correspondence with such centers and reports that discussions are currently underway to resolve the situation.

H. Substitute for SB 204 (Law). Sub. for SB 204 requires the Department to review all stream segments listed in the 1999 Kansas Surface Water Register to determine which streams should become classified stream segments. If a stream segment becomes classified then the Department would be required to make a determination as to the stream's designated uses. All current stream classifications would remain in effect until December 31, 2005 or until changed through the review process.

The Department indicates it would require approximately \$475,000 in FY 2002, including \$275,000 from the State General Fund and \$200,000 in federal grants from the Environmental Protection Agency (EPA). Included in the estimated State General Fund expenditures would be \$125,000 for the United States Geological Survey to collect median flow data on stream segments and perform flow calculations, \$100,000 for a consultant to develop research models to determine if the classification of a stream segments outweighs the social or economic costs to the state, and \$50,000 for a consultant and 1.0 FTE position to update and maintain the stream registry system for public and private access. Federal grants from the EPA would be used to hire 2.0 unclassified temporary position to complete use attainability analysis of stream segments and fund travel and equipment expenditures.

I. HB 2573 (Governor). HB 2573 amends two statutes related to requirements governing the developer of the Oz Entertainment Company. As a precondition for issuing STAR bonds, the Kansas Development Finance Authority must adopt a redevelopment plan of the proposed Oz Theme Park project. The statutorily-prescribed deadline for adoption is July 1, 2001. The bill extends that deadline to July 1, 2002, if the developer of the Oz Entertainment Company has reimbursed the Unified Government of Wyandotte County for cash investments in the project within 120 days after July 1, 2001. The developer is required under current law to reimburse the Unified Government within one year of commencement of project construction. The Department indicates that passage would reduce revenues and expenditures by \$129,730 for FY 2002. SB 57 includes these amounts in the Oz Theme Park Fund to carry out the Department's oversight of the remediation activities at the site for the park. The Department indicates the delay in the project would delay the need for expenditures and the collection of revenues to the fund, which are expenditure reimbursements from the project developers.

J. HB 2131 (Governor). HB 2131 modifies the waste tire program. The bill sets an excise tax of \$0.25 on the retail sale of new vehicle tires. Of the amount raised by the tax, \$300,000 or 43 percent, whichever is less, could be used for paying compensation and other expenses of personnel to carry out the duties under the waste tire law. The bill also eliminates the abatement grant program and the enforcement grant program which are contained in current law. The bill requires the Secretary to enter into service contracts with one or more associations of tire retailers to: assist in disseminating information to all tire retailers on state law requirements; establish a point of contact for persons requesting

information on solid waste laws and rules and regulations relating to waste tires; assist in planning and implementing conferences, workshops, and other requested training events for persons involved in the generation, transportation, processing, or disposal of waste tires; and assemble and analyze data on waste tire management by tire retailers in Kansas.

The Department estimates that it will require additional net expenditures in FY 2002 of \$450,000 from the Waste Tire Fee Fund and 1.0 additional FTE. This includes \$50,000 for staff and operating costs, \$4,000 additional for administrative overhead, \$75,000 for contractual expenses for education and information, and \$755,000 for cleanup efforts. This is offset by reductions for the grant programs which are eliminated.

K. Senate Substitute for HB 2154 and Senate Substitute for HB 2067 (Conference). One provision of Senate Sub. for HB 2154 and Senate Sub. for HB 2067 amends the law concerning the employment of persons by adult care homes and home health agencies. The bills adds an attempt to commit, conspiracy to commit, and criminal solicitation to commit to the list of crimes for which conviction would bar a person from employment by an adult care home or home health agency. Additionally, the Secretary of Health and Environment's authorization to access criminal history record information in the possession of the Kansas Bureau of Investigation is limited to the information specifically needed. The bills provides that the Secretary must provide information within three business days after receipt of a report to the provider requesting information regardless of whether a criminal history was found or not or when further confirmation regarding criminal history record information is required from a Kansas court or the Department of Corrections. The bills would require a response on every criminal background check request received. Department staff would have to issue either a letter stating that no criminal history was found, issue copies of the felony criminal history, or issue a notice prohibiting employment of the individual.

The Department estimates that this activity would require the services of 1.0 additional full-time Office Specialist. The salary costs of the additional FTE would be \$30,730 in FY 2002. One-time capital outlay costs associated with the position would be \$4,740. The Department also estimates increased operating costs of \$33,610 for communications, professional services, and commodities. The total fiscal effect for the Department is \$69,080 from the State General Fund.

Kansas Department of Revenue

A. Omnibus Review Item – Accounts Receivable (SB 57 Conference Committee). The House and Senate conferees on SB 57 agreed to review agency proposals to enhance collections of the state's accounts receivable as of February 28, 2001. Accounts receivable totaled \$476,827,453, of which \$282,336,877 was defined as uncollectible due to bankruptcy and other impediments, with a net balance remaining of \$194,490,576 that may be collectable. The agency was directed to present methods of enhancing efforts to collect these net accounts receivable. Among the more significant categories of taxes due and believed to be collectable are \$75.6 million in sales and use, \$52.2 million in individual

income, \$17.3 million in corporate, \$16.7 million in withholding, and \$14.8 million in motor carrier.

Currently, the agency has a pilot collections project for which the 2000 Legislature appropriated \$570,000 in FY 2001 to contract for 14 non-state employees who work for GC Services. The projected annual collections per employee was \$600,000, yielding a total of approximately \$8.55 million at a cost of approximately \$40,000 per employee. The success of this project has been measured by collections exceeding \$8.3 million as of January 2001, and the annual estimate has been increased to \$12.7 million, or approximately \$900,000 per employee.

The agency currently collects approximately \$43.0 million in accounts receivable each fiscal year, including the amount added through collections attributed to the GC Services contract. A cost/benefit model may be applied to a new collections effort described by the Secretary of Revenue in a proposed management plan for accounts receivable, and then compared with the GC Services contract cost/benefit ratio. The new plan consists of two phases that are projected to collect \$40.0 million of additional revenue in FY 2002 at a cost of slightly less than \$3.0 million.

Phase 1 would place emphasis on enhanced collections through improved billing and call campaigns, skip tracing techniques, tax warrants and civil tax enforcement initiatives. A third party collections contract, primarily for call campaigns and skip tracing, would be secured through a request for proposals. Recovery of an additional \$23.0 million annually would require resources of \$1,635,582 in FY 2002 and staffing of 38.0 FTE positions, of which 12.0 FTE would be contracted employees and 26.0 FTE would be state employees.

Phase 2 would target collection of older, aged accounts through new tax discovery and non-filer compliance initiatives. Recovery of an additional \$17.0 million annually for each of four fiscal years would require resources of \$1,335,800 in FY 2002 and staffing of 30.0 FTE positions comprised of state employees.

**Proposed Department of Revenue
Plan for Accounts Receivable**

	Current Project FY 2001	FY 2001 Phase 1	FY 2002 Phase 1	FY 2002 Phase 2	FY 2002 Totals
Staff Level	14		38	30	68
Est'd Collections per Staff	\$592,857		\$605,263	\$566,667	\$585,965
New Revenue Estimated	\$8,300,000		\$23,000,000	\$17,000,000	\$40,000,000
Staff Level	14	10	38	30	68
Cost per Staff	\$40,714	\$12,344	\$43,042	\$44,527	\$43,697
Total Expenses*	\$570,000	\$123,442	\$1,635,582	\$1,335,800	\$2,971,382
Revenue per \$1 expense	\$14.56		\$14.06	\$12.73	\$13.46

* Includes one-time costs in FY 2001 and FY 2002.

Staffing would be accomplished in the following manner: First, 12.0 of the new positions would be contracted employees and not treated as state employees. Second, 29.0 vacant FTE positions, primarily in the Division of Taxation, would be reallocated to classified staff positions. Third, 27.0 new FTE positions would be requested. A total of 68.0 new dedicated staff would be used to implement phase 1 and phase 2 during FY 2002.

B. Omnibus Review Item – Project 2000 (SB 57 Conference Committee). During consideration of the agency's FY 2001 and FY 2002 budgets, the House had recommended not paying any Project 2000 money until FY 2003 due to the revenue situation. The Senate had decided to revisit this issue during Omnibus. The House and Senate conferees on SB 57 agreed to review Project 2000 during the Omnibus period. The Consensus Revenue Estimating Group originally anticipated in November of 2000 that transfers would total \$4.0 million in FY 2001 and \$6.0 million in FY 2002 in order to pay a \$10.0 million amount to American Management Systems. The revised consensus estimate as of April 4, 2001, anticipates that a \$5.0 million payment will be made in FY 2002, but none in FY 2001. This \$5.0 million amount is recognized as a revenue reduction, not as an expenditure in the FY 2002 consensus estimates.

Project 2000 is designed to be paid for from the increased revenues it generates. In accordance with the statute and appropriations acts, the amount of increased revenue is certified by the directors of the Division of the Budget and the Legislative Research Department, then credited to the Automated Tax Systems Fund. These funds are used to pay for the contracted and budgeted costs of the project. The fund also is utilized for ongoing system operations and has been used to finance system modifications required due to changes in the state tax code. A total of \$62.9 million was been transferred to the fund between FY 1996 and FY 1999. Nothing was transferred in FY 2000.

C. Omnibus Review – Other Items. Two items were flagged for a response from the Secretary of Revenue. First, the Senate Ways and Means Committee inquired about making the agency a fee fund agency. Second, the House Appropriations Committee inquired about accelerated sales tax remittances for filers with annual liabilities of \$32,000 or more. A third item was identified by the House Appropriations Committee in calling for a review of Division of Alcoholic Beverage Control (ABC) funding and new staff authorized by SB 13 if that bill were a subject for omnibus consideration. (**Staff Note:** SB 13 remains in the Senate Ways and Means Committee following an initial hearing on the bill.)

D. Technical Item – Correction of FY 2001 Transfer. An FY 2001 transfer that occurred on April 15, 2001, shifted \$500,000 from the VIPS/CAMA Fund to the Division of Vehicles (DOV) Operating Fund. No specific purpose was cited in section 22(g) of Chapter 130 of the 2000 Session Laws of Kansas for making such a shift out of a fund governed by KSA 2000 Supp. 74-2021. Money in that fund is dedicated for the purpose of upgrading the VIPS/CAMA hardware for the state or for the counties. The transfer was approved by the 2000 Legislature for the purpose of financing payment of the postal costs from the DOV Operating Fund for mailing motor vehicle registration renewals. The general source of financing for the DOV Operating Fund is the State Highway Fund (SHF) in support of motor vehicle registration and driver license activities. The FY 2001 transfer in question was **not** reviewed by the 2001 Legislature, except as related to financing of the two funds as recommended by the Governor. The FY 2001 transfer may have been contrary to statute, and no clarifying language to expand the statutory purposes was included in the proviso that shifted the money. Receipts to the VIPS/CAMA Fund will cease on June 30, 2002, unless fees are continued beyond the present expiration date. No bills were considered by the 2001 Legislature that would have modified KSA 2000 Supp. 8-135 or KSA 2000 Supp. 74-2013 that govern fees and the expiration date. The \$500,000 transferred out of the VIPS/CAMA Fund could be used to reduce State General Fund (SGF) expenses in FY 2003 that may be required to finance the continued implementation of a new Computer Assisted Mass Appraisal (CAMA) System. A new system has been approved by the Legislature for financing in FY 2001 and FY 2002 from the VIPS/CAMA Fund. Additional costs for CAMA will occur in FY 2003 and the only source of financing may be the SGF. In order to correct the FY 2001 transfer, money could be transferred to the SGF in FY 2002 from the DOV Operating Fund, and a corresponding increased transfer from the SHF could be authorized to replace the money needed for the support of motor vehicle registration and driver license activities.

Kansas Public Employees Retirement System (KPERs)

A. Omnibus Review Item – Death and Disability Benefits Moratorium. Among the methods used by the Legislature in FY 2001 to enhance the State General Fund (SGF) balance was 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 covering the last quarter of FY 2000 and four quarters of FY 2001. Extending the moratorium for another four quarters in FY 2002 would yield estimated savings of \$26.51 million in state and local governmental employer contributions. As of June 30, 2000, the Group Insurance Reserve Fund had a balance of \$192.92 million based on

the market value of assets at the conclusion of the fiscal year. During FY 2000, disbursements totaled \$38.13 million. State law does not require program funding to be on an actuarial basis, and the reserves may be used to pay future expenses if contributions are insufficient to cover current costs.

The FY 2002 estimate of state savings would be \$21.65 million, of which \$18.40 million would be from the SGF. Local units would save \$6.03 million. (**Staff Note:** Based on the Governor's Budget Report for FY 2002, the KPERS school estimate of \$13.20 million for death and disability in FY 2002 is lower than the FY 2001 estimate of \$13.34, suggesting a potential under funding of the KPERS school amount recommended by the Governor for next fiscal year. The calculated KPERS school salary base upon which the Governor estimates FY 2002 KPERS payments is \$24.24 million less than the FY 2001 salary base. The State Department of Education had forecast a growth of 3.0 percent in the FY 2002 KPERS school salary base over the current fiscal year's base, not a decrease as suggested in the Governor's recommended financing.)

Financial Impact
KPERS Employer Contributions for Death and Disability
(In Millions)

Estimated Payments	Estimated a) FY 2001	Estimated FY 2002
State/School/TIAA/Other	\$ 20.52	\$ 21.65
Local Units	5.54	6.03
Totals	\$ 26.06	\$ 27.68
State General Fund	\$ 17.45	\$ 18.40
School Only SGF	\$ 13.34	\$ 13.20

Source: KPERS FY 2002 budget; Governor's Budget Report FY 2002.
a) FY 2001 reflects estimated savings due a four quarter moratorium.

B. Technical Item – Actuarial Audit. The 2001 Legislature passed HB 2056 and SB 57 that appropriated \$150,000 in FY 2001 and \$50,000 in FY 2002 for the purpose of performing an actuarial audit of the KPERS actuary and for other actuarial work. Information to be considered by the KPERS Board of Trustees at its meeting of April 20, 2001, includes a recommendation from the KPERS actuary to shift the valuation date from June 30 to December 31. No time table for the change was suggested by the actuary. The Legislature may wish to take note of any developments regarding a change in date for the valuation since a shift during FY 2002 could impact the timing of the actuarial audit work and subsequent legislative review. The Legislature also may wish to pursue an actuarial audit of the June 30, 2000, valuation, and then have a subsequent actuarial audit performed after the shift in valuation date occurs, regardless of whether the change in valuation date occurs in FY 2002. The potential for reducing the appropriations for an actuarial audit would be left to the discretion of the Legislature in this case, but a duplicate valuation of the June 30,

2000, report should cost less than \$100,000. Any additional actuarial work might result in other charges beyond the basic actuarial audit. A subsequent actuarial audit after a shift in valuation date would require additional funding, especially since a three-year experience study also would be available for review at that time.

Kansas Lottery

A. Omnibus Review Item – Projected Lottery Sales (House and Senate Committee). Both House and Senate Committees recommended review of lottery sales for the Omnibus period because of the direct impact on the SGF in FY 2001 and FY 2002. The first \$50 million transferred to the State Gaming Revenues Fund (SGRF) is allocated for statutory purposes, the next \$80,000 is transferred to the Problem Gambling Grant Fund, and then any amounts in excess of \$50.08 million are transferred to the State General Fund (SGF) in June. The SGRF transfer rate is set at 30.0 percent in both fiscal years and sales are estimated at \$200 million for both fiscal years in the budgets previously approved by the Legislature. The 2000 Legislature approved a 13th SGRF transfer to be credited on June 30, 2001, in order to achieve a one-time net gain for the SGF in FY 2001. A total of 12 transfers will be made for FY 2002.

Transfers from the State Racing Fund are in addition to transfers from the Lottery Operating Fund in calculating net amounts transferred to the different funds. The legislative-approved Governor's estimates in FY 2001 and FY 2002 are summarized below:

**Approved SGRF Transfers
Based on \$200 Million in Lottery Sales
(In Millions)**

	<u>Approved FY 2001</u>	<u>Approved FY 2002</u>
Lottery	\$ 64.460	\$ 60.000
State Racing	0.326	0.327
Totals	\$ 64.786	\$ 60.327
State Gaming Revenues Fund	50.000	50.000
Problem Gamblers Grant Fund	0.080	0.080
State General Fund	14.706	10.247

Source: Governor's Budget Report FY 2002; SB 57.

Lottery sales through March 31, 2001, lagged behind the projected sales with \$143.8 million recorded through the end of the month. Transfers for ten months totaled \$47.6 million, with the April 15 SGRF transfer adding another \$5.5 million in FY 2001. Based on Kansas Lottery estimates, sales are projected at \$193.5 million in FY 2001, or a decrease

of \$6.5 million from the approved amount. Corresponding reductions in SGRF transfers would be 30 percent of \$6.5 million, or a loss of \$1.95 million for the SGF in FY 2001.

State Gaming Revenues Fund Transfers and Lottery Sales (In Millions)

FY 2001	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Transfers SGRF	\$4.5	\$4.8	\$4.1	\$4.5	\$4.2	\$5.4	\$4.6	\$4.8	\$5.1	\$5.5
Monthly Sales*	\$16.1	\$13.8	\$15.0	\$14.0	\$18.2	\$15.5	\$16.0	\$17.1	\$18.2	--

* Determine the 30.00 percent transfer about the 10th of the following month.

Any additional changes in sales of \$5.0 million or \$10.0 million increments would increase or decrease transfers to the SGF by \$1.5 million and \$3.0 million respectively. Conversely, if lottery sales are projected at \$193.5 million as currently estimated by the Kansas Lottery, the impact on the SGF can be portrayed in the following table.

**Revised SGRF Transfers
Based on \$193.5 Million in Lottery Sales
(In Millions)**

	<u>Estimated FY 2001</u>	<u>Estimated FY 2002</u>
Lottery	\$ 62.510	\$ 58.050
State Racing	0.326	0.327
Totals	\$ 62.836	\$ 58.377
State Gaming Revenues Fund	50.000	50.000
Problem Gamblers Grant Fund	0.080	0.080
State General Fund	12.756	8.297
SGF difference from approved	(1.950)	(1.950)

Source: Governor's Budget Report; Kansas Lottery.

B. Technical Item – Correction of Transfer Rate. The 2001 Legislature approved the Governor's recommended FY 2002 transfers to the SGRF at 30.00 percent of net lottery sales. A proviso in SB 57 sets that rate for all lottery games, both online and instant, including what are called pull-tab lottery tickets. A statutory provision would be superceded by the proviso for one year, much the same as a proviso set the FY 2001 rate at 30.00 percent for all sales. The proviso differs from the statutory provision, and that different is the problem that the Kansas Lottery requests to be corrected. KSA 2000 Supp. 74-8711 requires an annual transfer of not less than 30.00 percent, except that the 2000 Legislature reduced the statutory SGRF transfer rate for pull-tab lottery tickets to 20.00 percent. Both the FY 2001 and FY 2002 proviso language in appropriations bills would negate the 20.00

percent statutory rate for pull- tabs and sets that rate at 30.00 percent. The Kansas Lottery has requested a Governor's Budget Amendment to correct this transfer rate and reestablish the statutory rate of 20.00 percent for pull-tabs.

Kansas Racing and Gaming Commission

A. Omnibus Review Item – Unanticipated FY 2001 SGF Expense (House and Senate Committee). Both House and Senate Committees recommended review during the Omnibus period of a suggested Governor's Budget Amendment for an expense totaling approximately \$25,000 to \$30,000 that should be paid from the State General Fund (SGF) due to an adverse arbitration decision. Costs for arbitration were apportioned after a decision was reached, and in this recent case, all of the costs were assessed against the State Gaming Agency. During legislative budget review, concern was expressed about spending money from the Tribal Gaming Fund since one of the tribes prevailed in the arbitration involving an alcohol beverage matter at a casino. This agency does not have a SGF appropriation since this agency budget as recommended by the Governor is exclusively fee funded in FY 2001. Since this legislative recommendation was made, the agency has paid the three arbitrators for most of their billed expenses and no Governor's Budget Amendment was requested by the agency.

Department on Aging

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

B. Omnibus Review Items

1. Follow up on plan to increase the Income Eligible Program threshold score to 26 – FY 2002 (House Budget Committee). The House Budget Committee requested that the Secretary of Aging 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. The plan is to be presented prior to the beginning of the Omnibus Session with financial estimates.

2. Follow up changing the 85 percent occupancy rule for nursing facilities – FY 2002 (House Budget Committee). The Budget Committee was informed that the 85 percent occupancy rule for nursing facilities participating in the Medicaid program may cause problems for nursing facilities in the future. The 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.

3. Follow up on the effects of the loss of funding for the Custom Care and Environmental Modifications programs – FY 2002 (House Appropriations Committee). The House Appropriations Committee requested that the Secretary of Aging update the Committee on the estimated effect of the loss of funding for the Custom Care and Environmental Modifications programs during the budget year and report prior to the Omnibus Session.

