

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Steve Morris at 10:30 a.m. on February 16, 2001, in Room 123-S of the Capitol.

All members were present except: Senator Jim Barone - excused
Senator Christine Downey - excused
Senator Jean Schodorf - excused

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Amory Lovin, Kansas Legislative Research Department
Stuart Little, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Robert Waller, Kansas Legislative Research Department
Rae Anne Davis, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor, Revisor of Statutes Office
Julie Weber, Administrative Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Leo Henning, on behalf of Gary Blackburn, Director, Bureau of Environmental Remediation,
Kansas Department of Health and Environment

Others attending: See attached guest list

Bill Introductions

Senator Adkins moved, with a second by Senator Jackson, to introduce a bill (1rs1066) commercial feeding stuffs; seizures. Motion carried by a voice vote.

Senator Adkins moved, with a second by Senator Jackson, to introduce a conceptual bill regarding establishing individual development account program and individual development account reserve fund. Motion carried by a voice vote.

The Chairman turned the Committee's attention to review of the minutes of the meetings of January 22, January 24 and January 25, 2001. Senator Adkins moved, with a second by Senator Jackson, to approve the minutes of January 22, January 24 and January 25, 2001. Motion carried by a voice vote.

Subcommittee budget reports:

Ombudsman of Corrections (Attachment 1)

Senator Huelskamp reported that the Subcommittee concurs with the Governor's recommendations for FY 2001 and FY 2002 with adjustments noted in the subcommittee report.

Senator Huelskamp moved, with a second by Senator Jordan, to approve the subcommittee budget report on the Ombudsman of Corrections. Motion carried by a voice vote.

Chairman Morris announced a special presentation and he welcomed Dale Dennis, Assistant Commissioner of Education, who presented an award to Col. Brownlee, Kansas Highway Patrol, regarding establishing the School Safety Hotline on behalf of the 470,000 children in Kansas. The Department of Education wanted to show their appreciation for all the work the Highway Patrol has done. Col. Brownlee graciously accepted the award.

CONTINUATION SHEET

Kansas Highway Patrol (Attachment 2)

Chairman Morris reported that the Subcommittee concurs with the Governor's recommendation for FY 2001.

Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments and observations as listed in the subcommittee report.

Senator Feleciano moved, with a second by Senator Adkins, to approve the Subcommittee budget report on the Kansas Highway Patrol. Motion carried by a voice vote.

Adjutant General, Including Civil Air Patrol (Attachment 3)

Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2001 with adjustments and observations as listed in the subcommittee report.

Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments and observations as listed in the subcommittee report.

Senator Feleciano moved, with a second by Senator Adkins, to approve the Subcommittee budget report on the Adjutant General, Including the Civil Air Patrol. Motion carried with a voice vote.

Parole Board (Attachment 4)

Senator Huelskamp reported that the Subcommittee concurs with the Governor's recommendation for FY 2001.

Senator Huelskamp reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments as listed in the subcommittee report.

Senator Feleciano moved, with a second by Senator Huelskamp, to amend the Subcommittee report to reflect upon passage of the legislation regarding reducing the number of FTE Parole Board Members from 4.0 to 3.0 FTE positions. Motion carried by a voice vote.

Senator Huelskamp moved, with a second by Senator Jordan, to approve the Subcommittee budget report as amended on the Parole Board. Motion carried by a voice vote.

State Fire Marshall (Attachment 5)

Chairman Morris reported that the Subcommittee concurs with the Governor's recommendation for FY 2001.

Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments and observations as listed in the subcommittee report.

The Committee discussed Section 2 of the State Fire Marshall subcommittee recommendations in regard to the agency stating that the Governor's recommended salaries and wage reductions, in FY 2001, will prevent them from fully funding salaries and wage expenditures for the current year. The Subcommittee recommends this item be flagged for Omnibus consideration in the event that the additional funding is necessary to allow the agency to meet its current year obligation.

Senator Feleciano moved, with a second by Senator Jackson, to amend the Subcommittee budget report and insert Section 2 of the FY 2002 budget report in to the FY 2001 budget report for the State Fire Marshall. Motion carried on a voice vote.

Senator Jackson moved, with a second by Senator Jordan, to approve the Subcommittee budget report as amended on the State Fire Marshall. Motion carried on a voice vote.

CONTINUATION SHEET

Kansas Bureau of Investigation (Attachment 6)

Senator Jordan reported that the Subcommittee concurs with the Governor's recommendation for FY 2001.

Senator Jordan reported that the Subcommittee concurs with the Governor's recommendations with adjustments and observations for FY 2002 as listed in the subcommittee report.

Senator Adkins requested that Staff come up with some sort of rational basis that might allow concluding that the salary enhancements offered by the Governor for the Kansas Highway Patrol and the Department of Corrections officers are also appropriate for the Kansas Bureau of Investigation agents considering the methamphetamine proliferation. These agents find themselves in very dangerous circumstances when they work a crime scene and he does not want to send a message that they are not worthy of the same kind of consideration as highway patrol officers. Senator Adkins noted that he is interested in visiting the pay issue, being very aggressive in pursuing the laboratory science issue and he feels that more information is needed regarding whether or not it will be able to keep pace with DNA processing expenses at Omnibus.

Senator Feleciano echoed the remarks by Senator Adkins and that there is a need to be more aggressive in regard to agents walking into dangerous situations when they work a crime scene. Senator Feleciano also explained information regarding DNA testing and a national clearing house as it relates to crime in general. He is also concerned about what the actual cost and expenditure is with DNA testing and hopes it would be pursued at some point in time, perhaps in the wrap-up session.

Senator Adkins moved, with a second by Senator Feleciano, to amend the Subcommittee report to flag the issues of agent pay and DNA analysis for further consideration at Omnibus. Motion carried by a voice vote.

Senator Jordan moved, with a second by Senator Feleciano, to approve the Subcommittee budget report as amended on the Kansas Bureau of Investigation. Motion carried by a voice vote.

Sentencing Commission (Attachment 7)

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendation for FY 2001 with adjustments as listed in the subcommittee report.

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments and observations as listed in the subcommittee report.

Senator Salmans moved, with a second by Senator Jackson, to approve the Subcommittee budget report on the Sentencing Commission. Motion carried by a voice vote.

Emergency Medical Services Board (Attachment 8)

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendation for FY 2001.

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments and observations as listed in the subcommittee report.

Senator Jordan moved, with a second by Senator Salmans, to request a GBA regarding FY 2002, Item Number 2. Motion carried by a voice vote.

Senator Kerr moved, with a second by Senator Jordan, to drop Item Number 6 regarding FY 2002 from the Subcommittee report and consider the issue at Omnibus. Motion carried by a voice vote.

Senator Feleciano requested a memorandum from staff regarding what, where, how much and where the money is going.

CONTINUATION SHEET

Senator Feleciano moved, with a second by Senator Jordan, to amend the subcommittee report to consider transfer Item 8 at Omnibus. Motion carried by a voice vote.

Senator Salmans moved, with a second by Senator Kerr, to approve the Subcommittee budget report as amended on the Emergency Medical Services Board. Motion carried on a voice vote.

Chairman Morris opened the public hearing on:

SB 184—Creating the natural resources damages trust fund, used to restore injured natural resources

Staff briefed the Committee on the bill.

Chairman Morris welcomed Leo Henning, on behalf of Gary Blackburn, Director, Bureau of Environmental Remediation, Kansas Department of Health and Environment, who spoke in favor of **SB 184**. Mr. Henning mentioned that after the bill had been introduced, it was pointed out to the agency that the current wording may create some unanticipated consequences. To eliminate those concerns, the agency proposed some language changes to (f) to narrow the scope of activities and funding sources (Attachment 9).

Committee questions and discussion followed.

There being no further conferees, Chairman Morris closed the public hearing on **SB 184**.

A letter was distributed to the Committee dated January 26, 2001, from Connie Hubbell, Secretary, Department on Aging, regarding her response to questions raised by Committee members regarding the Wage Pass Through Program during the agency overview on January 17, 2001 (Attachment 10).

The meeting was adjourned at 12:00 noon. The next meeting is scheduled for February 19, 2001.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE February 16, 2001

NAME	REPRESENTING
Leo Henning	KDHE
Gary Blackburn	KDHE
Kyle Smith	
Don Brownlee	KHP
WAT DARLING	KHP
Daniel Thompson	KSFM
Gale Haag	KSFM
Andy Slaw	PMCA
Lisa J. Locke	DOA/DPS
JP Arpin	Division of the Budget
Aaron Dunkel	DOB
Julie Thomas	DOB
Queen Smith	Ombudsman for Corrections
Marilyn Sotky	KPB
Padena Jones	KSC
Jin Lin	DOB
Albert Murray	JJA
Jim Haller	JJA
J. P. SMALL	KSARNG
Greg Gardner	Adjutant General
Janice Harper	Adjutant General
Greg Tugman	DOB

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST

DATE February 16, 2001

NAME	REPRESENTING
C. B. Larry / Qualed	Ks St Bd of Ed
Phil / Qualed	Page Hayzlett
Ashley Westeman	Page Hayzlett
Ariane Westeman	Page Hayzlett
Sharon / Qualed	KDOE / ABC
Ken Brasher	KSC
Jim / Qualed	KSC

2001-2002 PUBLIC SAFETY SUBCOMMITTEE

Ombudsman of Corrections



Senator Tim Huelskamp, Chairman



Senator Nick Jordan

Senate Ways and Means
2-16-01
Attachment 1

Subcommittee Report

Agency: Ombudsman of Corrections

Bill No. --

Bill Sec. –

Analyst: Little

Analysis Pg. No. 944

Budget Page No. 139

Expenditure Summary	Agency Estimate FY 01	Governor's Recommendation FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 192,642	\$ 189,384	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 192,642</u>	<u>\$ 189,384</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 192,642</u></u>	<u><u>\$ 189,384</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 175,007	\$ 171,749	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 175,007</u>	<u>\$ 171,749</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 175,007</u></u>	<u><u>\$ 171,749</u></u>	<u><u>\$ 0</u></u>
Other Funds:			
State Operations	\$ 17,635	\$ 17,635	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 17,635</u>	<u>\$ 17,635</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 17,635</u></u>	<u><u>\$ 17,635</u></u>	<u><u>\$ 0</u></u>
FTE Positions	3.5	3.5	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>3.5</u></u>	<u><u>3.5</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

Change From 1999 Session Approved Budget. The revised FY 2001 estimate of operating expenditures totals \$192,642, an increase of \$598 all other funds.

Salaries and Wages

- Request for salaries and wages total \$157,643 for 3.5 FTE.

Governor's Recommendation

The Governor recommends FY 2001 expenditures of \$189,384 and \$171,749 from the State General Fund.

- Deletes \$2,4980 SGF in for agency travel.

Senate Subcommittee Recommendation

Concur with the Governor's recommendation.

Subcommittee Report

Agency: Ombudsman of Corrections

Bill No. --

Bill Sec. --

Analyst: Little

Analysis Pg. No. 944

Budget Page No. 139

Expenditure Summary	Agency Request FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 191,370	\$ 191,133	\$ (2,888)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 191,370</u>	<u>\$ 191,133</u>	<u>\$ (2,888)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 191,370</u></u>	<u><u>\$ 191,133</u></u>	<u><u>\$ (2,888)</u></u>
State General Fund:			
State Operations	\$ 175,942	\$ 175,705	\$ (2,888)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 175,942</u>	<u>\$ 175,705</u>	<u>\$ (2,888)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 175,942</u></u>	<u><u>\$ 175,705</u></u>	<u><u>\$ (2,888)</u></u>
Other Funds:			
State Operations	\$ 15,428	\$ 15,428	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 15,428</u>	<u>\$ 15,428</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 15,428</u></u>	<u><u>\$ 15,428</u></u>	<u><u>\$ 0</u></u>
FTE Positions	3.5	3.5	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>3.5</u></u>	<u><u>3.5</u></u>	<u><u>0.0</u></u>

* Only change is removal of \$2,888 SGF for the Governor's pay plan.

Agency Request/Governor's Recommendation

Change From 1999 Session Approved Budget. The revised FY 2001 estimate of operating expenditures totals \$192,642, an increase of \$598 all other funds.

Salaries and Wages

- Request for salaries and wages total \$157,643 for 3.5 FTE.

The Governor recommends FY 2001 expenditures of \$189,384 and \$171,749 from the State General Fund.

- Deletes \$2,4980 SGF in for agency travel.

Agency Request

Agency FY 2002 operating expenditures request totals \$191,370 a reduction of \$1,272, or 0.7 percent from the FY 2001 request.

- Includes \$159,997 for salaries and wages and merit increases (\$3,287)
- Funding request includes \$15,428 from the Department of Corrections' Inmate Benefit Fund

Agency Requested Enhancements for FY 2002

Governor's Recommendation

The Governor recommends funding of \$191,133 for operating expenditures, an increase of 0.9 percent

- \$163,158 for salaries and wages, including \$3,287 for the 2.25 percent unclassified merit pool
- \$2,500 for capital outlay
- \$15,428 from the off-budget Department of Corrections' Inmate Benefits Fund.