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 9 to develop consensus caseload estimates on agency programs for FY 2001 and FY 2002. 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 \$4,771,737 in FY 2001 and \$15,127,300 in FY 2002. Programs operated by the Department of Social and Rehabilitation Services account for all of the increases. The following table summarizes the October 2000 and April 2001 caseload estimates and the resulting differences:

		October Est.	April Est.	Difference
<u>FY 2001</u>				
Cash Assistance				
Temporary Assistance for Families	All Funds	\$ 44,000,000	\$ 44,200,000	200,000
	SGF	30,293,070	30,293,070	0
General Assistance	All Funds	\$ 4,600,000	\$ 4,800,000	200,000
	SGF	4,600,000	4,800,000	200,000
Medical Assistance	All Funds	\$ 657,000,000	\$ 665,400,000	8,400,000
	SGF	216,194,452	221,448,768	5,254,316
Adult Care Homes				
Nursing Facilities (KDOA)	All Funds	\$ 292,000,000	\$ 292,000,000	0
	SGF	103,195,093	103,195,093	0
Nursing Facilities-Mental Health*	All Funds	\$ 13,900,000	\$ 13,900,000	0
	SGF	10,029,089	10,029,089	0
Foster Care Contracts	All Funds	\$ 94,500,000	\$ 93,500,000	(1,000,000)
	SGF	33,461,111	33,107,026	(354,085)
Adoption Contract	All Funds	\$ 25,600,000	\$ 24,900,000	(700,000)
	SGF	12,013,525	11,685,031	(328,494)
<u>FY 2002</u>				
Cash Assistance				
Temporary Assistance for Families	All Funds	\$ 44,000,000	\$ 46,000,000	2,000,000
	SGF	30,293,070	30,293,070	0
General Assistance	All Funds	\$ 4,600,000	\$ 4,800,000	200,000
	SGF	4,600,000	4,800,000	200,000

		October Est.	April Est.	Difference
Medical Assistance	All Funds	\$ 708,500,000	\$ 730,000,000	\$ 21,500,000
	SGF	240,078,004	249,766,507	9,688,503
Adult Care Homes				
Nursing Facilities (KDOA)	All Funds	\$ 309,228,000	\$ 309,228,000	0
	SGF	123,343,319	123,343,319	0
Nursing Facilities-Mental Health	All Funds	14,300,000*	14,300,000	0
	SGF	10,317,696	10,317,696	0
Foster Care Contracts				
	All Funds	\$ 85,500,000	\$ 90,700,000	5,200,000
	SGF	29,406,486	34,645,283	5,238,797
Adoption Contracts				
	All Funds	\$ 27,000,000	\$ 27,000,000	0
	SGF	13,074,165	13,074,165	0

* In SB57, NF/MH's are funded at \$12,718,080 all funds, including \$9,029,837 which was the Governor's recommendation to close 100 beds.

B. Omnibus Review Items

1. Consider creating a state only AgrAbility Program – FY 2002 (Senate Subcommittee). The Senate Subcommittee heard testimony that Kansas State University had applied for a U.S. Department of Agriculture (USDA) grant to fund an AgrAbility Project. The federal grant funds can only be applied for by a land grant university. The Subcommittee recommended that consideration of a state only program would be reviewed at the Omnibus Session if the Kansas State University was unsuccessful in obtaining a grant. The amount requested for the state only project was \$140,000 from the State General Fund.

2. Follow up on the Domestic Violence Prevention Services in the Salina and Garden City SRS Area Offices – FY 2002 (Senate Subcommittee). The Senate Subcommittee was informed during budget hearings that nine of the 11 area SRS offices have an on-site domestic violence counselor/advocate providing individually tailored services, including safety planning, counseling, assistance with orders of protection, other legal advocacy and referrals, shelter referrals, and referrals for clothing, child care and housing, to individuals disclosing domestic violence and/or sexual assault. Currently these services are provided by contract with the Kansas Coalition Against Sexual and Domestic Violence. The Subcommittee recommended that during the Omnibus Session that consideration of adding funding (\$125,000 SGF) for the project to extend those services to all area offices.

3. Follow up on the federal grant for Traumatic Brain Injury – FY 2002 (Senate Subcommittee). The Senate Subcommittee heard testimony that the agency has applied for a federal grant to develop a statewide action plan to serve consumers with traumatic brain injury. The first requirement of the grant is a statewide needs assessment and development of an advisory council on traumatic brain injury. The Subcommittee requested that the agency report back prior to the Omnibus Session about the status of the grant award. The agency has advised that the grant if awarded will require a \$35,000 state funds match for \$75,000 of federal funds.

4. Follow up on the possibility of covering adults under the HealthWave Program and the fiscal impact of such coverage – FY 2002 (Senate Subcommittee). The Senate Subcommittee requested that the Department determine what the State of Kansas would need to accomplish in order to receive a waiver from the U.S. Department of health and Human Services to provide health care coverage to adults under the HealthWave program. In addition, the Department is to provide an estimate of the fiscal impact of such coverage to the Subcommittee prior to the Omnibus Session.

5. Follow up on the meeting in February between the Department and the Community Mental Health Centers regarding mental health services for foster care and adoption children – FY 2002 (Senate Subcommittee and the House Budget Committee). The Senate Subcommittee and the House Budget Committee were informed that the Department will convene a meeting with community mental health centers to discuss foster care and adoption children's mental health issues and development of partnerships to provide alternative management programs for child welfare mental health issues. The Subcommittee requests that the Department report back on results of the meeting prior to the Omnibus Session.

6. Follow up on the meeting between the Department and the Children's Alliance – FY 2002 (Senate Subcommittee). The Subcommittee requested that the agency report back the findings of the meeting between representatives of the Children's Alliance and children's emergency shelters regarding the per day rate of reimbursement. (Staff note: In SB 57 the third day or last day of stay in an emergency shelter is now funded at the current rate of \$72.30 per day per child).

7. Follow up on providing additional funding for child welfare staff and foster care recruitment – FY 2002 (Senate Subcommittee and the House Budget Committee). The Senate Subcommittee and the House Budget Committee had recommended that during the Omnibus Session the Committee review the request made by several child welfare contractors for additional funding for training of child welfare staff and foster care recruitment. The request was for \$305,000 all funds, including \$202,500 from the State General Fund.

8. Consideration of the Children's Initiatives Fund is to occur during the Omnibus Session as the Conference Committee on SB 57 deleted all Children's Initiatives Funding from the bill – FY 2002.

9. Follow up on the Departments plans for the Blind Services located at the former Topeka State Hospital grounds – FY 2001 (House Budget Committee). The House Budget Committee requested that the agency report back prior the start of the Omnibus Session on its plans to relocate part of Blind Services to either the Kirkbridge Building or the Woodward Building on the grounds of the former Topeka State Hospital. The committee was informed that the Division of Facilities Management had presented to the agency on March 8 a new proposal for the Woodward Building.

10. Follow up on the Medicaid Pharmacy Program – FY 2002 (House Budget Committee). The House Budget Committee requested that the Department analyze the

potential cost savings in changing the days supply allowed for maintenance drugs to a 60 or 90 day refill program in place of the current 34 day supply and report the findings back prior to the Omnibus Session.

11. Follow up on changing the Pre-Admission Screening and Annual Resident Review (PASARR) levels – FY 2002 (House Budget Committee). The House Budget Committee directed the agency to provide a fiscal analysis of changing the minimum PASARR levels to 30, 35, or 39 for any individuals coming into waiver services beginning July 1, 2001. The level is currently 26. The existing in service populations are to be grandfathered into the new waiver. This information is to be reported back prior to the Omnibus Session.

12. Follow up on increased funding for the Home and Community Based Services for Head Injury Waiver Program – FY 2002 (House Budget Committee). The House Budget Committee heard testimony that individuals qualified for the HCBS/HI waiver program was experiencing on average a two-year wait before services could begin due to funding. The Budget Committee recommended that if additional funding becomes available, that serious consideration of providing additional funding for this program be given during the Omnibus Session.

13. Follow up on proviso for the Sexually Aggressive Treatment Project – FY 2002 (SB 57 Conference Committee). The Conference Committee deferred the proviso which would have required the Department to carve out of foster care funding a maximum of \$1,174,988 for a Sexually Aggressive Treatment Program at Youthville for foster care children. The Program would provide intensive residential services for children between the ages of 10 and 13 who have committed a sexually aggressive act.

Highway Patrol

A. Senate Substitute for House Bill 2034 (Conference). Senate Substitute for HB 2034 would establish a mechanism for the financing of emergency telephone service. Currently, when someone calls 911 using a wireless phone, no information is available to the dispatcher about the call or the caller. In 1996, the Federal Communications Commission (FCC) issued regulations which set up a two-phase process for implementing enhanced 911 for wireless service. Phase I requires wireless service providers to relay to the appropriate Public Service Answering Points (PSAP) the telephone number of a wireless handset originating a 911 call, as well as the location of the cell tower receiving the call. The FCC requires the wireless service provider to comply with Phase I requirements within six months after a PSAP makes a request for those services. Phase II requires wireless phone companies, by October 1, 2001, to provide the caller's location, in latitude and longitude, within 400 feet. This information will provide a more exact indication of the caller's location. However, in both cases the wireless companies must provide the information only if the answering point requests it and is capable of receiving the information transmitted.

Under existing law, local governments may charge telephone subscribers up to \$0.75 per month for each phone line wired into a home or business. HB 2034 would authorize a

city or county to also impose a tax of up to \$0.75 per month per line. Additionally, the bill allows a city or county to determine the amount of tax to impose on each type of service (telephone, cable, and wireless) provided that amount does not exceed the \$0.75 per month limit. However, a tax may not be imposed on wireless connection used for remote control purposes and capable of accessing only one number (*i.e.*, monitoring of oil wells and irrigation wells). Service suppliers would collect the tax and remit the proceeds to the city or county on a quarterly basis. The service supplier could retain 2 percent of the tax proceeds to offset its administrative expenses and it may recover other costs either through tariffs or through negotiation with the city or county. The bill would also expand immunity to public agencies and service suppliers to include the release of subscriber information to any public agency. The House Committee of the Whole amended the bill to allow cities more time (60 months instead of 24 months) to collect funds to implement Phase I if the county population is less than 75,000.

The Senate Committee recommended a Senate substitute bill for HB 2034 using language from both HB 2034 and SB 298. The bill, as amended, would authorize a surcharge (up to \$.50 per month per subscriber account) on each subscriber account as defined as the ten-digit access number assigned to a customer. The wireless carriers would add the surcharge to each subscriber's telephone bill. The wireless carriers would then collect the surcharge (less 2 percent for administrative expenses) and remit the proceeds to the Administrator (appointed by the Governor) of the Enhanced Wireless 911 Fund on a monthly basis. Those cities and counties which have entered into an agreement with wireless carriers for the purpose of implementing emergency 911 services and which operate a PSAP would automatically receive 20 percent of the surcharge collected within the city or county. Likewise, wireless carriers could retain 20 percent of the surcharge which they collect to recover emergency 911 costs. The Senate Committee of the Whole amended the bill to allow the administrator to adjust, once every two years, the percentages of the surcharge which participating wireless carriers, cities, or counties automatically receive. The bill specifies that all charges for E-911 services must be identified as such on the subscriber's bill. Current law provides for a tax on wireline or exchange telephone service, but expressly prohibits the taxation of wireless (cellular) telephone service.

Further, the Senate Committee of the Whole further amended the bill and made the following changes:

- Inserted language in the liability section of the bill to hold the administrator, governing bodies, public agencies, and wireless carriers liable for the payment of damages resulting from intentional acts.
- Provided for recovery of costs of training PSAP personnel to provide effective service to system users with communications difficulties; removed the requirement that members of the Wireless Enhanced 911 Advisory Board be appointed for staggered terms.
- Exempted wireless connections used for remote control purposes and capable of accessing only one number from any access line tax.

- Specify that no additional money beyond the surcharge could be collected from a subscriber's bill for emergency 911.
- Impose a deadline of July 1, 2004 for deployment of Phase I and II of the enhanced 911 service as established by the FCC.

The bill also establishes an 11-member Wireless Enhanced 911 Advisory Board to advise the administrator. The membership of the board would include the following: one representative of local law enforcement; one representative of the Kansas Highway Patrol; one county official or county employee; one municipal official or municipal employee; two representatives from the state's wireless telecommunications industry; two managers of PSAPs; one representative of the state's local exchange telecommunications service industry; and two legislators from different political parties, appointed by the Legislative Coordinating Council. The board would be required to report to the Legislature regarding the status of implementation of the act in 2003 and 2005. The board would sunset on July 1, 2005.

The Division of the Budget estimates that a surcharge of \$0.50 per subscriber account would generate \$6,000,000 for the Wireless Enhanced 911 Fund in FY 2002. Included within that amount is \$314,884 to finance expenses incurred by the Highway Patrol for budgetary, purchasing, and management functions relating to the administrator, staff (4.0 FTE), and the enhanced wireless 911 advisory board.

B. Base Salary Increase (House Budget Committee). After receiving testimony from the agency, the House Budget Committee recommended an additional 5.0 percent increase for all sworn officers of the Highway Patrol (excluding Capital Area Security Police and Motor Carrier Inspector (MCI) I and II personnel), which brought the total recommended salary increase (for sworn personnel) to 10 percent in addition to the annualized 3.0 percent recommended for all state employees. Senate Bill 57 (which contained FY 2002 appropriations), added a 3.0 percent base salary increase for troopers positions (funded by existing resources) for the last six months of the fiscal year contingent on findings from a job rate and classification study being conducted by the Division of Personnel Services. That recommendation also excluded Capital Area Security Police officers, along with the Superintendent, Assistant Superintendent, and Motor Carrier Inspector I personnel. The House Budget Committee flagged the inclusion of Capital Area Security Officers for Omnibus consideration in the event that those individuals could be included in any additional base salary increase above the Governor's recommended 5.0 percent. Additionally, the House Budget Committee noted that \$56,560 (funded by existing resources) is necessary to fund a base salary increase of 5.0 percent.

Adjutant General

A. Utility Costs (House Budget Committee and Senate Subcommittee). During the 2001 Legislative Session, both the House Budget Committee and Senate Subcommittee were informed that due to an increase in utility costs, additional funds would be needed to finance utility expenses. The Committees were informed that the major expense associated with operating the armories and other facilities were utility costs. The agency budgeted \$1,028,251 (from the State General Fund) to finance utility expenses in FY 2001, and \$1,038,252 in FY 2002. The agency states that an additional \$261,000 (from the State General Fund) in FY 2001, and \$237,000 in FY 2002 are necessary to finance those expenses (see the table below). The House Budget Committee and Senate Subcommittee noted this item for Omnibus consideration to review the increase in utility costs incurred by the agency.

Program	Budgeted Amount FY 2001	Revised Amount FY 2001	Difference	Budgeted Amount FY 2002	Revised Amount FY 2002	Difference
Armories	\$ 700,000	\$ 907,250	\$ (207,250)	\$ 710,000	\$ 900,000	\$ (190,000)
Forbes	101,250	125,000	(23,750)	101,250	123,250	(22,000)
McConnell	225,000	255,000	(30,000)	225,000	250,000	(25,000)
TOTAL	\$ 1,026,250	\$ 1,287,250	\$ (261,000)	\$ 1,036,250	\$ 1,273,250	\$ (237,000)

* The above amounts are State General Fund expenses only.

B. Additional Funding for the Educational Assistance Program (House Committee). The agency informed the House Budget Committee that tuition assistance is an important tool in the recruitment and retention of Kansas National Guard personnel. The agency provided the Committee with data comparing Kansas with surrounding states and how the amount of tuition assistance provided directly relates to the number of enlisted personnel. The House Budget Committee added \$250,000, from the Economic Development Initiatives Fund (EDIF), to provide additional funding for the Educational Assistance Program. With the addition of the funding, this program would total \$497,218. However, the House Committee deleted that funding and deferred consideration of all EDIF funding to Omnibus.

C. Emergency Management Funding (House Budget Committee). In the *Governor's FY 2002 Budget Report*, \$4,990 from the State General Fund was eliminated from the Division of Emergency Management. The agency stated that the reduction actually amounts to \$9,980 due to the use of those funds to match federal dollars to finance Emergency Management program training. The House Budget Committee deferred this item for Omnibus consideration in the event funding was available to restore those funds.

D. Additional positions (House Budget Committee). The House Budget Committee recommended Omnibus consideration of the agency's request for the addition of \$43,272 (\$14,424 from the State General Fund) to finance 2.0 other unclassified positions in FY 2002. The agency requests 1.0 Office specialist position to serve as the work group administrator, and 1.0 facility maintenance mechanic to assist in reducing the backlog of work orders. Both positions would be stationed at Forbes Field.

E. Operating Expenses (House Budget Committee). Due to reductions incurred by the passage of 2000 Senate Bill 39, the agency experienced a decrease in its FY 2000 administrative operating expenditures. The agency requests \$1,541 (from the State General Fund) in FY 2002 to restore a percentage of the funding eliminated during FY 2000. The agency states that eliminating this funding would prove detrimental to operation of the agency. The House Budget Committee noted this item for Omnibus consideration in the event that funding was available to finance any additional expenses.

F. Debt Service Payments for the 58 statewide armories (Conference). During the 2000 Legislative Session, Senate Bill 592, which authorized the issuance of the bonds, was incorporated within House Substitute for Senate Bill 326. It authorized the issuance of 15-year bonds over a five-year period initiating in FY 2001 and ending in FY 2005. The aggregate total of the bonds was not to exceed \$22,000,000, and the Adjutant General was directed to appear before the State Finance Council before the issuance of each phase of bonds to inform the State Finance Council of any federal funding which has come available that would offset the amount of the subsequent bond issue. During Senate Subcommittee hearings, the agency informed the Committee that due to reductions incurred during FY 2001, \$195,000 (from the State General Fund) was needed to finance debt service payments associated with the 58 statewide armories. The Senate Subcommittee recommended a Governor's Budget Amendment be issued to restore those funds. Subsequently, in similar testimony to the House Budget Committee, the funding was added in FY 2002. During Conference Committee, the request was deferred for Omnibus consideration pending a Governor's Budget Amendment or in the event that funding became available to finance the request.

State Fire Marshal

A. Distribution of Funds from the Hazardous Material Emergency Fund (House Budget Committee and Senate Subcommittee). Senate Bill 57 (the 2001 regular session appropriations bill) established the Hazardous Material Emergency Fund to assist in financing hazardous material incident responses. The monies transferred into the fund from the State Fire Marshal Fee Fund would be accessible by the agency only with approval from the State Finance Council. However, during testimony, the agency did not have policies in place to govern the distribution of those funds. The House Budget Committee and the Senate Subcommittee requested that the agency provide more information on the plan at Omnibus. The agency proposes to establish response areas for chemical assessment teams and regional response teams for hazardous material emergency responses. The teams will be placed in strategic areas throughout the state, with those areas evaluated every two years by the State Fire Marshal to determine whether boundaries should be

adjusted. Team members will be certified under the Hazardous Material training program in compliance with both federal and state laws. It is the primary responsibility of a regional response team and chemical assessment teams to provide local authorities with recommendations and technical advice relating to a particular incident. Any emergency response to a particular incident must be authorized by the State Fire Marshal or the Fire Marshal's designee, in consultation with the Director of the Hazardous Material Response Program, to dispatch a response team. Upon completion of a response, teams shall submit to the State Fire Marshal an itemized claim for the reimbursement of reasonable and necessary costs incurred as part of the hazardous material response. Additionally, the State Fire Marshal shall contact the responsible party (*i.e.*, the company transporting the materials) to recover funds disbursed by the State Fire Marshal from the Hazardous Material Emergency Fund in response to an incident.

B. Authority to expend monies from the Hazardous Material Emergency Fund (House Committee). Senate Bill 57 (the 2001 regular session appropriations bill) established the Hazardous Material Emergency Fund, with a proviso that the agency could only access those funds with the approval of the State Finance Council. The House Committee considered granting the agency authority to expend funds up to \$25,000 (for each incident) without State Finance Council approval, and deferred this item for Omnibus consideration to allow more time in evaluating the agency's request.

C. Salaries and wages reduction (Senate Subcommittee). During testimony, under the Governor's revised FY 2001 recommendation to the Senate Subcommittee, the agency informed the Subcommittee that salary and wage expenses were recalculated due to technical errors and reduced by \$102,354. At the time the agency stated that the reduction would cause problems in completing the rest of the current year, and asked that expenditure authority be increased to restore those funds. The Senate Subcommittee recommended Omnibus consideration for this request. However, upon further review and subsequent testimony to the House Budget Committee, the agency feels that the reduction will not adversely affect operations for the remainder of FY 2001.

Kansas Bureau of Investigation

A. SB 263 (Conference). SB 263 extends the criminal statute of limitations for sexually violent offenses to ten years or one year from the date on which the identity of the suspect is conclusively established by DNA testing. The one-year DNA testing provision is limited as follows: for an offense committed prior to January 1, 2001, biological evidence collected in connection with the offense must be analyzed for DNA type no later than January 1, 2004; and for an offense committed on or after January 1, 2001 biological evidence collected in connection with the offense must be analyzed for DNA type no later than two years from the date of the offense.

The Senate Committee of the Whole extended coverage of DNA testing on and after July 1, 2002, to any adult convicted of, or any juvenile adjudicated for ANY felony. Subsequently the House Committee amended SB 263 and limited the expansion of DNA testing to burglary and aggravated burglary. Also, the House Committee expanded the

statute of limitations for any crime listed in KSA 21-3106 (2) (i.e., persons convicted of sodomy, lewd and lascivious behavior, incest, abuse of a child, burglary, or aggravated burglary) to the current statute of limitations or one year from the date identity is established by DNA testing. Additionally, the House Committee included provisions from HB 2075 which would allow the Kansas Bureau of Investigation (KBI) to fingerprint juveniles who commit assault. Under present law only juveniles who commit a class A or B person misdemeanor can be fingerprinted. Assault is a class C person misdemeanor. Also, the House Committee included provisions from HB 2360 allowing a person who pleads no contest to a criminal charge to receive credit for time served for sentencing purposes.

Current law requires the collection of these specimens where the person is required to register under the Kansas Offender Registration Act. The bill also establishes a procedure for a person convicted of murder or rape to petition the court for DNA testing. The court may order DNA testing upon a determination that testing may produce evidence that the petitioner was wrongfully convicted or sentenced. The costs of the tests are to be paid by the state or the petitioner as the court may order. If the DNA testing is unfavorable to the petitioner, the court shall dismiss the petition and assess the cost of testing to the petitioner who is able to pay. If the test results are favorable to the petitioner, the court shall order a hearing and enter any order that serves the interests of justice.

The Kansas Bureau of Investigation states that passage of this bill would create the additional responsibility of collecting and examining DNA samples from convicted felons. The agency states that SB 263 would be retroactive and would create a need to identify individuals who have been convicted of felonies in previous years who are currently under supervision. In order to process these additional samples, the agency would need a Laboratory Technician, at an approximate cost of \$34,000 each year. The agency indicates that \$659,000 (including \$159,000 from the State General Fund) would be necessary to finance costs associated with the collection of DNA samples. The agency also states that federal grants would be available for DNA testing through FY 2004, after which the State General Fund would have to cover all expenses if the federal grants are not reauthorized.