Subcommittee Recommendation

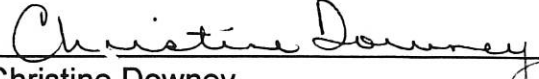
1. Delete \$2,888 SGF to remove the Governor's pay plan.

PUBLIC SAFETY SUBCOMMITTEE

Fire Marshal
Highway Patrol
Adjutant General (including Civil Air Patrol)



Senator Stephen Morris, Chairman



Christine Downey

Senate Ways and means
2-16-01
Attachment 2

SENATE SUBCOMMITTEE REPORT

Agency: Highway Patrol

Bill No. --

Bill Sec. --

Analyst: Waller

Analysis Pg. No. 1089

Budget Page No. 211

Expenditure Summary	Agency Est. FY 01	Governor's Recommendation FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 48,973,937	\$ 48,883,561	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 48,973,937	\$ 48,883,561	\$ 0
Capital Improvements	597,228	597,228	0
TOTAL	\$ 49,571,165	\$ 49,480,789	\$ 0
State General Fund:			
State Operations	\$ 24,932,834	\$ 24,842,458	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 24,932,834	\$ 24,842,458	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 24,932,834	\$ 24,842,458	\$ 0
FTE Positions	823.8	823.8	0.0
Unclassified Temp. Positions	61.3	61.3	0.0
TOTAL	885.1	885.1	0.0

Agency Est./Governor's Recommendation

The **agency's revised** current year estimate for operating expenditures totals \$48,973,937, which is \$1,694,978 or 3.3 percent below the approved FY 2001 amount. The State General Fund estimate remains the same while all other funds are estimated to decrease by \$1,694,978 from FY 2001 approved expenditures. The reduction is due to Capitol Area Security Guard expenses funded by contracts with the Department of Administration and the State Historical Society being taken off-budget. That was offset by the use of additional special revenue funds to finance expenses in various subprograms of the agency. The number of FTE positions within the agency's estimated FY 2001 budget remain the same as those approved by the 2000 Legislature.

The **Governor recommends** an operating budget amount of \$48,883,561, which is \$1,785,354 or 3.5 percent below the FY 2001 approved amount. State General Fund expenditures decrease by \$90,376 or 0.4 percent and all other funds decrease by \$1,694,978 or 6.6 percent. The reduction in State General Fund expenditures is due to shrinkage savings. The change in all other funds can be attributed to Capitol Area Security Guard expenses (under contracts with the

Department of Administration and the State Historical Society) being taken off budget and additional salary and wages and utility expenses being financed by special revenue funds.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

SENATE SUBCOMMITTEE REPORT

Agency: Highway Patrol

Bill No. --

Bill Sec. --

Analyst: Waller

Analysis Pg. No. 1089

Budget Page No. 211

Expenditure Summary	Agency Req. FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 53,982,624	\$ 51,629,988	\$ (1,145,313)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 53,982,624	\$ 51,629,988	\$ (1,145,313)
Capital Improvements	958,701	608,701	0
TOTAL	\$ 54,941,325	\$ 52,238,689	\$ (1,145,313)
State General Fund:			
State Operations	\$ 29,006,400	\$ 26,480,878	\$ (723,352)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 29,006,400	\$ 26,480,878	\$ (723,352)
Capital Improvements	0	0	0
TOTAL	\$ 29,006,400	\$ 26,480,878	\$ (723,352)
FTE Positions	823.8	823.8	0.0
Unclassified Temp. Positions	61.3	61.3	0.0
TOTAL	885.1	885.1	0.0

* The entire adjustment reflects deletion of the Governor's recommended employee pay plan adjustments.

Agency Req./Governor's Recommendation

The **agency's operating budget request** totals \$53,982,624, which is \$5,008,687 or 10.2 percent greater than the FY 2001 revised estimate. Requested State General Fund expenditures total \$29,006,400 or 16.3 percent above the FY 2001 amount due mostly to the agency's enhancement package, and the annualization of FY 2001 pay plan adjustments. Requested expenditures from special revenue funds increase by \$935,121 or 3.9 percent from the FY 2001 amount of \$24,932,834. The change is due to the increased use of special revenue funds to finance the current level of services. The agency requested additional funds be transferred from the State Highway Fund to finance enhanced expenditures. Also, the agency received additional revenues from other state agencies who purchased fuel from Highway Patrol bulk tanks. These increases were offset by a one time transfer made to the agency in FY 2001 that was appropriated to offset the use of State General Fund monies.

The agency's operating budget request (with enhancements) includes:

- \$40,422,531 for salaries and wages
 - 823.8 FTE positions requested
- \$4,145,240 for contractual services
- \$2,822,120 for commodities
- \$6,383,523 for capital outlay
- \$209,210 for debt service interest payments

The agency's operating enhancement package totals \$3,272,187 (\$3,032,187 from the State General Fund). In addition, a capital improvement enhancement totaling \$350,000 from the Motor Carrier Inspection Fund is requested.

Absent requested FY 2002 enhancements, the agency's FY 2002 operating budget totals \$50,710,437 which is \$1,736,500 or 3.5 percent above the revised FY 2001 estimate.

The Governor recommends operating expenditures which total \$51,629,988, which is \$2,746,427 or 5.6 percent above the FY 2001 revised recommendation. State General Fund expenditures increase by \$1,638,420 or 6.6 percent due to the Governor's pay plan and a recommended 5.0 percent salary increase for all sworn officers. All other funds increase by \$1,108,007 or 4.6 percent. This increase is due to the shifting of other operating expenditures from State General Fund dollars to special revenue funds.

The Governor's operating budget request recommendation includes:

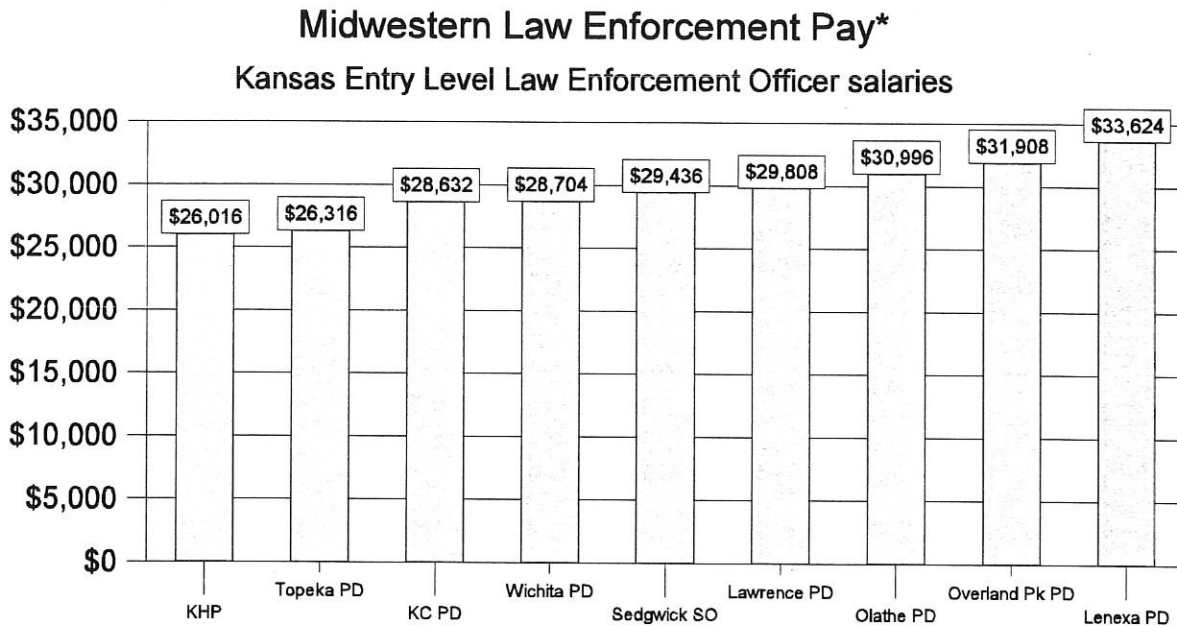
- \$38,309,895 for salaries and wages
 - 823.8 FTE positions recommended
- \$4,145,240 for contractual services
- \$2,582,120 for commodities
- \$6,383,523 for capital outlay
- \$209,210 for debt service interest payments

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, with the following adjustments and observations:

1. Delete \$1,145,313 (\$723,352 from the State General Fund) to remove the Governor's recommendation to fund longevity bonus payments (\$383,637); a 3.0 percent annualized base salary adjustment (\$742,354); and a 3.0 percent annualized unclassified merit pool (\$19,322) from individual agency budgets.
2. The Subcommittee notes that a judgement in the amount of \$1.3 million was levied against the agency due to a lawsuit by three former employees. The agency informed the Subcommittee that the case has been appealed to the Kansas Court of Appeals. If it is not overturned, the agency will request some portion of that judgement be appropriated in a supplemental package in the revised FY 2002 budget.

- The Subcommittee notes that studies conducted by the Federal Motor Carrier Safety Administration concluded that 78 percent of motor carrier accidents are caused by automobiles, and not the motor carrier operator. The agency has concentrated its efforts to educate and enforce motor carrier safety laws, thereby attempting to reduce the possibility of serious accidents on Kansas highways.
- The Subcommittee notes its concerns regarding salaries paid to Highway Patrol troopers as compared to other law enforcement and public service agencies within Kansas (see the table below). The Subcommittee directs attention to HB 2432 (currently in House Appropriations) which directs the Director of Personnel Services to conduct annual surveys of pay rates, other benefits, and compensation practices of public law enforcement departments to determine the total compensation provided to commissioned law enforcement officers of the top three public law enforcement agencies within the state. Upon collecting that information, Kansas Highway Patrol troopers' salaries would be adjusted to the highest compensation average of all public law enforcement agencies. The Subcommittee also states that efforts to find solutions to promote the recruitment and retention of Highway patrol troopers needs to be vigorously pursued by both the agency and the Legislature to continue the excellent tradition of Kansas law enforcement has established over the years.



*Highway Patrol initial salaries do not include the Governor's pay plan adjustments or the recommended 5.0 percent base salary increase.

- The Subcommittee commends the agency on its negotiations with the Adjutant General's Department regarding the utilization of armories for limited law enforcement purposes. The Subcommittee notes that the agency already utilizes facilities at the Kansas Law Enforcement Training Center for specific training purposes.

SENATE SUBCOMMITTEE REPORT

Agency: Adjutant General

Bill No. - -

Bill Sec. - -

Analyst: Robert Waller

Analysis Pg. No. 1048

Budget Page No. 1

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2001</u>	<u>Gov. Rec. FY 2001</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 19,131,415	\$ 19,131,415	\$ 100,000
Aid to Local Units	28,872,900	28,872,900	0
Other Assistance	54,519	54,519	0
Subtotal - Operating	\$ 48,058,834	\$ 48,058,834	\$ 100,000
Capital Improvements	0	0	0
TOTAL	<u>\$ 48,058,834</u>	<u>\$ 48,058,834</u>	<u>\$ 100,000</u>
State General Fund:			
State Operations	\$ 4,432,344	\$ 4,432,344	\$ 25,000
Aid to Local Units	270,004	270,004	0
Other Assistance	17,019	17,019	0
Subtotal - Operating	\$ 4,719,367	\$ 4,719,367	\$ 25,000
Capital Improvements	0	0	0
TOTAL	<u>\$ 4,719,367</u>	<u>\$ 4,719,367</u>	<u>\$ 25,000</u>
FTE Positions	215.0	215.0	0.0
Unclassified Temp. Positions	103.8	103.8	0.0
TOTAL	<u>318.8</u>	<u>318.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The revised FY 2001 agency estimate totals \$48,058,834, which is \$31,856,488 above the FY 2001 approved amount. The FY 2001 estimate includes \$4,719,367 from the State General Fund, which is \$300,077 or 6.8 percent above the amount authorized. Although the Legislature intended to reappropriate State General Fund disaster relief amounts, the language was not included in the appropriations bill and \$300,077 was lapsed. All other funds increase by \$31,556,411 over the approved amount. The increase can be attributed to additional funding needed to finance costs associated with the disasters that occurred during 1998 (flooding in South Central and Northeast Kansas), and the tornadoes that damaged Haysville in 1999 and Parsons in 2000. On August 5, 2000, the State Finance Council authorized the issuance of \$2,000,000 in bonds to renovate the agency's 58 statewide armories. Also, on December 5, 2000, the State Finance Council granted the agency the authority to expend funds from its Federal Forfeiture Fund to offset moneys spent to finance its counter drug operations program

*Senate Ways and Means
2-16-01
Attachment 3*

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments and observations:

1. The Subcommittee notes its concerns regarding increased utility expenses incurred by the 58 statewide armories. The Subcommittee was informed that the major expense associated with operating the armories are utility costs. Therefore, the Subcommittee flags this item for Omnibus consideration in the event that additional funding needs to be added to cover costs in FY 2001.
2. The Subcommittee adds \$25,000 (from the State General Fund) to be used as matching money for \$75,000 in federal funds. The agency stated that during the 2000 Legislative session, \$25,000 (and the federal funds matched by that amount) were eliminated during the 2000 Legislative session. The agency assumed those funds would be reinstated within the Governor's FY 2001 revised recommended due to increased utility costs. The agency informed the Subcommittee that funding previously allocated to finance repairs for McConnell Air Force Base were shifted to cover those costs. The Subcommittee recommends adding \$25,000 to access additional federal funds. The addition of the State General fund moneys is intended to be contingent on the availability of federal matching funds.

SENATE SUBCOMMITTEE REPORT

Agency: Adjutant General

Bill No. - -

Bill Sec. - -

Analyst: Robert Waller

Analysis Pg. No. 1048

Budget Page No. 1

<u>Expenditure Summary</u>	<u>Agency Request FY 2002</u>	<u>Gov. Rec. FY 2002</u>	<u>Senate Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ 19,563,070	\$ 19,326,308	\$ (44,231)
Aid to Local Units	3,861,156	3,861,156	0
Other Assistance	4,519	4,519	0
Subtotal - Operating	\$ 23,428,745	\$ 23,191,983	\$ (44,231)
Capital Improvements	0	0	0
TOTAL	<u>\$ 23,428,745</u>	<u>\$ 23,191,983</u>	<u>\$ (44,231)</u>
State General Fund:			
State Operations	\$ 4,708,443	\$ 4,572,018	\$ 137,224
Aid to Local Units	0	0	0
Other Assistance	4,519	4,519	0
Subtotal - Operating	\$ 4,712,962	\$ 4,576,537	\$ 137,224
Capital Improvements	0	0	0
TOTAL	<u>\$ 4,712,962</u>	<u>\$ 4,576,537</u>	<u>\$ 137,224</u>
FTE Positions	215.0	215.0	0.0
Unclassified Temp. Positions	104.8	102.8	0.0
TOTAL	<u>319.8</u>	<u>317.8</u>	<u>0.0</u>

* Excluding the adjustment for the Governor's pay plan, the change by the Subcommittee would be an increase of \$195,000 (from the State General Fund) above the Governor's recommendation.

Agency Request/Governor's Recommendation

The agency's FY 2002 operating budget request totals \$23,428,745 which is \$24,630,089 or 51.2 percent below the revised FY 2001 estimate. Requested State General Fund expenditures total \$4,712,962 which is a decrease of \$6,405 or 0.1 percent due in large portion to the reduction of State General Fund moneys needed for the purpose of matching federal disaster relief funds and the agency's requested enhancement package. Requested all other funds expenditures decrease by \$24,623,684 or 56.8 percent from the FY 2001 estimate due to federal disaster-related funding being expended during the current year.

The agency's operating budget request (with enhancements) includes:

- \$10,852,151 for salaries and wages
 - 215.0 FTE positions requested
- \$7,507,400 for contractual services
- \$1,203,519 for commodities
- \$0 for capital outlay
- \$3,861,156 for aid to local units
- \$4,519 for other assistance

The agency's operating enhancement package totals \$301,677 (including \$258,405 from the State General Fund and 2.0 other unclassified positions).

Absent requested FY 2002 enhancements, the agency's FY 2002 operating budget totals \$23,127,068 which is \$24,931,766 or 51.9 percent below the revised FY 2001 estimate.

The Governor recommends operating expenditures which total \$23,191,983, which is \$24,866,851 or 51.7 percent below the revised FY 2001 recommendation. State General Fund expenditures decrease by \$142,830 or 3.0 percent due reductions in state matching funds utilized to obtain federal disaster relief and a decrease in other operating expenditures. Those decreases were partially offset by the Governor's recommended pay plan adjustments. All other funds decrease by \$24,724,021 or 57.0 percent due to federal disaster related funding being expended during FY 2001.

The Governor's operating budget recommendation includes:

- \$11,018,494 for salaries and wages
 - 215.0 FTE positions recommended
- \$7,173,813 for contractual services
- \$1,134,001 for commodities
- \$0 for capital outlay
- \$3,861,156 for aid to local units
- \$4,519 for other assistance

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, with the following adjustments and observations:

1. Delete \$239,231 (\$57,776 from the State General Fund) to remove the Governor's recommended pay plan adjustment to fund longevity bonus payments (\$20,392); a 3.0 percent annualized base salary adjustment (\$39,822); and a 3.0 percent annualized unclassified merit pool (\$179,017) from individual agency budgets.
2. The Subcommittee notes that under the Governor's FY 2001 revised recommendation, no state matching funds are authorized allowing the agency to obtain the federal funding necessary to finance costs associated with the flooding disasters in Northeast and South central Kansas and the Haysville/Wichita and Parson's tornadoes. As an alternative, the Adjutant General sought out a global match,

where the agency receives "constructive credit" for local matching and Community Development Block Grant monies already held by local governments (\$3,444,323). Once a portion of those funds are designated as "state matching fund," the Federal Emergency Management Agency (FEMA) releases the amount of federal funding that is matched by those dollars. The Subcommittee commends the agency on its innovation in obtaining the funding necessary to acquire property to prevent those areas from incurring damage during future storms and to finance safe rooms in schools.


3. The Subcommittee notes that a study conducted by the United States Property and Fiscal Office concluded that the National Guard members bring in excess of \$374 million in economic development for the State of Kansas. Additionally, Kansas National Guard soldiers contribute \$16.5 million in state income tax, while the agency utilizes only \$4.5 million (from the State General Fund) to operate the agency.
4. The Subcommittee notes its concerns regarding increased utility expenses incurred by the 58 statewide armories. The Subcommittee was informed that the major expense associated with operating the armories are utility costs. Therefore, the Subcommittee flags this item for Omnibus consideration in the event that additional funding needs to be added to cover anticipated costs in FY 2002.
5. The Subcommittee adds \$195,000 (from the State General Fund) to finance debt service payments associated with the issuance of bonds to repair and rehabilitate the 58 statewide armories. The agency inadvertently omitted debt service expenditures from its FY 2002 request.

PUBLIC SAFETY SUBCOMMITTEE

Parole Board



Senator Tim Huelskamp, Chairman



Senator Nick Jordan

Senate Ways and means
2-16-01
Attachment 4

SENATE SUBCOMMITTEE REPORT

Agency: Parole Board

Bill No. --

Bill Sec. --

Analyst: Waller

Analysis Pg. No. 1115

Budget Page No. 351

Expenditure Summary	Agency Est. FY 01	Governor's Recommendation FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 528,664	\$ 528,957	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 528,664	\$ 528,957	0
Capital Improvements	0	0	0
TOTAL	\$ 528,664	\$ 528,957	\$ 0
State General Fund:			
State Operations	\$ 528,664	\$ 528,957	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 528,664	\$ 528,957	0
Capital Improvements	0	0	0
TOTAL	\$ 528,664	\$ 528,957	\$ 0
FTE Positions	4.0	4.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	4.0	4.0	0.0

Agency Est./Governor's Recommendation

The agency's estimated FY 2001 budget totals \$528,664, which is \$293 or 0.1 percent below the amount approved by the 2000 Legislature. Salary and wages remain the same. Other operating expenditure decrease by \$293 due to the omission of Kansas Saving Incentive Program (KSIP) funds to finance capital outlay expenses.