B. Base Salary Increase (House Budget Committee and Senate Committee). Under the Governor's FY 2002 budget recommendation, base salary increases were granted to certain public safety agencies, including the Department of Corrections, Juvenile Justice Authority, and the Kansas Highway Patrol. The Kansas Bureau of Investigation agents were not granted a base salary increase. During testimony, the agency stated that due to the inherent dangers faced by its agents, they should also be considered for an additional base salary increase. The House Budget Committee and Senate Subcommittee deferred this item for Omnibus consideration in the event that additional funding was available to finance a 5.0 percent base salary increase in FY 2002 for KBI agents (\$200,000 from the State General Fund).

C. Restore operating costs for the Investigation Division (House Budget Committee). The agency stated that during the 2000 Legislative Session, State General Fund monies were supplanted with federal funds that could not be used to finance normal operating expenses. Although, \$235,763 (State General Fund) was added to correct this problem, the agency states that federal Marijuana Eradication funds were also used for

normal agency operations, which according to federal guidelines, is an improper use of those funds. The House Committee deferred this item for Omnibus consideration (\$155,400) in FY 2002 in the event State General Fund monies are available to bring the agency in compliance with federal rules and regulations.

D. Funding for DNA analysis technology (House Budget Committee). During testimony, the agency stated that the use of DNA technology has become more prevalent, making its importance greater in the analysis of evidence. Correspondingly, costs incurred by the agency have increased (from \$400 to \$900 per case for the cost of consumables) as technology has improved. The agency stated that it uses a DNA analysis system which requires the use of patented consumables in doing DNA amplification and examinations. The agency indicates that the most expensive part of a DNA exam is the "liquid primer" which comes as part of a DNA kit containing 100 primers at \$40 each. On average, the agency performs about 15 examinations per rape case equaling \$600. The remaining \$300 is made up of disposable lab items such as other chemicals, pipettes, centrifuge tubes, quantitation kits. The agency informed the Committee that an additional \$450,000 (\$250,000 from the State General Fund) in FY 2002 is needed to finance the additional expenses. The House Budget Committee recommended Omnibus consideration of this item.

E. Reduction of backlogs within the Laboratory Division and alternatives to fund enhancements within existing resources (Senate Subcommittee). During testimony, the Senate Subcommittee noted its concerns regarding the increase in methamphetamine laboratories seized by the agency and the amount of time necessary for KBI scientists to conduct laboratory analysis on evidence submitted to the agency. During Subcommittee hearings, the KBI requested \$230,558 (\$92,223 from the State General Fund) in FY 2002 to finance 5.0 FTE laboratory scientist positions to assist in reducing the backlog of methamphetamine cases. In reviewing testimony, the Subcommittee determined that in adjudicating a case, the "weak link" in that process was the backlog of cases waiting to be analyzed by the KBI laboratories. The Subcommittee requested the agency gather further information regarding proposals to reduce the backlog of laboratory cases, and present that information during Omnibus. In subsequent testimony to the House Budget Committee, the agency informed the Committee that an additional \$666,504 was obtained in a 2 year federal grant to finance 13.0 positions (6.0 agents, 5.0 chemists, and 2.0 crime analysts), thereby reducing that amount of additional funding needed from the State General Fund to finance methamphetamine initiatives. Senate Bill 57 authorized the additional funding and classified the positions as other unclassified. The agency states that the 5.0 chemists should resolve the current backlog of case needing laboratory analysis. Additionally, the agency indicates that the additional \$293,329 authorized to finance expenses relating to renovation of the 2nd floor at the Great Bend Laboratory will provide additional laboratory and office space necessary to assist in reducing the backlog.

F. Review the expansion of DNA samples within the KBI database (Senate Committee). See Senate Bill 263.

G. Technical Adjustment. With the passage of Senate Bill 57 (the FY 2002 regular session appropriations bill), a Remodel Great Bend Laboratory Fund was established with

the expenditure limitation of \$293,329 to be utilized to renovate the 2nd floor of the Great Bend Laboratory. Due to a technical error, however, the amount in the bill is incorrect and needs to be corrected to reflect the intent of the 2001 Legislature.

Board of Emergency Medical Services

A. Establishment of a Trauma System Development Fund (House Budget Committee and Senate Committee). During testimony to both the House Budget Committee and Senate Subcommittee, the agency requested the establishment of a Trauma System Development Fund in FY 2002 with a no-limit expenditure authority. The agency stated that the account would receive money from the Kansas Trauma System Plan for system development, communications, and data collection to promote the establishment of a State Trauma Plan with the emphasis on pre-hospital emergency medical services. The House Budget Committee and Senate Committee requested the agency provide additional information during Omnibus regarding receipts deposited to the fund, and how the fund would be utilized. The agency states that money deposited to the fund would come from the "Advisory Committee on Trauma", established during the 1999 session for the purpose of establishing and implementing a statewide trauma registry process referred to as the Kansas Trauma System Plan. Funding is provided from court docket fees in the amount of \$1.00 on moving violations. The amount of funding to be transferred into the Trauma System Development Fund would be determined by the Advisory Committee, the Board of Emergency Medical Services (EMS), and the Kansas Department of Health and Environment (KDHE). The Board of EMS would serve as a "pass through" agency in distributing the money to local EMS providers. However, the agency indicates that discussions are continuing relating to the amount of funding to be transferred, and the rules and regulations pertaining to how the funds will be distributed.

B. Additional Positions (House Budget Committee). During testimony to the House Budget Committee, the agency in FY 2002 requested \$85,698 (from the State General Fund) and 2.0 FTE Staff Development Specialist positions. The request included the restoration of 1.0 FTE position (eliminated in 1993) and the addition of 1.0 FTE position to provide more technical assistance to ambulance services and attendants and to increase compliance monitoring programs in Northwest and Southwest Kansas. The House Budget Committee recommended Omnibus consideration of this item in the event additional funds are available to finance the request.

Kansas Department of Human Resources

A. Review Request for K DFA Bonds for Remodeling 427 SW Topeka (Senate Subcommittee). The Senate Subcommittee on Capital Improvements recommended Omnibus review of options for remodeling the building which holds the legal offices of the Department of Human Resources. The building is a two-story wood frame house with an attic and basement built in 1898 and purchased by Human Resources in 1979. A study recently completed estimates it will cost \$392,642 to perform necessary repairs and upgrades to the structure. The Subcommittee expressed concern about the expense and

requested the agency to develop options by Omnibus. Subsequently, the agency has decided not to pursue this project during FY 2002.

Commission on Veterans Affairs

A. Supplemental Request for \$18,000 (State General Fund) in FY 2001 (Senate Subcommittee). The Senate Subcommittee was informed the Kansas Soldiers Home will need \$18,000 in a supplemental appropriation to cover annualization of pay increases for classified employees recommended during the 2001 Session for the remainder of FY 2001, and recommended further review of this item at Omnibus.

B. Supplemental Request for \$82,000 (State General Fund) in FY 2001 (Senate Subcommittee and House Budget Committee). During review of the budget, the Senate Subcommittee and House Budget Committee were informed that the Kansas Veterans Home (Winfield) has not yet received the federal Veteran's Administration (VA) per diem reimbursement owed to the Home and recommended this item be reviewed at Omnibus. If the per diem is not received by May 2001, the Home indicated it will need additional funding to complete FY 2001. The Kansas Commission on Veterans Affairs received a letter from the Secretary of Veterans Affairs on March 23, 2001, stating the VA will provide aid retroactive to the date eligible veterans were admitted.

C. Review request for 1.0 FTE position at Central Services in FY 2001 (Senate Subcommittee). The Senate Subcommittee recommended Omnibus review of the agency's request to add 1.0 FTE position in FY 2001. The agency requested a Deputy Director position, if funds are available, at a cost of \$42,900 (SGF). The position would serve as relief/backup for the Executive Director.

D. Review Shrinkage Rates at Kansas Veterans Home and Kansas Soldiers Home (House Budget Committee). The House Budget Committee recommended Omnibus review of shrinkage rates at the Veterans Home and the Soldiers Home. The FY 2002 shrinkage rate approved in SB 57 for the Kansas Veterans Home is 40 percent, mostly due to the Veterans Home not being fully operational. The Governor did not want the Home hiring staff before they were actually needed. If the shrinkage rate at the Veterans Home was lowered to 30 percent, the cost to the State General Fund would be \$950,600. The shrinkage rate approved in SB 57 for the Kansas Soldiers Home is 10 percent, the Soldiers Home actual shrinkage rate in FY 2000 was 14.3 percent. If the shrinkage rate at the Soldiers Home was lowered to 8 percent, the cost to the State General Fund would be \$84,688.

E. Review Planning Funds Needed for State Veterans Cemeteries (House Budget Committee). The House Budget Committee recommended the issue of FY 2002 funding needed for the planning of veterans cemeteries be reviewed by the Joint Committee on State Building Construction and be considered for funding at Omnibus. The Joint Committee on State Building Construction did review the funding for planning and determined that because the planning dollars expended at Ft. Dodge will be reimbursed by the VA when construction begins that no additional SIBF dollars should be expended for this

program. The total planning dollars available to the State Veterans Cemeteries Program will be \$150,000 once the reimbursement from the VA is obtained. The appropriations bill contains language authorizing the program to use these funds.

F. Review the issue of hiring an additional Safety and Security Officer at the Kansas Soldiers Home (House Budget Committee). The Soldiers Home currently has one Safety and Security Officer who works four nights a week and one day shift per week. This position is also the Fire Safety coordinator and must check all fire alarms, extinguishers, etc., every week at the Soldiers Home. The new cemetery, which will be completed late in FY 2002 or early FY 2003, will have a storage facility with all of the heavy equipment needed for operation of the cemetery, this facility is located some distance from the Soldiers Home and they would like another Safety and Security Officer in FY 2002 to allow for night security every night, as well as additional day security. Salary and wages for this position would be \$24,445 (SGF).

Behavioral Sciences Regulatory Board

A. Review Costs Associated with the Fee Boards Accepting Credit Cards (House Budget Committee). The House Budget Committee noted that all fee boards will be incurring fees for accepting credit cards in FY 2002 as mandated by 2000 Sub. for HB 2323. The law allows agencies to charge the cost to the consumer, but two of the major credit card companies only allow this if all transactions are charged a fee, regardless of the method of payment if on-line payment is not available. The House Budget Committee recommended further review of this issue during Omnibus.

Kansas State School for the Blind

A. Review Teacher Salary Equity Adjustment for KSSB (House Budget Committee). The House Budget Committee recommended Omnibus review of the agency's request for a teacher salary equity adjustment in FY 2002. In FY 1999, the Division of Personnel Services found that KSSB's teachers salaries have been 8-15 percent lower than other teachers in the market area for a long period of time. The teachers at KSSB have a higher number of contract days they are expected to work than teachers within the surrounding school districts. The school requested \$39,755 (SGF) as an enhancement for a 2.5 percent salary adjustment (including benefits) in FY 2002. In FY 1999, the school received \$60,614 (SGF) for a 3.0 percent increase. No salary equity increases were recommended in FY 2000 or FY 2001. According to the school, the lower salary makes it difficult to recruit teachers for KSSB.

Kansas State School for the Deaf

A. Review Teacher Salary Equity Adjustment for KSSD (House Budget Committee). The House Budget Committee recommended Omnibus review of the agency's request for a teacher salary-equity adjustment in FY 2002. In FY 1999, the Division of Personnel Services found that KSSD's teachers salaries have been 8-15 percent lower than other teachers in the market area for a long period of time. The teachers at KSSD have a higher number of contract days they are expected to work than teachers within the surrounding school districts. The school requested \$90,018 (SGF) as an enhancement for a 2.0 percent salary adjustment (including benefits) in FY 2002. In FY 1999, the school received \$122,911 (State General Fund) for a 3.0 percent increase. No salary equity increases were recommended in FY 2000 or FY 2001. According to the school, there has been discussion on unionizing if the salary disparity is not corrected.

B. Review Shrinkage Rate at KSSD (House Budget Committee). The House Budget Committee recommended Omnibus review of the FY 2002 shrinkage rate at the school. During the 2000 Legislative Session, both the School for the Deaf and the School for the Blind requested a reduction in their shrinkage rates. According to the School for the Deaf, it was the intention of the Legislature to reduce both, but due to a staff oversight, only the School for the Blind actually received a reduction to their shrinkage rate. The School for the Blind's shrinkage rate for FY 2002, as recommended by the Governor, will be 3.97 percent, the School for the Deaf's shrinkage rate will be 5.10 percent. The cost to reduce the School for the Deaf's shrinkage rate to 4.0 percent would be approximately \$78,182 (State General Fund).

Board of Pharmacy

A. Review House Committee Recommendation to suspend Intern Registration fee (Special Revenue Funds) (House Budget Committee). The House Budget Committee recommended suspending the \$25 Intern Registration fee for FY 2002 and FY 2003. The Board registers approximately 150 interns yearly and the registration is good for five years. Suspending this fee will reduce the Board's revenue by approximately \$3,750 per year. This item should have been considered in Conference Committee but due to staff oversight was left out of the report.

Mental Health and Developmental Disability Institutions

A. Direct Staff Salary Increase (House Budget Committee). The House Budget Committee recommended review of this item for both FY 2001 and FY 2002. For FY 2002, the hospitals include an enhancement request for direct staff salary increases. For FY 2001, the increase would cost \$325,000 from the State General Fund, and in FY 2002, the increase would cost \$1,763,950 from the State General Fund. The request includes employees in Mental Health Aide, Mental Health Trainee and Licensed Mental Health Technician I and II positions at Larned State Hospital, Osawatomie State Hospital, and Rainbow Mental Health Facility. At Kansas Neurological Institute and Parsons State Hospital

and Training Center, it includes employees in Mental Retardation Trainee and Mental Retardation Technician I and II positions. The enhancement provides for the movement of Mental Health Trainees from Pay Grade 10 to 16 and Mental Health Aides and Licensed Mental Health Technicians I and II from respective Pay Grades 12, 16, and 17 to Pay Grade 18. It also provides for the movement of Mental Retardation Trainees at Kansas Neurological Institute from Pay Grade 10 to 18 and Mental Retardation Trainees at Parsons State Hospital and Training Center from Pay Grade 10 to 14. Licensed Mental Retardation Technicians I and II would be moved from respective Pay Grades 16 and 17 to Pay Grade 18. The following table shows the hourly wage increase for each of these positions at step 4.

Position	Current Hourly Wage	Hourly Wage with Enhancement	Difference
Mental Health Trainee	\$ 7.48	\$ 10.05	\$ 2.57
Mental Retardation Trainee (PSH&TC)	7.48	9.11	1.63
Mental Retardation Trainee (KNI)	7.48	11.07	3.59
Mental Health Aid	8.26	11.07	2.81
Licensed Mental Health Technician I	10.05	11.07	1.02
Licensed Mental Health Technician II	10.55	11.07	0.52
Licensed Mental Retardation Technician I	10.05	11.07	1.02
Licensed Mental Retardation Technician II	10.55	11.07	0.52

The enhancement is requested to assist in recruitment efforts for these positions, as well as to reduce turnover and increase the quality of candidates. Employees in similar entry level positions at the correctional facilities are paid \$3.07 more per hour compared to hospital direct care staff. With the implementation of the Governor's employee pay plan, the difference in pay between corrections staff and hospital staff will be \$3.38 per hour. The enhancement is requested in the psychiatric services programs at Osawatomie State Hospital and Rainbow Mental Health Facility and in the special security program at Larned State Hospital. At Kansas Neurological Institute and Parsons State Hospital and Training Center, the enhancement primarily affects employees in the habilitation and treatment programs.

B. Psychotropic Medication Expenditures (Senate Subcommittee). The Senate Subcommittee recommended review of this enhancement request at Omnibus. A FY 2002 enhancement of \$247,472 from the State General Fund is requested for psychotropic medication expenditures. This includes a request of \$158,879 at Larned State Hospital and \$88,593 at Osawatomie State Hospital. The cost of these drugs are rising by 12 to 15 percent per year. The use of anti-psychotic medications has become best practice in recent years, and these medications help reduce an individual's stay in a hospital. They also aid in the success rate of placing individuals in the community.

C. Utility Expenditures (House Budget Committee). The House Budget Committee recommended review of utility expenditures during Omnibus. According to the Department of Social and Rehabilitation Services, the hospitals have been attempting to find

additional resources to fund the increases in utility rates, primarily through savings in salary and wage expenditures. SRS reports that Kansas Neurological Institute, Parsons State Hospital and Training Center, and Rainbow Mental Health Facility have sufficient funds to cover the increases. Osawatome State Hospital and Larned State Hospital have been unable to find funding to cover the entire increase. Osawatome State Hospital is currently projecting an expenditure of \$137,000 in FY 2001 and \$122,000 in FY 2002 over the current approved budgets. Larned State Hospital is currently projecting an expenditure of \$150,000 in FY 2001 and \$295,000 in FY 2002 over the current approved budgets. SRS is working closely with the institutions to address this concern and is considering the request of a Governor's Budget Amendment to address the situation.

D. Teacher Salary Increase. The Governor's recommendation and the Legislative approved budget for FY 2002 includes teacher salary increases within the education contracts. The education contracts in the FY 2002 budgets show teacher salary increases or decreases at the following percentages: a 5.5 percent increase at Kansas Neurological Institute, a 5.5 percent increase at Parsons State Hospital and Training Center, and a 0.7 percent decrease at Larned State Hospital. Rainbow Mental Health Facility also has an education contract, but due to the nature of the contract, an adjustment is not necessary. The following table illustrates the adjustment necessary to provide uniform salary increases across the institutions.

Percent Increase	Kansas Neurological Institute	Parsons State Hospital and Training Center	Larned State Hospital	Total
0.5%	\$ (11,084)	\$ (9,246)	\$ 18,906	\$ (1,424)
1.0%	(9,984)	(8,316)	26,801	8,502
1.5%	(8,884)	(7,385)	34,696	18,427
2.0%	(7,784)	(6,455)	42,591	28,353
2.5%	(6,684)	(5,524)	50,487	38,279
3.0%	(5,584)	(4,593)	58,382	48,205
3.5%	(4,484)	(3,663)	66,277	58,130
4.0%	(3,384)	(2,732)	74,172	68,056
4.5%	(2,284)	(1,802)	82,067	77,982
5.0%	(1,184)	(871)	89,962	87,908
5.5%	(84)	60	97,857	97,833
6.0%	1,016	990	105,752	107,759
6.5%	2,116	1,921	113,647	117,759
7.0%	3,216	2,851	121,543	127,611

E. Categorical Aid. For FY 2001, the budgeted school contracts for the institutions include categorical aid based on a rate of \$19,815 for Kansas Neurological Institute, \$19,700 for Parsons State Hospital and Training Center, and \$20,000 for Larned State Hospital. Due to the nature of the contract, an adjustment at Rainbow Mental Health Facility is not necessary. The current FY 2001 categorical aid rate per eligible teaching unit is estimated to be \$20,300. If this rate is maintained, the school contracts for FY 2001 at the institutions would need adjustments. The table below identifies the State General Fund adjustments required.

Institution	FY 2001 Change
Kansas Neurological Institute	\$ 1,600
Parsons State Hospital and Training Center	1,505
Larned State Hospital	2,853
TOTAL	<u>\$ 5,959</u>

For FY 2002, the categorical aid rate was budgeted at \$19,700 for Kansas Neurological Institute, \$19,000 for Parsons State Hospital and Training Center, and \$20,000 for Larned State Hospital. Due to the nature of the contract, an adjustment at Rainbow Mental Health Facility is not necessary. The current FY 2002 categorical aid rate is estimated to be \$19,900. The table below identifies the State General Fund adjustments required.

Institution	FY 2002 Change
Kansas Neurological Institute	\$ 660
Parsons State Hospital and Training Center	2,257
Larned State Hospital	(951)
TOTAL	<u>\$ 1,966</u>

State Library

A. Community Access Network Catalog – Children’s Initiatives Fund (SB 57 Conference Committee). The House recommended funding of \$70,000 in FY 2002 from the Children’s Initiatives Fund for the Community Access Network. The Community Access Network is a web-accessible information resource that highlights state and local community services for children and families. The Conference Committee deleted this funding reflecting the decision to defer consideration of items funded from the Children’s Initiatives Fund until Omnibus.

Kansas Guardianship Program

A. Recruiter/Facilitator Positions (House Budget Committee). The House Budget Committee recommended reviewing the agency’s enhancement request at Omnibus. The agency requests two new FTE for recruiter/facilitator positions. The two positions would recruit, train, and provide support to new volunteers. The FY 2002 enhancement totals \$90,097 from the State General Fund including \$63,897 for salaries and wages and \$26,200 for related operating expenditures (travel, office equipment).

Department of Administration

A. Report on Plan to Upgrade or Replace Executive Aircraft (House Budget Committee). The House Budget Committee requested the Department of Administration report during Omnibus on a plan to either upgrade or replace the current executive aircraft. The plane, a 1985 twin-engine Beechcraft King Air 300, was purchased following authorization by the 1986 Legislature. Purchase of the plane was financed over a ten-year period, using a certificate of participation. The total cost of the plane, including interest over the ten-year period, was just under \$2.5 million. The executive aircraft debt was paid off in FY 1995. The aircraft engines are overhauled every 3,600 hours, with both engines scheduled for overhaul in FY 2003 at a total cost of \$600,000. The Budget Committee was informed that the Department had held many internal discussions about the executive aircraft, but, largely due to budget constraints, did not put forth a plan for upgrade of the existing plane or acquisition of a replacement aircraft.