The Governor recommends an FY 2001 revised budget total of \$528,957. This amount is unchanged from the total approved by the 2000 Legislature, including \$293 from the Kansas Savings Incentive Program.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

SENATE SUBCOMMITTEE REPORT

Agency: Parole Board

Bill No. --

Bill Sec. --

Analyst: Waller

Analysis Pg. No. 1115

Budget Page No. 351

<u>Expenditure Summary</u>	<u>Agency Req. FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Senate Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ 531,822	\$ 530,970	\$ (123,792)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 531,822</u>	<u>\$ 530,970</u>	<u>(123,792)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 531,822</u></u>	<u><u>\$ 530,970</u></u>	<u><u>(123,792)</u></u>
State General Fund:			
State Operations	\$ 531,822	\$ 530,970	\$ (123,792)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 531,822</u>	<u>\$ 530,970</u>	<u>(123,792)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 531,822</u></u>	<u><u>\$ 530,970</u></u>	<u><u>(123,792)</u></u>
FTE Positions	4.0	4.0	(1.0)
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>4.0</u></u>	<u><u>4.0</u></u>	<u><u>(1.0)</u></u>

* Excluding the adjustment for the Governor's pay plan, the change by the Subcommittee would be a decrease of \$114,010 below the Governor's recommendation.

Agency Req./Governor's Recommendation

The agency requests FY 2002 operating expenditures of \$531,822, which is an increase of \$3,158 or 0.6 percent over the FY 2001 estimate. The agency is completely financed by the State General Fund. The increase from the current year reflects funding to maintain the agency's current level of services. The agency requests no enhancements.

The Governor recommends an increase in operating expenditures of \$2,013 which is 0.4 percent above the FY 2001 revised recommended amount of \$528,957. Salary and wages increase by \$15,438 or 3.5 percent with the inclusion of the Governor's recommended pay plan adjustments. The increases were offset by reductions in requested communication, travel, and capital outlay expenditures.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Delete \$9,782 from the State General Fund to remove the Governor's recommendation to fund a 3.0 percent annualized unclassified merit pool from individual agency budgets.
2. The Senate Subcommittee recommends legislation be introduced reducing the number of FTE Parole Board members from 4.0 to 3.0. During the 2000 Legislative Session, S.B. 347 was introduced which would have reduced the Parole Board's members by 1.0 and the funding associated with that position. The bill passed the Senate, but was not recommended favorably by the House. The Subcommittee recommends \$114,010 (from the State General Fund) and 1.0 FTE position be eliminated due to the determinate sentencing guidelines, enacted in 1993, which have reduced the number of hearings conducted by the Board from \$4,659 to \$3,607 (figures are based on projected amounts provided by the agency for FY 2001 to FY 2002).

SENATE SUBCOMMITTEE REPORT

Agency: State Fire Marshall

Bill No. --

Bill Sec. --

Analyst: Waller

Analysis Pg. No. 1136

Budget Page No. 171

<u>Expenditure Summary</u>	<u>Agency Est. FY 01</u>	<u>Governor's Recommendation FY 01</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,161,483	\$ 3,061,407	\$ 0
Aid to Local Units	0	0	0
Other Assistance	85,450	85,450	0
Subtotal - Operating	\$ 3,246,933	\$ 3,146,857	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 3,246,933	\$ 3,146,857	\$ 0
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0
FTE Positions	44.0	44.0	0.0
Unclassified Temp. Positions	2.3	2.3	0.0
TOTAL	46.3	46.3	0.0

Agency Est./Governor's Recommendation

The agency's estimated FY 2001 operating budget totals \$3,246,933 which is \$37,006 or 1.2 percent above the Legislature's approved funding. The change can be attributed to the receipt of additional grant moneys from the Kansas Gas Service Company and an increase in funding for the Junior Fire Starters Program. The increases were offset by a reduction in expenditure authority from the Fire Marshal Fee Fund.

The Governor recommends an FY 2001 budget total of \$3,146,857. This is a decrease of \$63,070 or 2.0 percent from the approved amount. The change can be attributed to a reduction in expenditure authority (\$6,160), the recalculation of employee salaries, and the elimination of a 0.7 other unclassified position. These decreases were partially offset by the receipt of additional grant funding from the Kansas Gas Service Company.

*Senate Ways and Means
2-16-01
Attachment 5*

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

SENATE SUBCOMMITTEE REPORT

Agency: State Fire Marshall

Bill No. --

Bill Sec. --

Analyst: Waller

Analysis Pg. No. 1136

Budget Page No. 171

<u>Expenditure Summary</u>	<u>Agency Req. FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Senate Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ 3,383,912	\$ 3,191,428	\$ (63,804)
Aid to Local Units	0	0	0
Other Assistance	25,000	25,000	0
Subtotal - Operating	<u>\$ 3,408,912</u>	<u>\$ 3,216,428</u>	<u>\$ (63,804)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 3,408,912</u></u>	<u><u>\$ 3,216,428</u></u>	<u><u>\$ (63,804)</u></u>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
FTE Positions	48.0	44.0	2.0
Unclassified Temp. Positions	2.3	2.3	(2.0)
TOTAL	<u><u>50.3</u></u>	<u><u>46.3</u></u>	<u><u>0.0</u></u>

* The entire adjustment reflects deletion of the Governor's recommended employee pay plan.

Agency Req./Governor's Recommendation

The **agency requests** funding for **FY 2002** operating expenditures of \$3,408,912 which is \$161,979 or 5.0 percent above the FY 2001 revised estimate. Funding for agency requests in FY 2002 is from the Fire Marshal Fee Fund (\$2,967,733), the Hazardous Material Program Fund (\$416,179), and moneys distributed to local units to finance the purchase of carbon monoxide equipment (\$25,000 from the Fire Marshal Fee Fund). The increase between FY 2001 and FY 2002 can be mainly attributed to the agency's enhancement package. That increase was partially offset by decreases in federal funding and a reduction in grant moneys received from the Kansas Gas Service Company.

The agency's operating budget request (with enhancements) includes:

- \$2,369,016 for salaries and wages
 - 48.0 FTE positions
- \$791,046 for contractual services
- \$156,850 for commodities
- \$67,000 for capital outlay
- \$0 for aid to local units
- \$25,000 in other assistance

The agency's FY 2002 enhancement package totals \$201,285 (from the Fire Marshal Fee Fund) with 4.0 FTE positions.

Absent requested FY 2002 enhancements, the agency request totals \$3,207,627. This represents a decrease of \$39,306 or 1.2 percent below the FY 2001 estimate and the number of FTE positions would remain unchanged.

The Governor recommends an operating budget of \$3,216,428, which is \$69,571 or 2.2 percent above the FY 2001 revised recommendation. The Governor funds expenditures for FY 2002 from the Fire Marshal Fee Fund (\$2,785,408), the Hazardous Material Fund (\$406,020), and moneys distributed to local units to finance the purchase of carbon monoxide equipment (\$25,000 from the Fire Marshal Fee Fund). Salary and wages increase by \$99,962 or 4.7 percent with the inclusion of the Governor's recommended pay plan adjustments, partially offset by recalculation of some salary amounts. Other operating expenses increase by \$30,059 or 3.2 percent due to an increase in both commodities and capital outlay expenditures, and a decrease in contractual services expenses.

Recommended expenditures for other assistance decrease by \$60,450 (70.7 percent) due to a reduction in the grant monies from the Kansas Gas Service Company.

The Governor's operating budget recommendation includes:

- \$2,218,532 for salaries and wages
 - 44.0 FTE positions
- \$771,046 for contractual services
- \$150,850 for commodities
- \$51,000 for capital outlay
- \$0 for aid to local units
- \$25,000 other assistance

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, with the following adjustments and observations:

1. Delete \$63,804 (\$61,195 from the Fire Marshal Fee fund and \$2,609 from the Hazardous Materials Program Fund) to remove the Governor's recommendation to fund longevity bonus payments (\$19,751); a 3.0 percent annualized base salary adjustment (\$39,553); and a 3.0 percent annualized unclassified merit pool (\$4,500) from individual agency budgets.
2. The agency states that the Governor's recommended salaries and wages reductions, in FY 2001, will prevent it from fully funding salaries and wages

expenditures for the current year. The Subcommittee recommends this item be flagged for Omnibus consideration in the event that additional funding is necessary to allow agency to meet its current year obligations.


3. Under the Governor's recommendation, a Hazardous Materials Emergency Fund would be established to assist in financing hazardous material incidents. The monies transferred into the fund would be accessible by the agency only with approval from the State Finance Council. The Governor proposes to transfer \$750,000 from the Fire Marshal Fee Fund to the Hazardous Materials Emergency Fund for the above purpose. In the event that the agency experiences cash flow problems, the Director of Accounts and Reports, in consultation with the Directors of the Division of Budget and Legislative Research, would be authorized to transfer sufficient funds to cover the shortfall. The Subcommittee supports this recommendation, and requests the agency provide further information (during Omnibus) relating to the distribution of those funds in emergency situations.
4. The Subcommittee recommends 2.0 other unclassified positions assigned to the Juvenile Firesetter Intervention Program be reclassified as FTE (full time equivalent) positions. The Subcommittee notes that the Juvenile Firesetter Program is federally funded, and no additional funding is required.

PUBLIC SAFETY SUBCOMMITTEE

Kansas Bureau of Investigation



Senator Dave Jackson



Senator Nick Jordan, Chairman



Senator Jim Barone

Senate Ways and Means
2-16-01
Attachment 6

SENATE SUBCOMMITTEE REPORT

Agency: Kansas Bureau of Investigation

Bill No. - -

Bill Sec. - -

Analyst: Waller

Analysis Pg. No. 1068

Budget Page No. 295

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2001</u>	<u>Gov. Rec. FY 2001</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 18,075,765	\$ 17,791,240	\$ 0
Aid to Local Units	<u>1,382,956</u>	<u>1,382,956</u>	<u>0</u>
Subtotal—Operating	\$ 19,458,721	\$ 19,174,196	\$ 0
Capital Improvements	<u>195,000</u>	<u>195,000</u>	<u>0</u>
TOTAL	<u>\$ 19,653,721</u>	<u>\$ 19,369,196</u>	<u>\$ 0</u>
 State General Fund:			
State Operations	\$ 12,817,671	\$ 12,533,146	\$ 0
Aid to Local Units	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal—Operating	\$ 12,817,671	\$ 12,533,146	\$ 0
Capital Improvements	<u>195,000</u>	<u>195,000</u>	<u>0</u>
TOTAL	<u>\$ 13,012,671</u>	<u>\$ 12,728,146</u>	<u>\$ 0</u>
 FTE Positions	200.0	200.0	0.0
Unclassified Temp. Positions	<u>66.0</u>	<u>66.0</u>	<u>0.0</u>
TOTAL	<u>266.0</u>	<u>266.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's estimated FY 2001 operating budget totals \$19,458,721, which is \$1,189,902 (6.5 percent) above the 2000 Legislature's approved funding. The State General Fund estimate is \$272,098 or 2.2 percent above FY 2001 approved expenditures due to the agency's supplemental request. Revised FY 2001 all other funds total \$6,641,050, which is \$917,804 (16.0 percent) above the approved amount due to the availability of additional federal grant funding. While the number of FTE positions remains the same, other unclassified positions increase by 31.0 positions. The additional positions would be utilized to enter criminal records into the Criminal Justice Information System (CJIS), maintenance of various databases, crime analysis, data processing, and investigation of clandestine laboratories.

FY 2001 Supplemental Requests. The current year estimated State General Fund (SGF) financing reflects supplemental appropriation requests totaling \$272,098:

Funding shortages. The agency states that because of the inappropriate use of federal funds to finance FY 2001 operating costs and an increase in rental fees by the Central Motor Pool,

\$272,098 (State General Fund) is needed to recover funding shortages projected by the agency in FY 2001.

The Governor recommends an FY 2001 budget total of \$19,174,196, which is \$905,377 or 5.0 percent above the FY 2001 approved amount. State General Fund expenditures decrease by \$12,427 or 0.1 percent due to a reduction in salary and wage expenses. All other funds increase by \$917,804 or 16.0 percent. The increase can be attributed to the agency receiving additional federal grants to finance 31.0 other unclassified positions to enter criminal records into the Criminal Justice Information System (CJIS), maintenance of various databases, crime analysis, data processing, and investigation of clandestine laboratories.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