B. Report on Hours of Operation of the Central Motor Pool Dispatch Office (House Appropriations Committee). The House Budget Committee reviewing the Department of Administration budget was informed that some state employees had expressed concern about the hours of operation of the motor pool dispatch office. The Budget Committee noted that the office is open between the hours of 7:30 a.m. and 4:30 p.m. and most state employees, to obtain a state vehicle, must take time out of their regular work days to make the arrangements. The Budget Committee recommended that the agency consider lengthening the hours of operation of the dispatch office to allow employees to make arrangements and pick up their vehicles outside of the regular work day. The full Committee amended the recommendation to request the Department report on a plan to provide longer hours of operation of the office at Omnibus.

C. Funding for Performance Review Board. For FY 2002, the Governor recommended the elimination of \$281,000 from the State General Fund and 3.0 FTE positions for the Performance Review Board. The Legislature concurred with the Governor's recommendation. SB 180, which was introduced to statutorily eliminate the Board, passed the Senate, but the House substituted another bill into SB 180. As a result, it appears that the Board will continue to exist in statute.

State Treasurer

A. Sen. Sub. for HB 2017 (Conference). Senate Substitute for HB 2017 creates the Kansas Postsecondary Education Savings Expense Fund to receive reimbursements from the manager of Kansas Postsecondary Education Savings Program for the State Treasurer's administrative expenses for the Learning Quest program. The approved FY 2002 budget for the State Treasurer includes \$237,500 from the program manager for administrative expenses.

B. HB 2103 (Conference). HB 2103 increases the amount the Pooled Money Investment Board (PMIB) can invest in agricultural loans under the Kansas Agricultural Production Loan Deposit Program. The House version of the bill increases the amount from

\$50 million to \$100 million, while the Senate version of the bill increases the amount to \$55.0 million. The bill also increases the amount of state monies the PMIB can invest in legislatively mandated loans to 13.0 percent of state monies or \$120.0 million, whichever is less. Under current law, such loans are limited to the lesser of 13.0 percent of state monies or \$80.0 million. The fiscal note submitted on the bill as introduced indicated that the State Treasurer required \$65,000 from the State General Fund and 1.0 FTE position in FY 2002 to implement the bill.

C. Demand Transfers (Senate Committee). The Senate Committee recommended that funding for the Local Ad Valorem Tax Reduction Fund (LAVTRF) and the County and City Revenue Sharing Fund (CCRSF) be reviewed at Omnibus. The approved FY 2002 budget concurred with the Governor's recommendation that the two transfers be allowed to return to the level of funding provided in FY 2000, or \$94.8 million, an increase of \$6.2 million (7.0 percent) from the current year. To allow the two transfers to return to the statutory level would require an additional \$14.0 million.

D. Technical Adjustment. In authorizing projects of statewide as well local importance, the 1998 Legislature created the Redevelopment Bond Fund to receive revenues to finance debt service on bonds issued for the project (KSA 2000 Supp. 74-8927). The fund, however, has never been included in an appropriation bill. A recent Attorney General's opinion (2001-12) opined that the fund cannot be utilized absent this appropriation. The Kansas Development Finance Authority requests that the fund be appropriated in the State Treasurer's budget with no limit on FY 2001 or FY 2002 expenditures.

Board of Regents

A. SB 11 (Law). SB 11 transfers the administration of federal Carl Perkins vocational and technical education funds from the State Board of Education to the State Board of Regents, effective July 1, 2004. Prior to that date, under the terms of a memorandum of understanding between the two agencies, the Board of Regents will be responsible for administration of the postsecondary education aspects of the program. To effectuate the memorandum of understanding requires the transfer of 11.0 FTE positions from the State Board of Education to the State Board of Regents in FY 2002. The State Board of Regents also reports the need to create three new special revenue funds to process payments to vocational-technical schools. Program expenditures would still be recorded within the State Board of Education.

B. Sen. Sub. for HB 2035 (Governor). Senate Substitute for HB 2035 establishes a broadband technology-based network called Kan-Ed for schools, libraries and hospitals. The bill gives the State Board of Regents the responsibility to contract for the creation, operation, and maintenance of the Kan-Ed Network. The approved FY 2002 budget for the State Department of Education includes \$345,000 from the State General Fund for developing a specific plan of action to implement an education technology network. This funding should be shifted to the State Board of Regents due to the shift in responsibility for program administration.

C. Economic Development Initiatives Fund (SB 57 Conference Committee). The Conference Committee on SB 57 agreed to defer consideration of funding for all programs financed by the Economic Development Initiatives Fund until Omnibus. The Governor's FY 2002 recommendation for the Board of Regents includes \$10.0 million from the EDIF for Postsecondary Vocational Education Aid (\$6.9 million), Vocational Education Capital Outlay Aid (\$2.7 million), student financial aid (\$250,000) and technology innovation aid (\$166,855).

D. Comprehensive Grant Program (House Budget Committee). The House Budget Committee recommended that funding for the Comprehensive Grant Program be considered in Omnibus. The approved FY 2002 budget for the program totals \$10.8 million from the State General Fund, an increase of \$323,234 from the current year State General Fund appropriation but \$1.5 million below the amount of State General Fund financing requested by the agency.

E. Municipal University Operating Grant (House Budget Committee). The House Budget Committee report notes that the FY 2002 Municipal University Operating Grant is underfunded by \$260,529 because it relies on FY 2000 enrollment data instead of FY 1999 and recommends that the issue be further explored in Omnibus.

F. Adult Basic Education Funding (Senate Committee). The Senate Committee recommended that the issue of funding for Adult Basic Education be reviewed at Omnibus. According to representatives of the State Board of Regents, the current estimate of available federal funding for adult basic education in FY 2002 is \$3,714,809. This is an increase of \$341,951 from the estimate included in the budget submitted for the Governor's consideration. Representatives of the State Board of Regents report that an additional \$126,000 in state funding is required beyond the amount included in the approved FY 2002 budget recommendation in order to fully utilize the available federal funding.

University of Kansas

A. Regents Systemwide Issues (House and Senate Committee). Both Committees noted the Regents institutions have numerous budgetary challenges due to recommended and approved funding for FY 2002. Both Committees recommended additional funding be considered at Omnibus to address budgetary reductions to meet the current service allocations of the Division of the Budget: \$1,551,129 in current services reductions; \$3.0 million systemwide for increased utilities costs; \$1,268,168 SGF for restoration of the state/tuition (2 for 1) equipment program; \$321,807 for new building support; \$634,084 for library enhancements; and funding for the elimination of the first three steps of the state pay plan.

University of Kansas Medical Center

A. Regents Systemwide Issues (House and Senate Committee). Both Committees noted the Regents institutions have numerous budgetary challenges due to recommended and approved funding for FY 2002. Both Committees recommended additional funding be considered at Omnibus to address budgetary reductions to meet the current service allocations of the Division of the Budget: \$817,246 in current services reductions; \$3.0 million systemwide for increased utilities costs; \$106,616 SGF for restoration of the state/tuition (2 for 1) equipment program; \$53,308 for library enhancements; and funding for the elimination of the first three steps of the state pay plan.

B. Children's Initiatives Fund Financing (SB 57 Conference Committee). The Conference Committee on SB 57 agreed to defer consideration of funding for all programs financed by the Children's Initiatives Fund until Omnibus. The Governor's FY 2002 recommendation for the University includes \$250,000 from the Children's Initiatives Fund to continue the Tele-Kid Health Care Link initiative.

Kansas State University

A. Regents Systemwide Issues (House and Senate Committee). Both Committees noted the Regents institutions have numerous budgetary challenges due to recommended and approved funding for FY 2002. Both Committees recommended additional funding be considered at Omnibus to address budgetary reductions to meet the current service allocations of the Division of the Budget: \$1,560,032 in current services reductions; \$3.0 million systemwide for increased utilities costs; \$1,022,084 SGF for restoration of the state/tuition (2 for 1) equipment program; \$172,480 for new building support; \$511,042 for library enhancements; and funding for the elimination of the first three steps of the state pay plan.

Kansas State University Veterinary Medical Center

A. Regents Systemwide Issues (House and Senate Committee). Both Committees noted the Regents institutions have numerous budgetary challenges due to recommended and approved funding for FY 2002. Both Committees recommended additional funding be considered at Omnibus to address budgetary reductions to meet the current service allocations of the Division of the Budget: \$110,403 in current services reductions; \$3.0 million systemwide for increased utilities costs; \$24,750 SGF for restoration of the state/tuition (2 for 1) equipment program; \$15,800 for library enhancements; and funding for the elimination of the first three steps of the state pay plan.

Kansas State University Extension Systems and Agriculture Research Programs

A. Regents Systemwide Issues (House and Senate Committee). Both Committees noted the Regents institutions have numerous budgetary challenges due to recommended and approved funding for FY 2002. Both Committees recommended additional funding be considered at Omnibus to address budgetary reductions to meet the current service allocations of the Division of the Budget: \$355,559 in current services reductions; \$3.0 million systemwide for increased utilities costs; and funding for the elimination of the first three steps of the state pay plan.

B. Farm Analyst Program. (House Budget Committee). The House Budget Committee recommended consideration of the addition of \$69,372 from the State General Fund and 1.0 FTE position to ESARP's budget in FY 2002 for the expansion of the Farm Analyst Program. The addition would expand the state's efforts in providing technical assistance to farm families seeking to maintain viable farm operations in light of changing federal farm policy and structural changes within the agricultural sector.

C. Eastern Kansas Horticultural Research Center (Senate Subcommittee on Capital Improvements). The approved budget includes \$1.0 million in both FY 2001 and FY 2002 from private gifts and donations for development of the Eastern Kansas Horticultural Research Center located at the former Sunflower Army Ammunition Plant. The Senate Subcommittee on Capital Improvements noted that no donations for the project have been received due to difficulties with the transfer of title to the property and recommended that the project's status be further reviewed at Omnibus. University officials report no change in the status of the project.

Wichita State University

A. Regents Systemwide Issues (House and Senate Committee). Both Committees noted the Regents institutions have numerous budgetary challenges due to recommended and approved funding for FY 2002. Both Committees recommended additional funding be considered at Omnibus to address budgetary reductions to meet the current service allocations of the Division of the Budget: \$562,186 in current services reductions; \$3.0 million systemwide for increased utilities costs; \$592,574 SGF for restoration of the state/tuition (2 for 1) equipment program; \$296,287 for library enhancements; and funding for the elimination of the first three steps of the state pay plan.

Emporia State University

A. Regents Systemwide Issues (House and Senate Committee). Both Committees noted the Regents institutions have numerous budgetary challenges due to the recommended and approved funding for FY 2002. Both Committees recommended additional funding be considered at Omnibus to address budgetary reductions to meet the

current services allocations of the Division of the Budget: \$240,309 in current services reductions; \$3.0 million systemwide for increased utilities costs; \$272,000 SGF for restoration of the state/tuition (2 for 1) equipment program; \$102,373 for new building support; \$136,015 for library enhancements; and funding for the elimination of the first three steps of the state pay plan.

B. Possible Funding for Future Teacher Academy and National Board Certification Program (Senate Committee). The Committee had requested a review of potential funding in FY 2002 of \$175,000 SGF and possible placement of the funding for the programs under the Board of Regents. **Staff Note:** Senate Bill 57 included \$155,000 SGF for both programs as grants through the Department of Education.

C. Technical Adjustment. Regents Regional University Operating Grant Proviso. (House Committee). A proviso recommended by the House was inadvertently omitted from SB 57. The proviso concerns operating grants for the universities and would for five years hold the regional universities harmless by the State General Fund for losses of tuition revenue due to enrollment changes. The regional universities could request State General Fund supplemental appropriations to increase their block grants to offset tuition shortfalls.

Fort Hays State University

A. Regents Systemwide Issues (House and Senate Committee). Both Committees noted the Regents institutions have numerous budgetary challenges due to the recommended and approved funding for FY 2002. Both Committees recommended additional funding be considered at Omnibus to address budgetary reductions to meet the current services allocations of the Division of the Budget: \$347,491 in current services reductions; \$3.0 million systemwide for increased utilities costs; \$266,000 SGF for restoration of the state/tuition (2 for 1) equipment program; \$134,000 for library enhancements; and funding for the elimination of the first three steps of the state pay plan.

B. Technical Adjustment. Regents Regional University Operating Grant Proviso. (House Committee). A proviso recommended by the House was inadvertently omitted from SB 57. The proviso concerns operating grants for the universities and would for five years hold the regional universities harmless by the State General Fund for losses of tuition revenue due to enrollment changes. The regional universities could request State General Fund supplemental appropriations to increase their block grants to offset tuition shortfalls.

Pittsburg State University

A. Regents Systemwide Issues (House and Senate Committee). Both Committees noted the Regents institutions have numerous budgetary challenges due to the recommended and approved funding for FY 2002. Both Committees recommended additional funding be considered at Omnibus to address budgetary reductions to meet the

current services allocations of the Division of the Budget: \$451,316 in current services reductions; \$3.0 million systemwide for increased utilities costs; \$320,000 SGF for restoration of the state/tuition (2 for 1) equipment program; \$158,583 for new building support; \$160,000 for library enhancements; and funding for the elimination of the first three steps of the state pay plan.

B. Armory Building Project (Capital Improvement) (Senate Subcommittee).

The Subcommittee recommends a review of an agency request for \$545,000 (\$410,000 SGF) to access \$135,000 in federal funds for a multipurpose facility to house the Kansas National Guard Unit as well as the PSU departments of health, physical education, recreation, and military sciences. The three-year project would total \$9.0 million (\$4.4 million SGF for 49.0 percent; \$2.2 million federal funds for 24.0 percent; and \$2.4 million or 27.0 percent other funds). The Governor did not recommend the project.

C. Technical Adjustment. Regents Regional University Operating Grant Proviso. (House Committee). A proviso recommended by the House was inadvertently omitted from SB 57. The proviso concerns operating grants for the universities and would for five years hold the regional universities harmless by the State General Fund for losses of tuition revenue due to enrollment changes. The regional universities could request State General Fund supplemental appropriations to increase their block grants to offset tuition shortfalls.

Department of Corrections and Correctional Facilities

A. Substance Abuse Treatment Program (SB 57 Conference Committee). The Conference Committee deferred the following proviso to Omnibus review. Specifically, the proviso for FY 2001 and FY 2002 originating from the House, would prohibit Mirror, Inc., the contracted substance abuse treatment provider with the Department of Corrections, from providing treatment to offender on postrelease supervision or parole who were convicted for a sexual offense or a patient in the Sexually Violent Predator program. The prohibition is limited to one location in Wichita.

B. Correctional Officer Compensation (House Appropriations Committee). The House Appropriations Committee noted the Governor's budget recommendation includes \$1.4 million State General Fund for uniformed correctional officer salaries in addition to the 3.0 percent annualized classified salary adjustment. The salary enhancements are very helpful, but the Committee believes they are insufficient to address the need to recruit and retain employees who can receive higher pay in other public sector and private sector public safety jobs. The Department of Corrections requested a 5.0 percent pay increase for \$3.4 million (SB 57 includes \$1.5 million for a 2.5 percent increase) and a 6.0 percent bonus for \$3.6 million, as well as the transfer of all Corrections-KPERS members to Kansas Police and Fire Retirement for \$1.2 million. The Governor recommend the 2.5 percent enhancement in FY 2002.

C. Lansing Age-Eligibility Pilot Project (House Committee). The Committee requested the Department of Corrections report to the Committee before Omnibus on the

pilot project at Lansing reducing the age eligibility for hiring from 21 to 19. The Committee wanted an evaluation of the program and the Department's assessment of its viability.

D. Post Audit Report Regarding Overtime Expenditures (House Committee).

The Committee requested a 100 hour Legislative Post Audit of overtime expenditures at Lansing for correctional officers. The Committee noted high overtime expenditures and the audit will analyze the potential benefits of continued overtime expenditures versus increased salaries to retain a higher number of employees. The Committee wanted to know if expenditures for overtime might be better spent on enhanced pay, thus reducing the need for overtime. The audit is available as LPA 01-18.

E. Salary Comparison Study (House Committee). The Committee requested a report from the Department of Corrections before Omnibus analyzing the comparative salaries and benefits of Lansing's public safety employee competitors, including local units of government, federal prisons, and private prisons. As well, the agency should address whether they are prepared to hire employees above the entry level grid on the Kansas Civil Service pay scale.

F. SB 67 (Conference Committee). SB 67 is the Omnibus drivers license bill, including suspension and restoration of licenses for DUI, increased fines, ignition interlock devices, increased fees for the Department of Revenue, and for this section, increased imprisonment for DUI convictions. The sentencing provision of SB 67 were in SB 215, and amended into SB 67 in the House. Prison impact projections report a potential prison bed increase of 15-114 beds per year, up to 156 per year in FY 2011. The Department of Corrections cost impact, including required intensive drug treatment, would range between \$136,500 and \$1,037,400 per year. Thirty additional residential transitional bed costs are estimated at \$237,000 per year.

State Department of Education

A. Revised School Finance Estimates. Staff from the State Department of Education, the Legislative Research Department, and the Division of the Budget met April 9, 2001, to review estimates for school finance which had been made in November of 2000. Estimates traditionally are revised in April when spring enrollment data and more recent information about school district local resources are available.

Compared to estimates made in November, local resources increased by \$2.2 million in FY 2001 and by \$1.7 million in FY 2002. State aid increases due to enrollment growth **under current law** are estimated to be \$4.8 million in FY 2001 and \$1.9 million in FY 2002. **These changes result in net increases in state aid required to fund school finance of \$2,548,000 in FY 2001 and \$233,000 in FY 2002, as shown in the table below.** Also shown is the additional amount of \$259,000 which would be needed to fund the Governor's original recommendations in FY 2002.

Additional Funding Needed

(Amounts in Thousands)

	FY 2001	FY 2002		Two-Year Total	
		Gov. Original Rec.	FY 2002 Current Law	Gov. Original Rec.	Current Law
General State Aid	\$ 2,548	\$ 178	\$ 153	\$ 2,726	\$ 2,701
Supplemental General State Aid	0	81	80	81	80
TOTAL	\$ 2,548	\$ 259	\$ 233	\$ 2,807	\$ 2,781

Funding for school finance contained in SB 57 would fund the Governor's original proposal prior to the revised estimate, with the exception that \$2.0 million from the Children's Initiatives Fund for four-year-old at-risk children has been deleted and special education is not part of general state aid. If the decision were made to fund school finance in FY 2002 under current law, expenditures reflected in SB 57 would have to be **increased by \$2,598,000 in FY 2001** and **reduced by \$34,693,000 in FY 2002**, for a net reduction of \$32,095,000 for FY 2001 and FY 2002 combined. (This adjustment assumes that the \$2.0 million for the at-risk four-year-old program is restored.)

B. Revised Estimates for KPERS-School. On April 12, 2001, revisions were made to estimated expenditures for KPERS-School for FY 2001 that result in the identification of savings of \$280,384. Pursuant to a proviso to the KPERS-School appropriation in SB 57, the savings will be reappropriated to FY 2002 to reduce the FY 2002 appropriation. In addition, \$443,104 from the FY 2001 appropriation has been transferred to KPERS which will not be needed, resulting in a "credit" that will be applied to the FY 2002 entitlement.

Revised estimated expenditures for FY 2002 are \$106,671,456, an increase of \$1,516,895 over the appropriation contained in SB 57. This estimate assumes an increase in covered payroll of 3 percent. (The estimated increase in the current year is 3.8 percent.) Taking into consideration the \$443,104 credit and the \$280,384 reappropriation, the additional amount needed to fund KPERS-School in FY 2002 is \$793,407, all from the State General Fund.

C. Programs Funded from the Children's Initiatives Fund (Deferred to Omnibus) (SB 57 Conference Committee). The Conference Committee on SB 57 recommended that funding for programs from the Children's Initiatives Fund be considered in the Omnibus Bill. The Governor's recommendation totaled \$6,875,000 for six programs.

D. Transfer Infant and Toddler Program to State Department of Education (House Budget Committee). The House Budget Committee recommends that the Infant and Toddler Program be moved from the State Department of Health and Environment to the State Board of Education. The State Department estimates that it would need to add

2.5 FTE new positions for FY 2002 at a total cost of \$128,950 for salaries and associated operating expenses: 1.0 FTE Program Coordinator to oversee the program, monitor contracts, work with the 37 networks statewide, and provide technical assistance; 1.0 FTE Secretary to provide clerical support, and 0.5 FTE Program Consultant to provide technical assistance to networks and coordinating councils. SB 57 includes an appropriation of \$1,992,000 from the State General Fund for the program. There also is \$4,335,767 in federal funding under the Individuals with Disabilities Education Act, which includes funds for agency operating expenses.

Judicial Branch

A. Additional Funding for Salaries and Other Operating Expenditures (House Budget Committee). The House Budget Committee that considered the Judicial Branch's budget recommends that additional funding for operating expenditures be aggressively pursued for FY 2001 and FY 2002. According to the Judicial Branch, \$300,000 from the State General Fund in FY 2001 for salaries for nonjudicial personnel and \$1,212,197 from the State General Fund in FY 2002 to reduce turnover for judges from 4.25 percent to 1.0 percent (\$887,373) and for other operating expenditures (\$324,824) are the minimum necessary to avert an extension of the existing six-week hiring freeze and a possible layoff of personnel.

B. Remove Restrictions on Judicial Branch Nonjudicial Salary Initiative Fund (House Budget Committee). The House Budget Committee that considered the Judicial Branch's budget recommends that an effort be made in the Omnibus Bill to address constraints imposed on Judicial Branch salary expenditures by KSA 2000 Supp. 20-1a14. That legislation, enacted by the 2000 Legislature, created the Judicial Branch Nonjudicial Salary Initiative Fund and provides that money in the Fund generated by docket fees can be used only for the maintenance of the one-time salary upgrade approved for nonjudicial employees in FY 2001 and not for routine expenditures for salaries. There would be a balance of \$89,895 remaining in the Fund at the end of FY 2002 that could be used to reduce shrinkage, were it not for the constraints imposed by the statute. (This amount has been revised downward from \$411,417 since the budget was reviewed during the Session due to caseload declines.)

C. Judicial Branch Enhancements (House Budget Committee). The House Budget Committee that considered the Judicial Branch's budget recommends that, if additional resources become available, items requested by the Judicial Branch as enhancements be considered for funding. The items total \$3,810,070 for FY 2002, of which \$3,719,472 is from the State General Fund, and are listed below in the Judicial Branch's order of priority:

- \$120,235 from the State General Fund for 2.0 FTE new district magistrate judges. One is requested for the 8th Judicial District (Dickinson, Geary, Marion, and Morris counties), which currently has five district judges and two district magistrate judges. The second position is requested for the 9th Judicial District (Harvey and McPherson counties) which

currently has three district judges and no district magistrate judges. In both cases, the reasons cited for the request are already heavy and growing caseloads.

- \$127,358 from the State General Fund for 2.0 FTE Research Attorneys for the Supreme Court (for a total of 13 Research Attorneys.) The Judicial Branch cites several reasons for the need for the new positions, including an increase in the number of cases appealed to the Supreme Court from the Court of Appeals, but the main reason is the additional workload resulting from capital cases. The Supreme Court has been involved in its first death penalty appeal and there are three more appeals pending.
- \$1,063,000 from the State General Fund for 35.8 FTE nonjudicial personnel, of which the top priority is \$417,004 for 14.0 FTE Court Services Officers I. In addition to the Court Services Officers, the positions consist of 13.3 FTE Trial Court Clerks II, 3.5 FTE Secretaries I, 2.0 FTE Records Clerks II, 2.0 FTE Transcriptionist, and 1.0 Clerk Typist.
- \$373,790 from the State General Fund is requested for an additional judge for the Court of Appeals (for a total of 11 judges). The additional judge was recommended by the Kansas Citizens Justice Initiative. The request is prompted by the heavy caseload for each judge (currently 184 new cases per year), which grows approximately 3 percent each year. The Court of Appeals often sits in panels of three judges that travel extensively around the state to hear oral arguments. In addition to the judge, the Judicial Branch is requesting 2.0 FTE supporting positions and proposes to renovate a portion of the Judicial Center that was vacated by the Office of the Attorney General to serve as offices for the new judge and staff. The total request consists of \$138,050 for the salary and fringe benefits of an Appellate Court Judge, \$36,309 for the salary and fringe benefits of 1.0 FTE Judicial Executive Assistant, \$50,861 for the salary and fringe benefits of 1.0 FTE Research Attorney, \$34,170 for operating costs associated with the new positions, and \$114,400 to renovate space for one judicial suite.
- \$4,413 from the State General Fund for per diem compensation and other operating costs of the Judicial Nominating Commission for activities associated with appointing a new Appellate Court Judge. (The Nominating Commission would be required to meet and select three names to submit to the Governor to fill the newly-created position.)
- \$2,121,274, of which \$2,030,676 would be from the State General Fund, is requested for a 4.0 percent inflationary salary adjustment for nonjudicial employees. The increase is tied to the Employment Cost Index reported by the United States Bureau of Labor Statistics, which increased 4.0 percent in FY 2000. (The Consumer Price Index All Urban Consumers (CPI-U) is the index generally used for state revenue and expenditure profiles prepared by the Legislative Research Department and the Division of the Budget. The CPI-U increased by 2.9 percent in FY 2000 and is estimated to increase by 3.1 percent in FY 2001 and by 2.6 percent in FY 2002.)

State Corporation Commission

A. HB 2200 (Conference). HB 2200 would establish the Well Plugging Assurance Fund and enact new legislation regulating the underground storage of hydrocarbons, including natural gas and liquid petroleum gas, and establish authority for the State Corporation Commission (KCC) to regulate the storage of natural gas in depleted oil and gas formations.

The Well Plugging Assurance Fund would receive all moneys collected from current producers in connection with financial assurance requirements, as well as all such moneys collected in the past. The fund would be segregated for the purpose of plugging wells which were commenced after July 1, 1996. The fund would be credited with interest, estimated to be approximately \$25,000, on its balances, rather than the SGF.

Authority would be established for the KCC to regulate the underground storage of natural gas in depleted oil or gas formations. The KCC would be required to adopt rules and regulations for such storage, including the permitting, monitoring, and inspecting of underground natural gas storage wells, swell systems, and operations, including the closure and abandonment of these facilities. The Natural Gas Underground Storage Fee Fund would be established for fee moneys related to this regulatory activity. The KCC estimates that in FY 2002 it will require 6.0 FTE and \$414,012 to administer the regulation of underground natural gas storage in depleted oil or gas formations.

The positions required would be an Environmental Geologist III, an Environmental Geologist II, two Petroleum Industry Regulation Tech II, an Office Assistant III, and an Attorney II. Estimated expenditures are shown below:

<u>Object of Expenditure</u>	<u>Estimated Expenditures FY 2002</u>
Salaries and Wages	\$ 271,055
O.O.E. (Partial)	75,394
Professional Fees for Developing Regulations	45,000
Capital Outlay	22,563
TOTAL	<u>\$ 414,012</u>

Other provisions of the bill relate to the regulation by the Kansas Department of Health and Environment of salt solution mining and the underground storage of hydrocarbons and liquid petroleum gas.

Office of the Securities Commissioner

A. HB 2563 (Second House). HB 2563 creates a new Investor Education Fund to be administered by the Securities Commissioner for the purpose of providing for the education of consumers in securities regulation and investment matters. Moneys collected by the Securities Commissioner as fines and civil penalties would be credited to the new fund.

Approximately \$25,000 per year would be deposited to the newly created Investor Education Fund. Under current law, such fines are credited to the Securities Act Fee Fund and at the end of the fiscal year all balances in that fund in excess of \$50,000 are transferred to the SGF.

Secretary of State

A. SB 127 (Governor). SB 127 amends the state election laws. In addition to other changes, the bill adds information from the Social Security Administration to those sources of listings of deceased individuals by which a voter's name is to be removed from the registration books. The agency indicates that the cost of purchasing the list from the Social Security Administration for verification would be \$1,750 SGF annually beginning in FY 2002.

Juvenile Justice Authority

A. Juvenile Intake and Assessment (Senate Subcommittee). The Governor's recommendation for the Juvenile Justice Authority included a reduction of \$1,000,000 from the Current Services level for the Juvenile Intake and Assessment System. The recommendation was made in anticipation of an agreement between the JJA and the Department of Social and Rehabilitation Services on payment for assessments conducted on non-offender juveniles. The Senate Subcommittee directed both agencies to report on the progress of the discussions as well as available resources for restoring funding to the Current Services level.

B. Evaluation Standards for Prevention Programs (Senate Subcommittee). The Senate Subcommittee requested the Juvenile Justice Authority, the Department of Social and Rehabilitation Services, the Department of Health and Environment, the Department of Education, the Children's Cabinet, Regional Prevention Centers, and others represented on the Governor's Prevention Council to report on plans to develop standards for evaluating the effectiveness of prevention programs.

C. Children's Initiatives Fund

(1) **(SB 57 Conference Committee).** The Conference Committee on SB 57 deleted all funding from the Children's Initiatives Fund for consideration at Omnibus. The House recommendation in FY 2002 for the Juvenile Justice Authority included \$6,000,000 for

Prevention Program Grants and \$2,000,000 for Intervention/Graduated Sanctions Program Grants.

(2) **(House Committee)**. The House Committee added \$150,000 from the Children's Initiatives Fund in FY 2002 to establish a pregnancy maintenance and parenting support pilot project targeting teenaged and other parents at risk of committing abuse and neglect. The program grants would require a dollar for dollar local match.

D. Senate Substitute for HB 2067 and Senate Substitute for HB 2154 (Conference). Senate Substitute for HB 2067 and Senate Substitute for HB 2154 amend the statutes regarding employment in adult care homes and home health agencies. An individual adjudicated a juvenile offender based upon any of the person felonies listed in KSA 39-970 is prohibited from working in an adult care home or home health agency. The bills would add attempt to commit, conspiracy to commit, or criminal solicitation to commit the crimes listed in KSA 39-970 as offenses which would prohibit employment. The bills also grant the Department of Health and Environment access to information in the possession of the Kansas Bureau of Investigation regarding adjudications of a juvenile offender which, if committed by an adult, would have been a felony conviction.

The Juvenile Justice Authority estimates that passage of Senate Substitute for HB 2067 or Senate Substitute for HB 2154 would increase the agency's costs by \$30,000 to \$50,000 SGF per year beginning in FY 2002. The estimate includes costs associated with the increased access to the Juvenile Justice Information System as well as staff requirements.

Juvenile Correctional Facilities

A. Potential Savings Due to Decreased Populations (Senate Subcommittee). The short-term result of the implementation of the Placement Matrix is a period of decreased populations at the juvenile correctional facilities. The populations will begin to grow as more juvenile offenders are sentenced under the Placement Matrix. The Senate Subcommittee requested the facilities report on potential savings in FY 2002 to be gained due to the decrease in population.

Kansas Arts Commission

A. Statewide Meeting (House Budget Committee). The House Budget Committee on Education recommended that funding to match federal dollars for a statewide meeting of arts organizations in FY 2002 be reviewed at Omnibus. The agency requested \$18,920 State General Fund for the required match to \$18,920 in federal dollars available to fund a statewide professional meeting for arts agencies to discuss a variety of topics, including fundraising strategies and grant writing. No funding was provided for this request in the FY 2002 approved budget.

B. Youth in Arts Programs (House Budget Committee). The House Budget Committee on Education recommended that funding to match federal dollars for Youth in Arts programs in FY 2002 be reviewed at Omnibus. The agency requested \$40,000 State General Fund for the required match to \$40,000 in federal dollars available for the agency's Youth in Arts grant programs. No funding was provided for this request in the FY 2002 approved budget.

Kansas State Historical Society

A. Kansas Museum of History Roof (House Budget Committee). The House Budget Committee on Education recommended that funding for repair of the Kansas Museum of History roof in FY 2001 be reviewed at Omnibus. The agency requested \$57,500 State General Fund to repair the flashing on the roof at the Kansas Museum of History. According to the manufacturer of the roof materials, this repair would extend the life of the 15-year-old roof another 10-15 years. No funding was included in the FY 2001 budget for this project.

B. Shawnee Mission (House Budget Committee and Senate Subcommittee). The House Budget Committee on Education and the Senate Subcommittee on the budget for the Kansas State Historical Society recommended that funding to match federal preservation dollars for repairs at the Shawnee Mission in FY 2002 be reviewed at Omnibus. The agency requested \$67,000 State General Fund to fund the required match for \$100,000 in federal preservation money to make repairs at the Shawnee Mission. No funding was included in the approved FY 2002 budget for this project.

C. Kansas Humanities Council (House Budget Committee). The House Budget Committee on Education recommended that funding for the Smithsonian traveling exhibit "Yesterday's Tomorrows: Past Visions of the American Future" in FY 2002 be reviewed at Omnibus. The Kansas Humanities Council requested \$50,000 EDIF to fund the traveling exhibit for transportation and advertising costs associated with the exhibit. An additional \$10,000 State General Fund above the agency's current services request was provided for this project in the FY 2002 approved budget.

Homestead Property Tax Refunds

A. SB 44 (Law). SB 44 makes several changes to the Homestead Property Tax Refund Act. One series of amendments allows refunds to be paid directly from the income tax refund fund in lieu of the current methodology, which provides for refunds to be paid from an appropriation. A second set of amendments to the refund advancement program, which allows certain eligible taxpayers to receive refunds prior to the payment of their property taxes on December 20, clarifies that the certificate of eligibility forms be issued by the Department of Revenue and that the Department (and not county clerks) would be ultimately responsible for the qualification determination. Also, unnecessary statutory language relating to widows is deleted without changing any of the current qualifications for homestead refunds. A final provision clarifies that refunds designed to offset part of property

taxes paid on the working interest of certain low production oil leases shall be paid from the income tax refund fund.

SB 44 becomes effective on publication in the *Kansas Register*, eliminating the need for the \$1,319,233 supplemental appropriation recommended by the Governor for FY 2001. It also reduces the FY 2001 expenditures for the program by approximately \$700,000 State General Fund.

Based on projections for the Homestead program, the current consensus estimate of individual income tax receipts for FY 2002 would be reduced by \$14.43 million. But the appropriation for that amount, which would be required under current law to fully fund the program, also could be eliminated.

Department of Wildlife and Parks

A. Local Government Outdoor Recreation Grants Program (LGORP) (SB 57 Conference Committee). The House Appropriations Committee recommended funding for the Local Government Outdoor Recreation Grants Program in FY 2002 be reviewed at Omnibus. The agency requested \$500,000 EDIF to Fund the LGORP program. The LGORP program provides funding at a one to one match for communities to help in developing outdoor recreations sites. No funding was provided for this program in the approved FY 2002 budget since the Conference Committee deleted all EDIF funding.

Animal Health Department

A. Animal Facility Inspector Positions (Senate Subcommittee). The Senate Subcommittee recommended examining the agency's FY 2002 enhancement request of \$87,742 (including benefits) from the State General Fund for 2.0 FTE Animal Facility Inspector positions. The 2.0 FTE Inspector positions would help the agency handle an increasing number of animal care complaints, improve on-the-job safety, and alleviate the current inspection load (some inspectors are on the road for two or three days per week). The Subcommittee noted that the agency's animal facility inspectors have come across problems USDA inspectors have sometimes failed to report, and that having two additional inspectors would alleviate some of the problems. For comparison, according to the agency, federal inspectors conduct on average 138 inspections a year, while state inspectors conduct anywhere from 200 to 400 inspections a year, depending on the size of the geographic district and the miles traveled.

State Fair

A. Shift Funding from State General Fund to Economic Development Initiatives Fund (House Budget Committee). Provided that funds are available in the EDIF, the House Budget Committee recommended in FY 2002 shifting \$134,000 from the State General Fund to the EDIF for the state's support of the Fair's operations. The House Budget

Committee noted that for the past several years, the Legislature has alternated the funding source for the state's support between the State General Fund and EDIF. The Budget Committee suggested the use of EDIF because the State Fair is a form of economic development and should be financed accordingly.

B. HB 2493 (Conference). HB 2493 would provide bonding authority for financing the State Fair's facilities master plan. Payments on the debt service of the issuance of up to \$29,000,000 in bonds would not commence until FY 2003. The bill would establish a state fair debt service special revenue fund, into which local and private funds would be placed, and to which state funds would be transferred annually for debt service payments. The bill would authorize the use of EDIF funds for servicing the debt. 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's master plan would be financed from the following four funding sources.

<u>Funding Source</u>	<u>% Share</u>	<u>Amount (millions)</u>
State's Share	64.0%	\$24.0
Private Support/Routine Rehab. & Repair	16.7%	\$6.0
State Fair Board's Share	11.0%	\$3.2
City of Hutchinson and Reno County	8.3%	\$3.0
TOTAL	<u>100.0%</u>	<u>\$36.2</u>

The State Fair indicates that the funding source coming from the local governments could be utilized for debt service payments beginning in January 2002. Under these funding proportions, 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.

Department of Agriculture

A. SB 334. (Law). SB 334 authorizes the Kansas Department of Agriculture to pursue civil penalties of up to \$1,000 per daily violation of the commercial feeding stuffs law. The bill would also allow the Department, within 30 days of seizure, to dispose of or take other actions to avert injury to livestock, poultry, or public health from misbranded or adulterated feeding stuffs. Under current law, the willful violation of the commercial feeding stuffs law constitutes a misdemeanor offense and can result in a fine of up to \$100 for the first violation and between \$100 and \$500 for subsequent violations. In addition, if feeding stuffs seized by the Department are determined to be misbranded or adulterated, the court is responsible for determining the proper actions to enforce the law. The Kansas Department of Agriculture indicates that SB 334 would generate approximately \$5,000 of additional revenue into the State General Fund in FY 2002. This estimate is based on the number of past violations to the commercial feeding stuffs law. The additional revenue could be used to offset the agency's State General Fund expenditures.

B. SB 237 (Conference). SB 237 would permit the holder of a groundwater right not located within the boundaries of a chartered water bank to establish a flexible account where the holder may deposit in advance water from the right of use. Water right holders could deposit in the flex account an amount of water equal to 90.0 percent of the average water used between the years of 1998 and 2000, times five. Use of the water deposited in the flex account would be limited to a consecutive five-year term with no limit on the annual use of the water. The Kansas Department of Agriculture would be responsible for issuing term permits to water right holders to authorize the use of water deposited in a flex account. The Kansas Department of Agriculture indicates passage of SB 237 would require 2.0 FTE positions and expenditures of \$128,165 in FY 2002. Of this amount, \$85,848 would initially be required from the State General Fund, and would be reimbursed once application fees are received. This estimate includes \$93,913 for 1.0 FTE Environmental Scientist II unclassified position and 1.0 FTE Office Specialist unclassified position. These positions would be responsible for compliance monitoring and enforcement, processing permits, and analyzing water use. The remaining \$34,252 would be used for other operating expenditures. The Department's estimate is based on the issuance of 500 term permits each year with an application fee of \$400, generating approximately \$200,000 in fees.

C. HB 2047 (Conference). HB 2047 would enact the Kansas Water Banking Act, which would allow for the chartering of water banks as private not-for-profit corporations. Water banks would lease water from water right holders and provide safe deposit accounts for the deposit of unused water from a bankable water right. Water banks would also provide services to facilitate the sale or lease of water rights but would be prohibited from owning, buying, or selling water rights. Water banks would contract with water right holders for the deposit of all or part of any water right within a water bank's boundary. Once a water right is deposited, water from that water right may be leased if used within the bank boundary and in the same hydrological unit. The deposit or lease of water could not impair existing water rights or cause a significantly different hydrological effect to other water users from the same supply source. The Kansas Department of Agriculture indicates that HB 2047 would require, in FY 2002, 3.0 FTE positions and \$105,591 from the State General Fund, which includes \$53,684 for 1.0 FTE Environmental Scientist III position, \$24,521 for 1.0 FTE Environmental Scientist II position, \$12,386 for 1.0 FTE Office Assistant III position, and \$15,000 for other operating expenditures. Of these 3.0 FTE positions, only the Environmental Scientist III position would be filled at the beginning of the fiscal year. The remaining 2.0 FTE positions would be filled in the middle of the fiscal year. The Department does not anticipate the receipt of reimbursable expenditures from the first established water bank in FY 2002.

D. HB 2101. (Conference). HB 2101 would establish, in the Department of Agriculture, a Plant Pest Emergency Response Fund. The fund would provide an additional source of funding to the Department's Plant Health Program. The fund would be used, in an emergency, to mitigate pests entering the state. These pests could damage agriculture, horticulture, or the environment. Revenue in the fund would be generated from an annual fee collected from nursery dealers and nursery certificate holders. The fee could not exceed \$5.00. The agency indicates that passage of HB 2101 would generate additional fee fund revenues of up to \$7,000 annually, of which no additional funds should be used to offset SGF due to the emergency nature of the fund. The agency would absorb any expenditures resulting from the passage of the bill.

E. HB 2316. (Conference). HB 2316 would establish civil penalties for violators of the Water Appropriations Act or other conditions or limitations imposed by the Department of Agriculture on water right holders. The bill would limit civil penalties between \$100 and \$1,000 for each day that a violation occurs. Under current law, violators of the Water Appropriations Act can be charged by the Attorney General through a court of law to prevent them from violating the act. The Kansas Department of Agriculture indicates passage of HB 2316 would generate additional revenues to the State General Fund of approximately \$25,100 in FY 2002. This estimate is based on the number and length of violations occurring over the past several years. The Department indicates the bill would not increase expenditures. The additional revenue could be used to offset the agency's State General Fund expenditures.

Legislature

A. HB 2129 (Governor). HB 2129, among other things, authorizes the four legislative members of the Kansas Film Commission to receive compensation, subsistence, and mileage for attendance at Commission meetings. Based on six two-day meetings, the estimated fiscal note for the bill in FY 2002 is \$11,202 (State General Fund). See a full description of the bill under the Department of Commerce and Housing within this memorandum.

B. Sub. for SB 192 (Conference). Substitute for SB 192 creates a Legislative and Executive Officer Compensation Commission to set the pay for state legislators and to recommend the amount of pay for statewide elected officials (State Treasurer, Commissioner of Insurance, Secretary of State, and Attorney General). The Commission also may provide for retirement benefits for state officers. The bill also amends the state ethics law.

Sub. for SB 192 authorizes the Commission to fix the amount of compensation of legislators which would become effective on July 1, 2001. The bill requires the Commission to submit a report to the Legislative Coordinating Council and the Governor by June 15, 2001. The report would have to specify the amount of compensation fixed for members of the Legislature and recommendations for the amount of compensation for the executive officers by June 15, 2001. The bill allows any state officer to decline any increase in compensation fixed by the Commission.

The Commission would consist of nine members appointed on or before May 1, 2001, by the President of the Senate, Minority Leader of the Senate, Speaker of the House of Representatives, Minority Leader of the House of Representatives, Governor, Attorney General, State Treasurer, and Commissioner of Insurance. The bill updates the legislative compensation statute to reflect the current compensation for legislators and makes legislators' pay subject to a difference amount set by the Commission. Under the bill, increases in compensation for members of the Legislature also would be tied to increases in compensation for persons in the classified service, which is the total of the average of step movement increases under current law and the average percentage increases of cost-of-living adjustments to the pay plan.

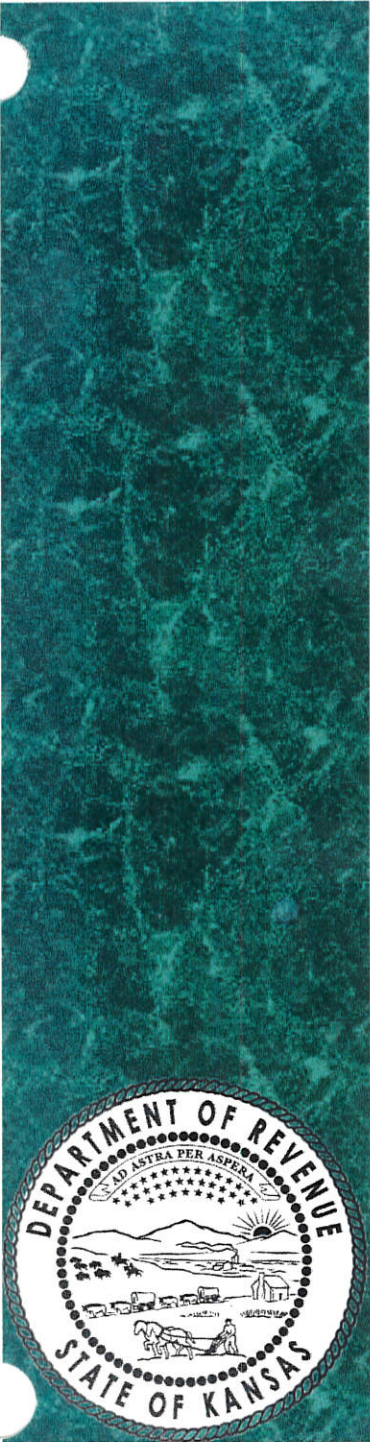
Based on an estimated three two-day meetings of the Commission, per diem (\$35 per day) for members, lodging, mileage and clerical assistance for FY 2002 would total \$8,037 (State General Fund).

C. HB 2497 (Conference). HB 2497 would amend various statutes that relate to joint committees and standing committees of the Kansas Legislature. The bill amends the appointing authority or membership requirement of the Joint Committee on Economic Development, the Joint Committee on Arts and Cultural Resources and the Joint Committee on Pensions, Investments and Benefits. The bill also makes other technical and clarifying changes relating to legislative committees.

HB 2497 would also replace the existing Health Care Reform Legislative Oversight Committee with a new committee entitled the Joint Committee on Health Care Oversight. The existing Health Care Reform Legislative Oversight Committee is scheduled to expire on July 1, 2001. The bill increases the size of the new committee by two members, from 12 members to a 14 member committee. The estimated cost for two additional legislative members for the committee is \$3,726 (State General Fund) in FY 2002. This estimate is for legislator compensation, subsistence, and mileage, based on the number of meetings held in FY 2001.

Legislative Coordinating Council

A. HB 2497 (Conference). HB 2497, among other things (see section on Legislature), would expand the membership on the Legislative Coordinating Council from seven to eight members, by adding the Vice-President of the Senate. The estimated cost in FY 2002 for adding another member to the Council is \$2,832 (State General Fund) for legislator compensation, subsistence, and mileage to attend Council meetings based on the estimated number of meetings in FY 2001.



Kansas Department of Revenue Proposed Management Plan for Accounts Receivable

Stephen S. Richards

HOUSE APPROPRIATIONS

DATE 4/17/01

ATTACHMENT #5

Proposed Management Plan for Accounts Receivable

Current Status

- Accounts Receivable balance is approaching \$500 million

- KDOR has \$280 million in bad debts. We have identified \$62 million ready to write off covering 15 years

- Current taxpayer activity produces \$145 million in new accounts receivable annually

- Collections currently recover \$43 million annually

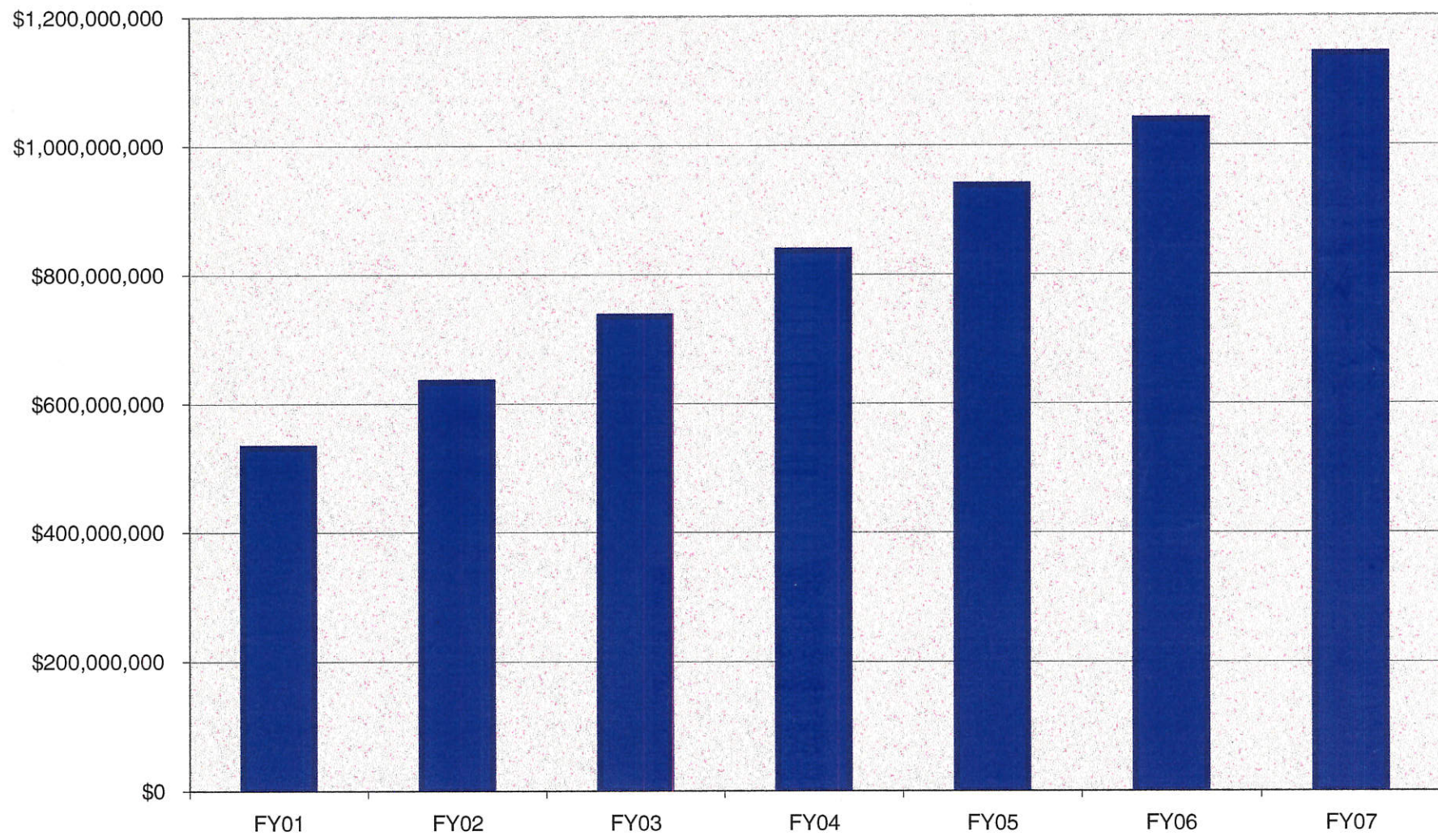
- If KDOR stays on current track, Accounts Receivable balances will grow by \$102 million annually, with no procedure for systematic write-off of bad debt

- Statute of limitations and aging of accounts receivable require issuance of tax warrants to protect receivables.



5-3

Kansas Department of Revenue Accounts Receivable - Current Program



5-4

Proposed Management Plan for Accounts Receivable

Action Plan-Phase I

- Immediate write-off of \$62 million bad debts
- Establish a new procedure for the annual write-off of bad debts
- Enhanced collection efforts through improved billing and call campaigns, skip tracing techniques, tax warrants and civil tax enforcement initiatives
- RFP issued for third party collection
- Provides for recovery of additional \$23 million annually
- Requires 38 additional FTE's at a cost of \$1,692,600.



5-5

Proposed Management Plan for Accounts Receivable

Action Plan-Phase II

Anticipates Implementation of Phase I

- Collection of older, aged accounts receivables within 42 months
- Provides one-time revenue of \$17 million each fiscal year for FY 2002-2005
- Implement tax discovery and non-filers compliance programs
- Increases staffing **an additional** 30 FTE's at a cost of \$1,335,800



5-6

Proposed Management Plan for Accounts Receivable

Benefits:

- Provides for increased revenues
- Does not deteriorate accounts receivable balances or collectibility
- Avoid growth in accounts receivable balances
- Staffing at Project 2000 design levels for collections

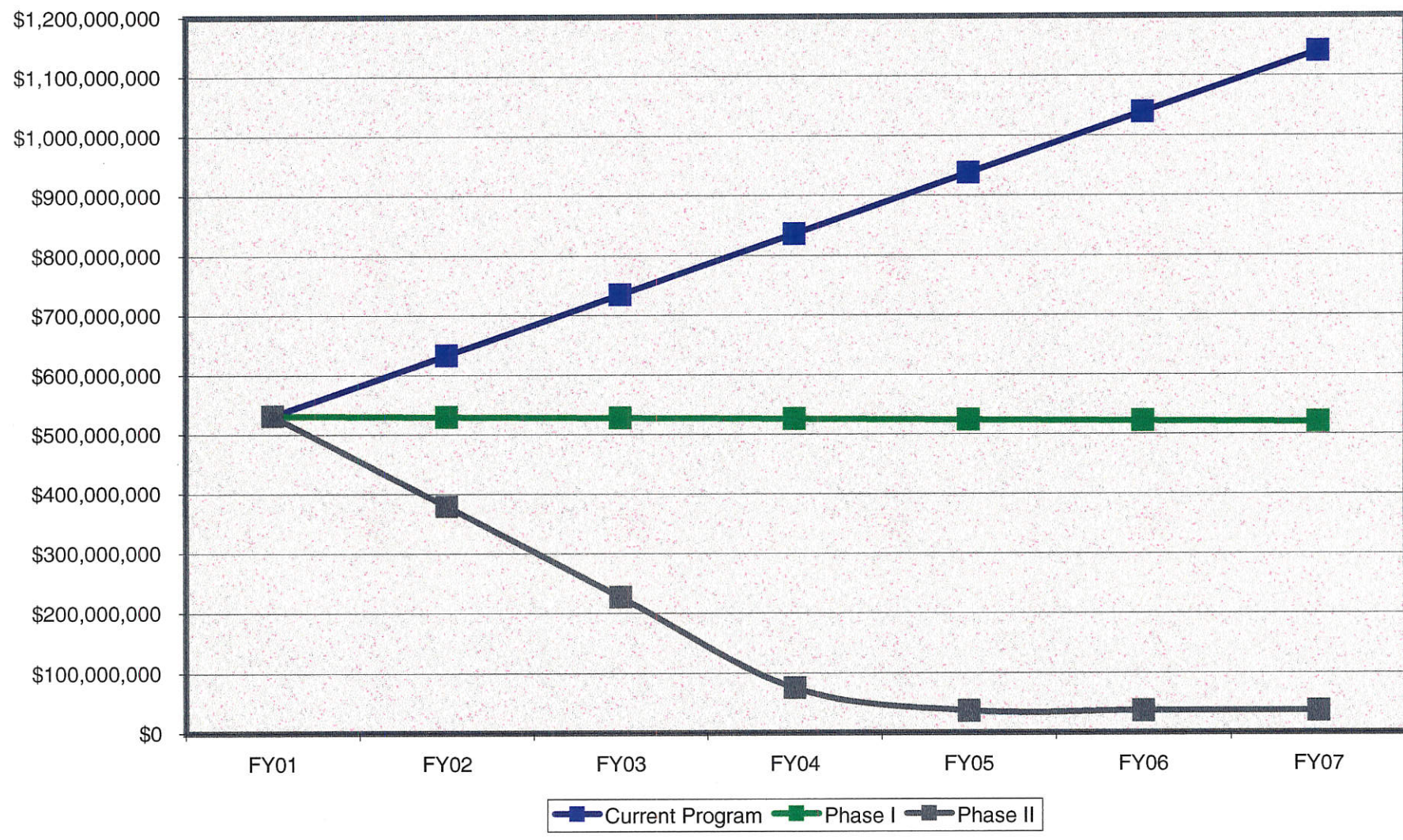
Risks:

- Phase I does not reduce older, aged accounts receivable
- Taxpayers may perceive KDOR as not customer service friendly



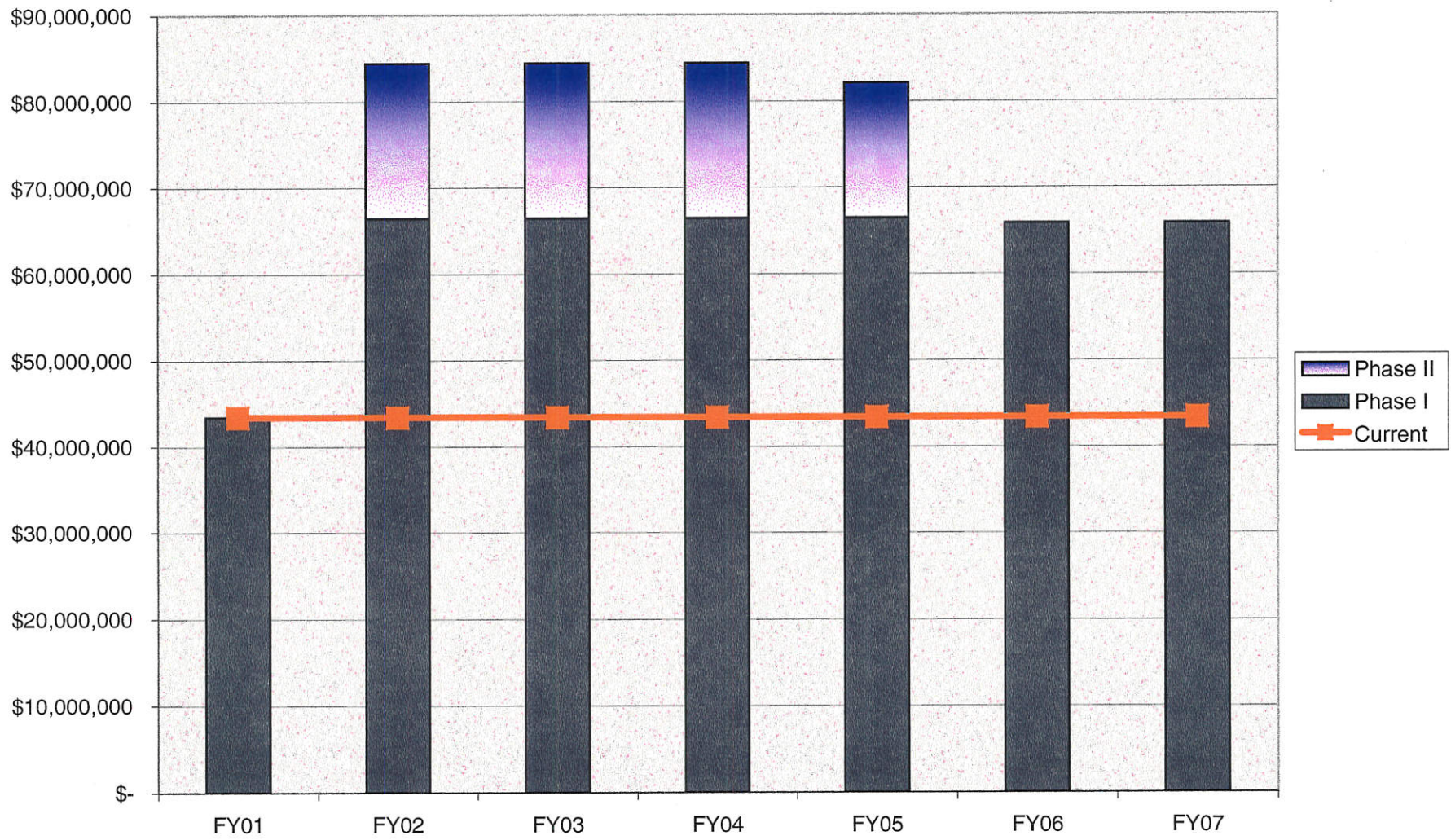
5-7

Kansas Department of Revenue Accounts Receivable



5-8

Kansas Department of Revenue Accounts Receivable Collections



Proposed Management Plan for Accounts Receivable

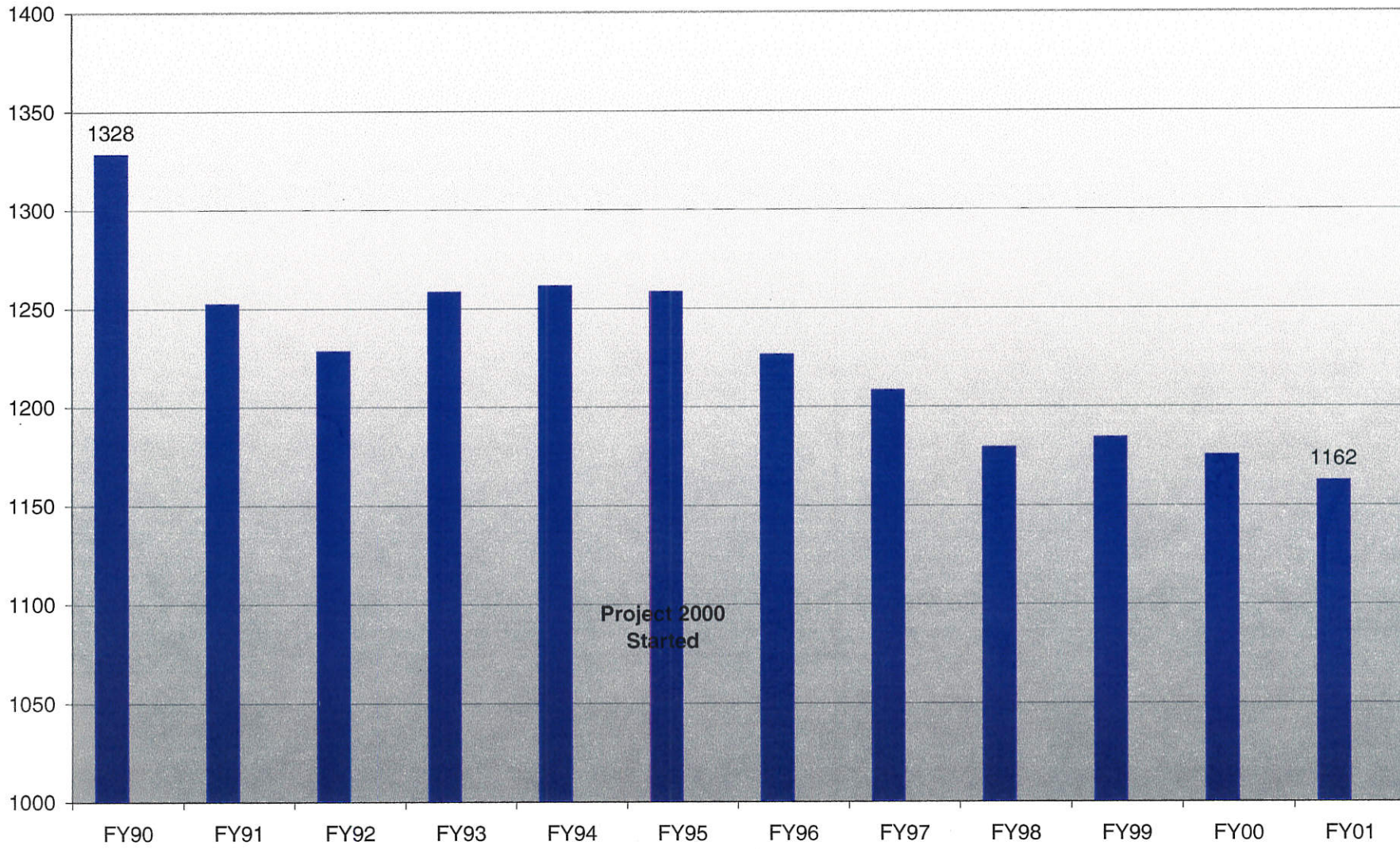
Accounts Receivable by Tax Type

<u>Type</u>	<u>Accounts Receivable At 2-28-01</u>	<u>Uncollectable</u>	<u>Net Receivable</u>
Sales/Use	122,198,287	46,575,038	75,623,249
Drug	95,678,930	86,111,037	9,567,893
Corporate	88,040,599	70,722,108	17,318,491
Individual	71,787,445	19,578,155	52,209,290
Motor Carrier	52,818,302	38,029,177	14,789,125
Withholding	30,115,540	13,423,593	16,691,947
Liquor	9,053,808	5,576,949	3,476,859
Motor Fuel	2,553,350	1,142,782	1,410,568
Cigarette	1,984,655	-	1,984,655
Misc.	2,596,537	1,178,038	1,418,499
TOTAL	476,827,453	282,336,877	194,490,576
Pending Billing	19,000,000	-	19,000,000
Total Acct Rec.	495,827,453	282,336,877	213,490,576



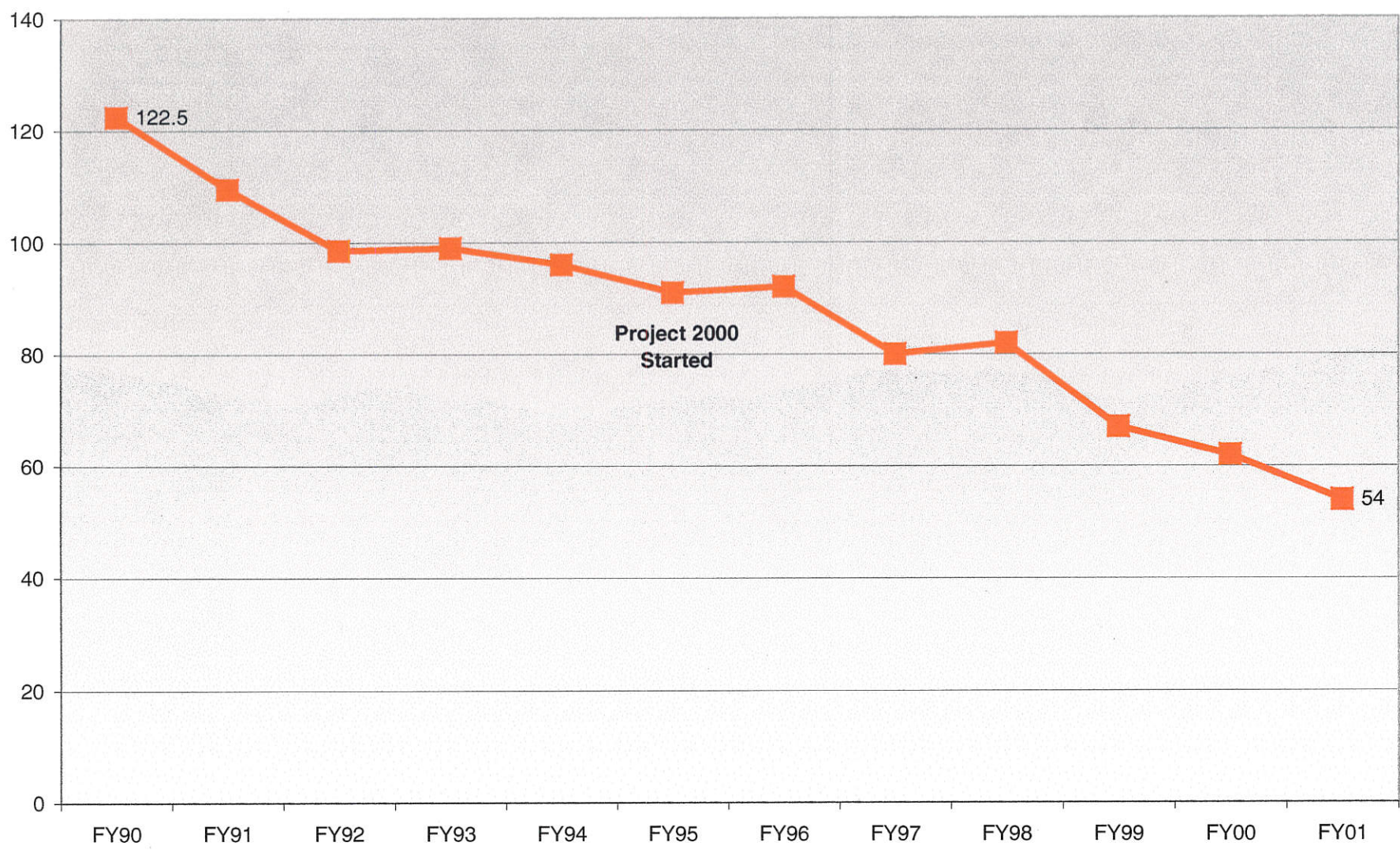
5-10

KDOR Staffing Trend



5-11

KDOR - Compliance Staffing Trend



5-12

Proposed Management Plan for Accounts Receivable

Cost of Additional Resources

<u>Phase I - 10 FTE</u>	<u>FY01</u>	<u>FY02+</u>
Salary/Benefit	\$62,122	\$372,730
OOE	4,300	16,850
One-Time	57,020	
<u>Phase I - 28 FTE</u>		
Salary/Benefits		\$1,043,644
OOE		47,182
One-Time		155,176
<u>Phase II - 30 FTE</u>		
Salary/Benefits		\$1,118,190
OOE		50,551
One-Time		167,059
TOTAL	\$123,442	\$2,971,382



5-13

Proposed Management Plan for Accounts Receivable

Utilization of New Resources

Activity	FTE's
Outbound Call Campaigns	8
Skip-Tracing	4
Tax Warrant/Collection	8
Taxpayer Contact	12
Field Investigation/Levies	15
Non-Filer Activity	8
Other	7
Supervision	<u>6</u>
	68
Contract Service	<12>
Modify Agency Shrinkage to 2.5%	<u><29></u>
New Authorized FTE	<u>27</u>



FY 2001 Children's Initiatives Fund (Tobacco)

Agency/Program	Gov. Rec. FY 2001	Legislative Adjustments FY 2001	Legislative Approved SB 57 FY 2001
State Library			
Enhance Community Access Network Catalog	70,000		70,000
Subtotal - Misc.	\$ 70,000		\$ 70,000
Department of Health and Environment			
Healthy Start/Home Visitor	250,000		250,000
Infants and Toddlers Program	500,000		500,000
Smoking Cessation/Prevention Program Grants	500,000		500,000
Subtotal - KDHE	\$ 1,250,000		\$ 1,250,000
Juvenile Justice Authority			
Juvenile Prevention Program Grants	5,000,000		5,000,000
Juvenile Graduated Sanctions Grants	2,000,000		2,000,000
Subtotal - JJA	\$ 7,000,000		\$ 7,000,000
Department of Social and Rehabilitation Services			
Children's Mental Health Initiative	1,800,000		1,800,000
Family Centered System of Care	5,000,000		5,000,000
Therapeutic Preschool	1,000,000		1,000,000
Community Services - Child Welfare	2,600,000		2,600,000
Child Care Services	1,400,000		1,400,000
Children's Cabinet Accountability Fund	250,000		250,000
Smart Start Kansas - Children's Cabinet	2,750,000		2,750,000
HealthWave	1,000,000		1,000,000
Subtotal - SRS	\$ 15,800,000		\$ 15,800,000
Department of Education			
Parent Education	1,500,000		1,500,000
Four-Year -Old At-Risk Programs	1,000,000		1,000,000
School Violence Prevention	500,000		500,000
Vision Research	250,000		250,000
Communities in Schools	125,000		125,000
Structured Mentoring	500,000		500,000
Subtotal - Dept. of Ed.	\$ 3,875,000		\$ 3,875,000
University of Kansas Medical Center			
Tele-Kid Health Care Link	250,000		250,000
Pediatric Biomedical Research	1,000,000		1,000,000
Subtotal - KU Medical Center	\$ 1,250,000		\$ 1,250,000

TOTAL	\$ 29,245,000	\$ -	\$ 29,245,000
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Resource Estimate	Gov. Rec. FY 2001	Legislative Adjustments FY 2001	Legislative Approved SB 57 FY 2001
Beginning Balance	-	-	-
KEY Fund Transfer	30,000,000	-	30,000,000
Total Available	\$ 30,000,000	-	\$ 30,000,000
Less: Expenditures and Transfers	29,245,000	-	29,245,000
ENDING BALANCE	\$ 755,000	-	\$ 755,000

**FY 2002
Children's Initiatives Fund
(Tobacco)**

Agency/Program	Gov. Rec. FY 2002	House Adjustments Prior to Removing all Items FY 2002	Senate Committee Adjustments Prior to Removing all Items FY 2002	Legislative Approved SB 57 FY 2002
State Library				
Enhance Community Access Network catalog	70,000			
Subtotal - Misc.	\$ 70,000		\$ -	\$ -
Department of Health and Environment				
Healthy Start/Home Visitor	250,000			
Infants and Toddlers Program	500,000			
Smoking Cessation/Prevention Program Grants			875,000 ⁽¹⁾	
Immunizations			264,901 ⁽¹⁾	
SIDS Support Network		25,000		
Crisis Pregnancy Outreach for Johnson County		35,000		
Subtotal - KDHE	\$ 750,000	\$ 60,000	\$ 1,139,901	\$ -
Juvenile Justice Authority				
Juvenile Prevention Program Grants	6,000,000			
Juvenile Graduated Sanctions Grants	2,000,000			
Pregnancy Maintenance and Parenting Support		150,000		
Subtotal - JJA	\$ 8,000,000	\$ 150,000	\$ -	\$ -
Department of Social and Rehabilitation Services				
Children's Mental Health Initiative	1,800,000			
Family Centered System of Care	5,000,000			
Therapeutic Preschool	1,000,000			
Community Services - Child Welfare	2,600,000			
Child Care Services	1,400,000			
Children's Cabinet Accountability Fund	250,000			
HealthWave	1,000,000	250,000		
Smart Start Kansas - Children's Cabinet ⁽²⁾	11,260,000	(8,000,000)		
Kinship Services Support and Training		437,479		
Subtotal - SRS	\$ 24,310,000	\$ (7,312,521)	\$ -	\$ -
Department of Education				
Parent Education	3,500,000	(1,500,000)	(2,000,000)	
Four-Year -Old At-Risk Programs	2,000,000	3,050,000		
School Violence Prevention	500,000			
Vision Research	250,000			
Communities in Schools	125,000			
Structured Mentoring	500,000			
Define Skill Sets for Third Grade		22,500		
Third Grade Accomplishment Examination Design		800,000		
School Readiness Indicator for Kindergarten Entry		75,000		
Teacher Training for First Grade Reading Program		750,000		
Third Grade Summer School Programs		2,500,000		
Subtotal - Dept. of Ed.	\$ 6,875,000	\$ 5,697,500	\$ (2,500,000)	\$ -
University of Kansas Medical Center				
Tele-Kid Health Care Link	250,000			
Pediatric Biomedical Research				
Subtotal - KU Medical Center	\$ 250,000		\$ -	\$ -
TOTAL	\$ 40,255,000	\$ (1,405,021)	\$ (1,360,099)	\$ -

Resource Estimate	Gov. Rec. FY 2002	House Committee Adjustments FY 2002	Senate Committee Adjustments FY 2002	Legislative Approved SB 57 FY 2002
Beginning Balance	755,000			755,000
KEY Fund Transfer	40,000,000			40,000,000
Total Available	\$ 40,755,000			\$ 40,755,000
Less: Expenditures and Transfers	40,255,000	(1,405,021)	(1,360,099)	-
ENDING BALANCE	\$ 500,000	\$ 1,905,021	\$ 1,860,099	\$ 40,755,000

- 1) The Senate Committee recommendation was to shift this amount from Smart Start Kansas before SB 348 left the Committee.
 2) The House Committee recommends a proviso to allow up to \$212,000 of Smart Start Kansas dollars to be used for state match to draw down federal funds.

Economic Development Initiatives Fund

<u>Agency/Program</u>	<u>Governor's Recommendation FY 2001</u>	<u>Legislative Adjustments FY 2001</u>	<u>Legislative Approved FY 2001</u>
Department of Commerce and Housing ¹⁾			
Agency Operations	\$ 8,609,757	(25,842)	\$ 8,583,915
Small Business Development Centers	485,000		485,000
Certified Development Companies	400,000		400,000
Kansas Industrial Training/Retraining	3,600,000		3,600,000
Trade Show Promotion Grants	150,000		150,000
Community Capacity Building Grants	197,000		197,000
Economic Opportunity Initiative Fund	3,500,000		3,500,000
Existing Industry Expansion	500,000		500,000
Tourism Promotion Grants	1,052,100		1,052,100
Mid-America World Trade Center	42,000		42,000
Mainstreet Grant and Development Prog.	216,800		216,800
Agriculture Product Development	540,000		540,000
Training Equipment Grants	277,500		277,500
Travel Information Centers	15,000		15,000
Motion Picture and Television Rebate	75,000		75,000
Eisenhower Museum Grant	300,000		300,000
National Teachers Hall of Fame	100,000		100,000
HOME Program	533,022		533,022
Subtotal - KDCH	<u>\$ 20,593,179</u>	<u>\$ (25,842)</u>	<u>\$ 20,567,337</u>
Kansas Technology Enterprise Corporation ⁽¹⁾			
Agency Operations	\$ 1,308,863		\$ 1,308,863
Centers of Excellence	4,325,000		4,325,000
Research Matching Grants	1,246,000		1,246,000
Business Innovative Research Grants	76,000		76,000
State Small Business Innovation Research	440,000		440,000
Special Projects	79,303		79,303
Commercialization Grants	1,156,664		1,156,664
Mid-America Manufact. Tech. Center	950,931		950,931
EPSCoR	3,200,000		3,200,000
Subtotal - KTEC	<u>12,782,761</u>		<u>12,782,761</u>
Kansas, Inc. ⁽¹⁾	\$ 336,949		\$ 336,949
Board of Regents			
Matching Grants - AVTS	\$ 200,000		\$ 200,000
Post-secondary Aid - AVTS	6,882,981		6,882,981
Capital Outlay Aid - AVTS	2,700,000		2,700,000
Comprehensive Grant Program	250,000		250,000
Subtotal - Regents	<u>\$ 10,032,981</u>		<u>\$ 10,032,981</u>
Department of Education			
Ag in the Classroom	\$ 30,000		\$ 30,000
Challenger Learning Center	50,000		50,000
Subtotal - Dept. of Education	<u>\$ 80,000</u>		<u>\$ 80,000</u>
Historical Society	\$ 95,000		\$ 95,000
Department of Administration			
Public Television Grants	\$ 350,000		\$ 350,000
State Water Plan Fund	\$ 2,000,000		\$ 2,000,000
Wildlife and Parks - Local Gov. Outdoor Recreation	\$ 500,000		\$ 500,000
State Fair			
Capital Improvements	\$ 100,000		\$ 100,000
Operating Expenses	134,000		134,000
Subtotal - State Fair	<u>\$ 234,000</u>		<u>\$ 234,000</u>
Adjutant General - Kansas National Guard Educational Asst.	\$ 50,000		\$ 50,000
Arts Commission - Operating Expenses	\$ 119,110		\$ 119,110
State Library - Grants to Local Libraries	\$ 170,000		\$ 170,000
TOTAL TRANSFERS AND EXPENDITURES	\$ 47,343,980	\$ (25,842)	\$ 47,318,138

EDIF Resource Estimate

	<u>Revised Gov. Rec. FY 2001</u>	<u>Legislative Adjustments FY 2001</u>	<u>Legislative Approved FY 2001</u>
Beginning Balance	\$ 3,779,114		\$ 3,779,114
Gaming Revenues	42,500,000		42,500,000
Other Income ²⁾	1,150,000	1,556,927 ³⁾	2,706,927
Total Available	<u>\$ 47,429,114</u>	<u>\$ 1,556,927</u>	<u>\$ 48,986,041</u>
Less: Expenditures and Transfers	47,343,980	(25,842)	47,318,138
ENDING BALANCE	\$ 85,134	\$ 1,582,769	\$ 1,667,903

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

2) Other income includes \$400,000 transferred from the Partnership Fund and \$750,000 of interest earnings.

3) Includes \$300,000 in additional interest based on year to date earnings. Also includes \$1,256,927 of released encumbrances from the Department of Commerce and Housing.

Economic Development Initiatives Fund

Agency/Program	Governor's Recommendation FY 2002	House Committee Adjustments Prior to Removing All Items FY 2002	Senate Committee Adjustments Prior to Removing All Items FY 2002	Legislative Approved SB 57 FY 2002
Department of Commerce and Housing ⁽¹⁾				
Agency Operations	\$ 8,729,936			\$ -
Small Business Development Centers	485,000			
Certified Development Companies	400,000	75,000		
Kansas Industrial Training/Retraining	3,600,000			
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	1,052,100			
Mid-America World Trade Center	0	50,000		
Mainstreet Grant and Development Prog.	216,800			
Agriculture Product Development	540,000			
Training Equipment Grants	277,500			
Travel Information Centers	115,000			115,000
Motion Picture and Television Rebate	75,000			
Eisenhower Museum Grant	0			
National Teachers Hall of Fame	0			
HOME Program	530,000			
State Teachers Hall of Fame	0	25,000		
Subtotal - KDCH	\$ 20,368,338	\$ 150,000	\$ -	\$ 115,000
Kansas Technology Enterprise Corporation ⁽¹⁾				
Agency Operations	\$ 1,431,781			
Centers of Excellence	4,350,000			
Research Matching Grants	1,216,000			
Business innovative Research Grants	78,000			
State Small Business Innovation Research	440,000			
Special Projects	79,303			
Commercialization Grants	1,450,000			
Mid-America Manuf. Tech. Center	1,000,059			
EPSCoR	3,000,000			
Subtotal - KTEC	\$ 13,043,143	\$ -	\$ -	\$ -
Kansas, Inc. ⁽¹⁾	\$ 343,267			
Board of Regents				
Matching Grants - AVTS	\$ 200,000			
Post-secondary Aid - AVTS	6,882,965			
Capital Outlay Aid - AVTS	2,700,000			
Comprehensive Grant Program	250,000			
Subtotal - Regents	\$ 10,032,965	\$ -	\$ -	\$ -
Department of Education				
Ag in the Classroom	\$ -	-		
Challenger Learning Center	-	-		
Subtotal - Dept. of Education	\$ -	\$ -	\$ -	\$ -
Historical Society	\$ -	-		
Department of Administration				
Public Television Grants	\$ -	-		
State Water Plan Fund	\$ 2,000,000			
Wildlife and Parks - Local Gov. Outdoor Recreation	\$ 500,000	\$ 330,000		
State Fair				
Capital Improvements	-	-		
Operating Expenses	-	-		
Subtotal - State Fair	\$ -	\$ -	\$ -	\$ -
Adjutant General - Kansas National Guard Educational Asst.	\$ -	\$ 250,000		
Arts Commission - Operating Expenses	\$ -	-		
State Library - Grants to Local Libraries	\$ -	\$ 170,000		
TOTAL TRANSFERS AND EXPENDITURES	\$ 46,287,711	\$ 900,000	\$ -	\$ 115,000

EDIF Resource Estimate

	Governor's Recommendation FY 2002	House Committee Adjustments FY 2002	Senate Committee Adjustments FY 2002	Legislative Approved SB 57 FY 2002
Beginning Balance	\$ 85,134	25,842	\$ 25,842	\$ 1,582,769 ⁽³⁾
Gaming Revenues	42,500,000	-	-	42,500,000
Other Income ⁽²⁾	844,000	-	-	844,000
Total Available	\$ 43,429,134	25,842	\$ 25,842	\$ 44,926,769
Less: Expenditures and Transfers	46,287,711	900,000	-	115,000
ENDING BALANCE	\$ (2,858,577)	\$ (3,732,735)	\$ (2,832,735)	\$ 44,811,769

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

2) Includes \$94,000 lapsed from the Department of Commerce and Housing's rehabilitation and repair account which is not accounted for in the Governor's Budget Recommendation.

3) Includes \$300,000 in interest earnings in FY 2001 above the amount estimated in the Governor's recommendations. The higher estimate is based on year to date earnings. Also includes \$1,256,927 in released encumbrances from the Department of Commerce and Housing in FY 2001.

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State Water Plan Fund, FY 2001

Agency/Program	Governor's Rec. FY 2001	House Adj. FY 2001	Senate Adj. FY 2001	Legislature Adj. FY 2001	Legislature Appr. FY 2001
State Conservation Commission					
Buffer Initiative	80,000	0	0	0	80,000
Conservation District Aid	1,035,500	0	0	0	1,035,500
Multipurpose Small Lakes	230,000	0	0	0	230,000
Nonpoint Source Pollution Asst.	3,000,000	0	0	0	3,000,000
Riparian and Wetland Program	200,000	0	0	0	200,000
Water Resources Cost Share	4,450,000	0	0	0	4,450,000
Water Rights Purchase	0	0	0	0	0
Watershed Dam Construction	805,000	0	0	0	805,000
Total--State Conservation Commission	9,800,500	0	0	0	9,800,500
Kansas Water Office					
Assessment and Evaluation	200,000	0	0	0	200,000
Basin Assessment	0	0	0	0	0
Cheney Agricultural Nonpoint Source	0	0	0	0	0
Federal Cost-Share Programs	250,000	0	0	0	250,000
GIS Data Access and Support Ctr.	177,300	0	0	0	177,300
GIS Data Base Development	250,000	0	0	0	250,000
Groundwater Condition Eval.	70,000	0	0	0	70,000
High Plains Aquifer Stakeholder Meetings	0	8,500	16,740	8,500	8,500
Kansas Water Resource Research Institute	0	0	0	0	0
MOU Operation and Maintenance	429,787	0	0	0	429,787
PMIB Loan Payment for Storage	270,413	0	0	0	270,413
Public Information	30,000	0	0	0	30,000
Kansas River Study	150,000	0	0	0	150,000
Stream Gauging Program	370,000	0	0	0	370,000
Stream Team	0	0	0	0	0
Tech. Assist. to Water Users	440,000	0	0	0	440,000
Water Resource Education	60,000	0	0	0	60,000
Water Quality in Upper Arkansas River	0	0	0	0	0
Weather Modification	349,000	0	0	0	349,000
Total--Kansas Water Office	3,046,500	8,500	16,740	8,500	3,055,000
Department of Wildlife and Parks					
River Recreation	0	0	0	0	0
Stream Monitoring	50,000	0	0	0	50,000
Total--Wildlife and Parks	50,000	0	0	0	50,000
Department of Agriculture					
Best Management Practices	46,792	0	0	0	46,792
Floodplain Management	126,409	0	0	0	126,409
Interstate Water Issues	226,048	0	0	0	226,048
Subbasin Management Plan	634,540	0	0	0	634,540
Total--Department of Agriculture	1,033,789	0	0	0	1,033,789
Health and Environment					
Assessment of Sediment Quality	50,000	0	0	0	50,000
Contamination Remediation	1,397,023	0	0	0	1,397,023
Local Environmental Protection Program	1,800,000	0	0	0	1,800,000
Nonpoint Source Program	482,529	0	0	0	482,529
TMDL Initiatives	406,900	0	0	0	406,900
Use Attainability Analysis	0	0	0	0	0
Total--Health and Environment	4,136,452	0	0	0	4,136,452
KCC--Well Plugging	400,000	0	0	0	400,000
University of Kansas Geological Survey	0	0	0	0	0
Total Water Plan Expenditures	18,467,241	8,500	16,740	8,500	18,475,741

State Water Plan Resource Estimate	Governor's Rec. FY 2001	House Adj. FY 2001	Senate Adj. FY 2001	Legislature Adj. FY 2001	Legislature Appr. FY 2001
Beginning Balance	2,431,325	0	0	0	2,431,325
Revenues					
State General Fund Transfer	4,500,000	0	0	0	4,500,000
Economic Development Fund Transfer	2,000,000	0	0	0	2,000,000
Municipal Water Fees	3,685,000	0	0	0	3,685,000
Industrial Water Fees	1,300,000	0	0	0	1,300,000
Stock Water Fees	290,000	0	0	0	290,000
Pesticide Registration Fees	920,000	0	0	0	920,000
Fertilizer Registration Fees	2,997,618	0	0	0	2,997,618
Pollution Fines and Penalties	70,000	0	0	0	70,000
Sand Royalty Receipts	375,000	0	0	0	375,000
Returned Funds/Transfers In	860,086	0	0	0	860,086
Total Receipts	16,997,704	0	0	0	16,997,704
Total Available	19,429,029	0	0	0	19,429,029
Less Expenditures	18,467,241	8,500	16,740	8,500	18,475,741
Ending Balance	961,788	(8,500)	(16,740)	(8,500)	953,288
Remaining Balance		953,288	945,048	953,288	

State Water Plan Fund, FY 2002

Agency/Program	Governor's Rec. FY 2002	House Adj. FY 2002	Senate Adj. FY 2002	Legislature Adj. FY 2002	Legislature Appr. FY 2002
State Conservation Commission					
Buffer Initiative	265,134	0	0	0	265,134
Conservation District Aid	1,038,000	0	0	0	1,038,000
Multipurpose Small Lakes	230,000	0	0	0	230,000
Nonpoint Source Pollution Asst.	3,150,000	0	0	0	3,150,000
Riparian and Wetland Program	200,000	50,000	50,000	50,000	250,000
Water Resources Cost Share	4,450,000	0	0	0	4,450,000
Water Rights Purchase	69,433	0	0	0	69,433
Watershed Dam Construction	805,000	0	0	0	805,000
Total--State Conservation Commission	10,207,567	50,000	50,000	50,000	10,257,567
Kansas Water Office					
Assessment and Evaluation	200,000	0	0	0	200,000
Basin Assessment	0	0	0	0	0
Cheney Agricultural Nonpoint Source	0	0	0	0	0
Federal Cost-Share Programs	250,000	0	0	0	250,000
GIS Data Access and Support Ctr.	143,773	0	0	0	143,773
GIS Data Base Development	250,000	0	0	0	250,000
Groundwater Condition Eval.	0	0	0	0	0
Kansas Water Resource Research Institute	0	0	0	0	0
MOU Operation and Maintenance	437,833	0	0	0	437,833
Ogallala Aquifer institute	0	45,000	45,000	45,000	45,000
PMIB Loan Payment for Storage	263,991	0	0	0	263,991
Public Information	30,000	0	0	0	30,000
Kansas River Study	0	0	0	0	0
Stream Gauging Program	416,000	0	0	0	416,000
Stream Team	0	0	0	0	0
Tech. Assist. to Water Users	440,795	0	0	0	440,795
Water Resource Education	60,000	0	0	0	60,000
Water Quality in Upper Arkansas River	0	0	0	0	0
Water Planning Process	0	0	55,552	55,552	55,552
Weather Modification	178,000	0	0	0	178,000
Total--Kansas Water Office	2,670,392	45,000	100,552	100,552	2,770,944
Department of Wildlife and Parks					
River Recreation	0	0	0	0	0
Stream Monitoring	50,000	0	0	0	50,000
Total--Wildlife and Parks	50,000	0	0	0	50,000
Department of Agriculture					
Best Management Practices	0	0	0	0	0
Floodplain Management	136,647	0	0	0	136,647
Interstate Water Issues	243,905	0	0	0	243,905
Subbasin Management Plan	651,597	0	0	0	651,597
Total--Department of Agriculture	1,032,149	0	0	0	1,032,149
Health and Environment					
Assessment of Sediment Quality	50,000	0	0	0	50,000
Contamination Remediation	1,397,506	0	0	0	1,397,506
Local Environmental Protection Program	1,800,000	0	0	0	1,800,000
Nonpoint Source Program	482,435	0	0	0	482,435
TMDL Initiatives	406,900	0	0	0	406,900
Use Attainability Analysis	0	0	0	0	0
Total--Health and Environment	4,136,841	0	0	0	4,136,841
KCC--Well Plugging	400,000	0	0	0	400,000
University of Kansas Geological Survey	50,000	0	0	0	50,000
Total Water Plan Expenditures	18,546,949	95,000	150,552	150,552	18,697,501

State Water Plan Resource Estimate	Governor's Rec. FY 2002	House Adj. FY 2002	Senate Adj. FY 2002	Legislature Adj. FY 2002	Legislature Appr. FY 2002
Beginning Balance	961,788	(8,500)	(16,740)	(8,500)	953,288
Revenues					
State General Fund Transfer	6,250,000	0	0	0	6,250,000
Economic Development Fund Transfer	2,000,000	(2,000,000)	0	0	2,000,000
Municipal Water Fees	3,500,000	0	0	0	3,500,000
Industrial Water Fees	1,150,000	270,000	270,000	270,000	1,400,000
Stock Water Fees	300,000	30,000	30,000	30,000	350,000
Pesticide Registration Fees	920,000	0	0	0	920,000
Fertilizer Registration Fees	2,968,000	0	0	0	2,968,000
Pollution Fines and Penalties	100,000	0	0	0	100,000
Sand Royalty Receipts	405,000	0	0	0	405,000
Returned Funds/Transfers In	0	0	0	0	0
Total Receipts	17,593,000	(1,700,000)	300,000	300,000	17,893,000
Total Available	18,554,788	(1,708,500)	283,260	291,500	18,846,288
Less Expenditures	18,546,949	95,000	150,552	150,552	18,697,501
Less Transfer to the State General Fund	0	0	0	0	0
Ending Balance	7,839	(1,803,500)	132,708	140,948	148,787
Remaining Balance		(1,795,661)	140,547	148,787	

Selected Special Revenue Funds
 (Does not include federal funds, capital improvement funds or debt service funds)

Agency/Fund	Limit / No-limit	Legis. Approved Ending Balance FY 2002	Funding Source	Uses or Limitations on Fund	Expenditures Approved FY 2001-2003	Agency Financed From Any Other Funding Sources? (Yes/No)	If Yes, is SGF Funding Included? (Yes/No)	Funds Availability
Transportation								
Department of Transportation								
State Highway Fund - KSIP Acct.	No limit	\$ 3,174,733	SHF Agency Operations Savings	By proviso	FY 2001: \$4,683,306 FY 2002: NA	No	No	used for technology - could be taken
Education								
Department of Education								
Inservice Education Workshop Fee Fund	No limit	\$ 400,229	Fees assessed participants in inservice education workshops	Expenditures related to sponsoring inservice education workshops and conferences	FY 2001-\$433,102 FY 2002-\$441,802	Yes	Yes	Can take \$60,000
Conversion of Materials and Equipment Fund	No limit	\$ 52,064	Sale of surplus property	Expenditures for general agency operations, including purchase of technology equipment	FY 2001-\$0 FY 2002-\$22,295	Yes	Yes	Could be taken
Certificate Fee Fund	No limit	\$ 551,372	Fees from applicants for teacher certification and renewal	Expenditures related to teacher certification and approval of teacher education programs	FY 2001-\$505,764 FY 2002-\$518,130	Yes	Yes	Could take \$175,000
Kansas State University								
General Fees Fund	Limit	\$ 150,000	student tuition	used to fund general use operating budget	FY 2001: \$48,607,203 FY 2002: \$49,467,913	Yes	Yes	Could be taken
KSU - Veterinary Medical Center								
General Fees Fund	Limit	\$ 84,108	student tuition	used to fund general use operating budget	FY 2001: \$5,258,707 FY 2002: \$5,180,177	Yes	Yes	Could be taken
University of Kansas								
Local Law Enforcement Training Reim.	No limit	\$ 286,798	charges to local law enforcement for training	operations of law enforcement training center	FY 2001: \$275,315 FY 2002: \$275,315	Yes	Yes	Could be taken

Agency/Fund	Limit / No-limit	Legis. Approved Ending Balance FY 2002	Funding Source	Uses or Limitations on Fund	Expenditures Approved FY 2001-2003	Agency Financed From Any Other Funding Sources? (Yes/No)	If Yes, is SGF Funding Included? (Yes/No)	Funds Availability
Regents Center Development Fund	No limit	\$ 2,843,442	transfers from general fees fund	operations of the Regents Center	FY 2001: \$1,380,310 FY 2002: \$1,314,687	Yes	Yes	Could be taken
Law Enforcement Training Center Fund	No limit	\$ 2,896,406	docket fees	operations and capital improvements at law enforcement training center	FY 2001: \$2,188,098 FY 2002: \$2,221,407	Yes	Yes	Could be taken
Interest on Permanent University Fund	Limit	\$ 7,600	interest earned by the permanent university fund administered and invested by the Endowment Association	used to help fund institution's general use budget	FY 2001: \$20,000 FY 2002: \$20,000	Yes	Yes	Could be taken
University of Kansas Medical Center								
General Fees Fund	Limit	\$ 183,924	Tuition and other fees		FY 2001: \$11,099,315 FY 2002: \$10,857,269	Yes	Yes	Could be taken
Sponsored Research Overhead	No limit	\$ 549,205	Transfer from Restricted Fees Fund	Administration and Research, subject to appropriations acts	FY 2001: \$6,703,452 FY 2002: \$6,972,000	Yes	Yes	Could be taken
Wichita State University								
General Fees Fund	Limit	\$ 100,000	student tuition	used to fund general use operating budget	FY 2001: \$28,425,377 FY 2002: \$28,912,353	Yes	Yes	Could be taken
Historical Society								
Microfilm Fee Fund	No-limit	\$ 51,385	KSA 75-2713; revenue from the sale of microfilm holdings of the Society	Used to support microfilm activities of the library and archives division	FY 2001: \$50,000 FY 2002: \$50,000	Yes	Yes	Could take \$25,000
Human Resources								
Department of Health and Environment								
Health and Environment Training Fee Fund	No limit	\$ 33,801	Charges for education and materials	Training Services	FY 2001: \$198,836 FY 2002: \$195,631	Yes	Yes	Could be taken
Solid Waste Management Fund	No limit	\$ 5,311,975	Solid waste disposal fees	Remedial efforts for closed landfills and public education efforts	FY 2001: \$5,372,578 FY 2002: \$5,054,676	Yes	Yes	Could be taken
Waste Tire Management Fund	No limit	\$ 2,533,386	Excise tax on retail sales of new tires	Abatement of waste tires	FY 2001: \$2,715,530 FY 2002: \$206,398	Yes	Yes	Could be taken

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Agency/Fund	Limit / No-limit	Legis. Approved Ending Balance FY 2002	Funding Source	Uses or Limitations on Fund	Expenditures Approved FY 2001-2003	Agency Financed From Any Other Funding Sources? (Yes/No)	If Yes, is SGF Funding Included? (Yes/No)	Funds Availability
Highway Patrol								
Highway Patrol Motor Vehicle Fund	No-limit	\$ 2,689,218	A fee charged on each title (\$2.50) and the sale of retired vehicles	Funds the Highway Patrol Motor Vehicle Program and other programs within the agency	FY 2001: \$5,009,630 FY 2002: \$5,460,430	Yes	No	Could be taken
Kansas Bureau of Investigation								
Private Detective Fee Fund	Limit	\$ 35,346	Receipts for the licensing of private detectives	Funds costs associated with the licensing of private detectives	FY 2001: \$45,797 FY 2002: \$46,442	Yes	No	Could be taken
General Fees Fund	No-limit	\$ 73,000	Receipts to collected from services to state and local agencies concerning criminal prevention material, items sold through surplus property, restitution through adjudicated court cases, drug tax stamp funds, administration of contraband programs, or othe	Used for education an training for agents, purchase of illegal drugs for investigative purposes, preparing or publishing crime prevention materials, conduction laboratory and investigative work	FY 2001: \$294,116 FY 2002: \$192,043	Yes	No	Could be taken
State Fire Marshal								
Fire Marshal Fee Fund	Limit	\$ 2,142,002	Funded by a fee paid on fire insurance premiums	Funds costs associated with the operation of the agency	FY 2001: \$2,637,262 FY 2002: \$2,810,408	Yes	No	Could take \$500,000 in each of July and January (cash flow)
General Government								
Judicial Branch								
Conversion of Materials and Equipment	No limit	\$ 2,012	Sale of surplus property	General operating expenditures	FY 2001-\$5,000 FY 2002-\$0	Yes	Yes	Could be taken
Judicial Branch Education Fund	No limit	\$ 62,061	Docket fees	Education and training of judicial branch officers and employees	FY 2001-\$706,802 FY 2002-\$688,553	Yes	Yes	Information pending
Child Support Enforcement Contractual Agreement Fund	No limit	\$ 271,536	Transfers from SRS	Reimbursement from SRS of expenses for child support enforcement activities	FY 2001-\$1,851,972 FY 2002-\$1,961,473	Yes	Yes	Could take \$100,000

Agency/Fund	Limit / No-limit	Legis. Approved Ending Balance FY 2002	Funding Source	Uses or Limitations on Fund	Expenditures Approved FY 2001-2003	Agency Financed From Any Other Funding Sources? (Yes/No)	If Yes, is SGF Funding Included? (Yes/No)	Funds Availability
Board of Indigents' Defense Services								
Indigents' Defense Services Fee Fund	No limit	\$ 13,167	Docket fees and \$35 administrative cost charged indigents	Expenditures for general operations	FY 2001: \$275,000 FY 2002: \$352,000	Yes	Yes	Could be taken
Department of Commerce and Housing								
Publications and Other Sales	No limit	\$ 401,708	Magazine sales	Tourism operations	FY 2001: \$974,522 FY 2002: \$1,007,603	Yes	No	Could be taken
Conference Registration	No limit	\$ 34,356	Conference charges	Department operations	FY 2001: \$3,800 FY 2002: \$3,800			Could be taken
Department of Revenue								
Cig. And Tobacco Products Regulation Fund	No Limit	\$ 208,555	tobacco license fees	agency operating cost	FY 2001: \$137,619 FY 2002: \$142,209	Yes	Yes	Could take \$208,555
Racing and Gaming Commission								
Kansas Racing Fund	Limit	\$ 326,995	parimutuel taxes; racing license fees; admission fees; fines and penalties	statutory restriction	FY 2001: \$3,430,729 FY 2002: \$3,188,533	No	No	Could take \$26,995 - more is \$300,000 threshold is changed
Kansas Lottery								
Lottery Operating Fund	Mixed Limit; No Limit	\$ 5,470,010	sales of lottery tickets; merchant fees	statutory restriction	FY 2001: \$23,086,876 FY 2002: \$23,056,048	No	No	Could take some if the transfer percentage is set higher than 30.00%
Department of Administration								
Property Contingency Fund	No-limit	\$ 78,321	Transfers from state agencies		FY 2001: \$0 FY 2002: \$0	Yes	Yes	Could be used to partially offset SGF for Signature Building relocation
Building and Grounds Fund	No-limit	\$ 173,921	Parking Fees		FY 2001: \$675,347 FY 2002: \$770,989	Yes	Yes	Could be taken
State Treasurer								
PMIB Fee Fund	No-limit	\$ 217,618	Investment of Governmental Funds	Operation of the Pooled Money Investment Board	FY 2001: \$713,751 FY 2002: \$741,260	Yes	Yes	Could be taken

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Agency/Fund	Limit / No-limit	Legis. Approved Ending Balance FY 2002	Funding Source	Uses or Limitations on Fund	Expenditures Approved FY 2001-2003	Agency Financed From Any Other Funding Sources? (Yes/No)	If Yes, is SGF Funding Included? (Yes/No)	Funds Availability
General Fees Fund	No limit	\$ 2,951	Inmate sick pay payments	None	FY 2001: \$32,000 FY 2002: \$41,000	Yes	Yes	Could be taken
Correctional Industries	No limit	\$ 2,930,000	Correctional Industries revenue	Finance industry programs	FY 2001: \$10,128,940 FY 2002: \$10,762,256	Yes	Yes	Could be taken, but would slow or stop inmate industry projects
DOC Inmate Benefits Fund	No limit	\$ 25,000	Inmate telephone commission, canteen, misc.	Programs, 3.0 FTE,	FY 2001: \$3,525,240 FY 2002: \$2,915,828	Yes	Yes	Could be taken
Ellsworth Correctional Facility								
General Fees Fund	No limit	\$ 18,095	Payments for services, misc.	Operating costs	FY 2001: \$45,371 FY 2002: \$37,610	Yes	Yes	Could be taken
El Dorado Correctional Facility								
General Fees Fund	No limit	\$ 56,903	Payments for services, misc.	Operating costs	FY 2001: \$81,430 FY 2002: \$83,025	Yes	Yes	Could be taken
Hutchinson Correctional Facility								
General Fees Fund	No limit	\$ 25,055	Payment for services, printing, misc.	Operating costs	FY 2001: \$314,507 FY 2002: \$289,739	Yes	Yes	Could be taken
Lansing Correctional Facility								
General Fees Fund	No limit	\$ 1,769	Payment for services, misc.	Operating costs	FY 2001: \$283,233 FY 2002: \$281,000	Yes	Yes	Could be taken
Norton Correctional Facility								
General Fees Fund	No limit	\$ 3,448	Payments for services	Operating costs	FY 2001: \$153,000 FY 2002: \$167,000	Yes	Yes	Could be taken
Winfield Correctional Facility								
General Fees Fund	No limit	\$ 7,924	Payments for services, misc.	Operating costs	FY 2001: \$200,511 FY 2002: \$161,249	Yes	Yes	Could be taken
Juvenile Justice Authority								
Juvenile Detention Facilities Fund	Limit	\$ 634,223	Drivers license fees, court fees, State Gaming Revenues Fund; other fees	Debt service, construction, renovation, or operating expenditures of juvenile detention facilities	FY 2001: \$4,385,258 FY 2002: \$3,482,618	Yes	Yes	Could take \$250,000

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Agency/Fund	Limit / No-limit	Legis. Approved Ending Balance FY 2002	Funding Source	Uses or Limitations on Fund	Expenditures Approved FY 2001-2003	Agency Financed From Any Other Funding Sources? (Yes/No)	If Yes, is SGF Funding Included? (Yes/No)	Funds Availability
District Coroners Fund	No limit	\$ 445,385	Death certificate fee	Expenses for county coroners	FY 2001: \$18,000 FY 2002: \$18,000	Yes	Yes	Could be taken
Department of Human Resources								
Workers Compensation Fee Fund	Limit /	\$ 899,634	Fees paid by insurance companies and employers based on a percentage of insurance benefits paid out.	Operating expenditures	FY2001-\$8,040,194 FY2002-\$8,533,152	Yes	Yes	Could take \$250,000
Boiler Inspection Fee Fund	No-limit	\$ 104,946	Boiler Inspection Fees	Operating expenditures	FY2001-\$439,134 FY2002-\$456,334	Yes	Yes	Could take \$25,000
Agriculture and Natural Resources								
Kansas Water Office								
Water Marketing Fund	No-limit	\$ 3,044,464	User fees for storage space	For Water Marketing Program	FY 2001: \$1,273,264 FY 2002: \$1,688,413	Yes	No	Portion could be taken (\$633,370 taken in FY 2001)
Department of Wildlife and Parks								
State Ag. Production Fund	No limit	\$ 339,087	Farm, dairy sales and leases	State fishing lakes and wildlife areas	FY 2001: \$150,000 FY 2002: \$150,000	Yes	Yes	Could be taken
Non-restricted fee fund	No limit	\$ 232,067	Magazine sales and revenue	Partial production costs	FY 2001: \$230,000 FY 2002: \$230,000	Yes	Yes	Could be taken
Park Fee Fund (includes KSIP)	Limit	\$ 563,717	Fees related to camping and park usage	Park operations	FY 2001: \$4,483,175 FY 2002: \$4,880,243	Yes	Yes	Could take \$250,000
Public Safety								
Department of Corrections								
Supervision Fees Fund	No limit	\$ 31,000	Parolee payment from telephone supervision contractor	Fund parole services programs	FY 2001: \$537,076 FY 2002: \$475,015	Yes	Yes	Could be taken

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Agency/Fund	Limit / No-limit	Legis. Approved Ending Balance FY 2002	Funding Source	Uses or Limitations on Fund	Expenditures Approved FY 2001-2003	Agency Financed From Any Other Funding Sources? (Yes/No)	If Yes, is SGF Funding Included? (Yes/No)	Funds Availability
Secretary of State								
State Register Fee Fund	No-limit	\$ 65,543	Subscriptions, publication fees, and sale of three-ring binders	Used to fund the Kansas Register and other agency operating expenditures	FY 2001: \$237,449 FY 2002: \$204,619	Yes	Yes	Could take \$30,000
Attorney General								
Court Cost Fund	No limit	\$ 329,991	Recouped expenses from consumer protection investigations	Expenditures primarily for consumer protection division	FY 2001-\$739,936 FY 2002-\$591,780	Yes	Yes	Could be taken
Legislature								
Capital Restoration - Gifts and Donations	No-limit	\$ 2,864	Donations for Capital Restoration	Statehouse improvements	FY 2001: \$0 FY 2002: \$0	Yes	Yes	Could be taken, but the amount was donated for specific improvements within the Statehouse
Behavioral Sciences Regulatory Board								
Fee Fund	Limit	\$ 526,181	Licence fees; printed matter; other service charges; recovery of current expenditures	Operating expenditures	FY 2001: \$431,462 FY 2002: \$485,656 FY 2003: \$512,945	No	No	Could take \$100,000
Board of Nursing								
Board of Nursing Fee Fund	Limit	\$ 725,743	Certificate fees; licensure fees; publications; recovery of current FY expenditures	Operating expenditures	FY 2001: \$1,206,194 FY 2002: \$1,426,346 FY 2003: \$1,383,705	Yes	No	Could take \$350,000
Board of Pharmacy								
Fee Fund	Limit	\$ 1,053,665	Revenues from the licensure of pharmacists, pharmacies, drug manufactures and distributors, retail dealers, and the administration of licensure examinations	Funds costs associated with the operation of the agency	FY 2001: \$511,658 FY 2002: \$554,053 FY 2002: \$566,462	No	No	Could take \$250,000
TOTAL WHICH COULD BE TRANSFERRED		\$ 29,478,198						

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