SENATE SUBCOMMITTEE REPORT

Agency: Kansas Bureau of Investigation

Bill No. - -

Bill Sec. - -

Analyst: Waller

Analysis Pg. No. 1068

Budget Page No. 295

<u>Expenditure Summary</u>	<u>Agency Request FY 2002</u>	<u>Gov. Rec. FY 2002</u>	<u>Senate Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ 19,890,537	\$ 16,870,294	\$ (312,789)
Aid to Local Units	<u>998,758</u>	<u>998,758</u>	<u>0</u>
Subtotal—Operating	\$ 20,889,295	\$ 17,869,052	\$ (312,789)
Capital Improvements	<u>1,023,362</u>	<u>220,000</u>	<u>0</u>
TOTAL	<u>\$ 21,912,657</u>	<u>\$ 18,089,052</u>	<u>\$ (312,789)</u>
 State General Fund:			
State Operations	\$ 15,615,050	\$ 12,579,494	\$ (269,405)
State Operations	<u>0</u>	<u>0</u>	<u>0</u>
Aid to Local Units	\$ 15,615,050	\$ 12,579,494	\$ (269,405)
Subtotal—Operating	<u>1,023,362</u>	<u>220,000</u>	<u>0</u>
Capital Improvements	<u>\$ 16,638,412</u>	<u>\$ 12,799,494</u>	<u>\$ (269,405)</u>
TOTAL			
 FTE Positions	220.0	200.0	0.0
Unclassified Temp. Positions	<u>38.0</u>	<u>38.0</u>	<u>0.0</u>
TOTAL	<u>258.0</u>	<u>238.0</u>	<u>0.0</u>

* The entire adjustment reflects deletion of the Governor's recommended employee pay plan.

Agency Request/Governor's Recommendation

The FY 2002 operating budget request for the Kansas Bureau of Investigation totals \$20,889,295, which is \$1,430,574 or 7.4 percent above the FY 2001 revised amount. The agency's requested operating total is comprised of \$15,615,050 from the State General Fund. This is an increase of \$2,797,379 or 21.8 percent above FY 2001 State General Fund operating amounts due mostly to the agency's enhancement package. Absent State General Fund financed enhancements, the agency's requested State General Fund expenditures total \$12,586,270. This is a decrease of \$231,401 or 1.8 percent below the FY 2001 estimate. Requested expenditures from all other funds decrease by \$1,366,805 or 20.6 percent. The decrease is due to a reduction in federal grants received by the agency which was slightly offset by an increase in revenues received from record checks conducted by the agency.

The agency's operating budget request includes:

- \$11,712,908 for salaries and wages
 - 220.0 FTE positions
- \$5,547,351 for contractual services
- \$1,211,293 for commodities

- \$1,302,282 for capital outlay
- \$116,703 for debt service interest
- \$998,758 for aid to local units

The agency's operating enhancement package totals \$2,727,882 (from the State General Fund) and is outlined below. In addition, capital improvement enhancements totaling \$803,362 (from the State General Fund).

Absent the requested enhancements, the agency's requested operating budget for FY 2002 totals \$18,161,413 which represents a decrease of \$1,297,308 or 6.7 percent from FY 2001 estimates.

The Governor recommends an operating budget total of \$17,869,052. This is an decrease of \$1,305,144 or 6.8 percent below the FY 2001 recommendation. State General Fund expenditures increase by \$46,348 or 0.4 percent due to the inclusion Governor's recommended pay plan which is offset by a reduction in other operating expenses. All other funds decrease by \$1,351,492 or 20.4 percent due to the reduction of federal funds to finance agency operations.

The Governor's operating budget recommendation includes:

- \$10,742,070 for salaries and wages
 - 200.0 FTE positions
- \$5,202,957 for contractual services
- \$605,977 for commodities
- \$202,587 for capital outlay
- \$116,703 for debt service interest
- \$998,758 for aid to local units

Senate Subcommittee Recommendation

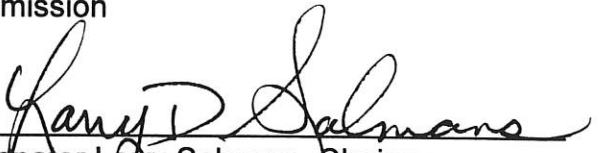
The Subcommittee concurs with the Governor's recommendations, with the following adjustments and observations:

1. Delete \$312,789 (\$269,405 from the State General Fund) to remove the Governor's recommended pay plan adjustment to fund longevity bonus payment (\$99,302); a 3.0 percent annualized base salary adjustment (\$182,121); and a 3.0 percent annualized unclassified merit pool (\$31,367) from individual agency budgets.
2. The Subcommittee notes 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) 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, from investigation-arrest-laboratory analysis-court appearances-sentencing, the "weak link" in that process was the backlog of cases waiting to be analyzed by the KBI laboratories. However, the Subcommittee is unable to offer recommendations to help alleviate methamphetamine and laboratory problems. The Subcommittee requests the agency gather further information regarding proposals to reduce the

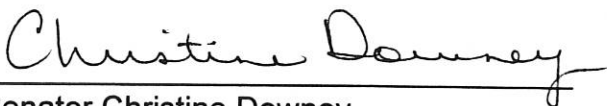
backlog of laboratory cases and present alternatives whereby enhancements can be financed within the Governor's FY 2002 recommendation. The Subcommittee flags this item for Omnibus consideration.

PUBLIC SAFETY SUBCOMMITTEE

Emergency Medical Services
Sentencing Commission



Senator Gary Salmans, Chairman



Senator Christine Downey

Senate Ways and Means
2-16-01
Attachment 7

SENATE SUBCOMMITTEE REPORT

Agency: Sentencing Commission

Bill No. --

Bill Sec. --

Analyst: Waller

Analysis Pg. No. 1153

Budget Page No. 400

Expenditure Summary	Agency Est. FY 01	Governor's Recommendation FY 01	Senate Subcom- mittee Adjustments
All Funds:			
State Operations	\$ 1,050,746	\$ 1,042,182	\$ 53,105
Aid to Local Units	2,661,647	949,015	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 3,712,393	\$ 1,991,197	\$ 53,105
Capital Improvements	0	0	0
TOTAL	<u>\$ 3,712,393</u>	<u>\$ 1,991,197</u>	<u>\$ 53,105</u>
State General Fund:			
State Operations	\$ 718,409	\$ 709,845	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 718,409	\$ 709,845	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 718,409</u>	<u>\$ 709,845</u>	<u>\$ 0</u>
FTE Positions	10.0	10.0	0.0
Unclassified Temp. Positions	2.0	2.0	0.0
TOTAL	<u>12.0</u>	<u>12.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The **agency's estimated FY 2001** budget totals \$3,712,393. This is a decrease of \$843,235 or 18.5 percent below the Legislature's approved funding. The State General Fund estimate increases by \$17,162 or 2.4 percent from FY 2000 approved expenditures. The change can be attributed to the agency's supplemental request. All other funds decrease from \$3,854,381 to \$2,993,984 (22.3 percent) from the approved amount. The decrease can be attributed to the loss of federal funds to be distributed to local units of government. Additionally, the agency is requesting the expenditure authority on the State Forfeiture Fund be increased by \$53,105 (from \$75,000 to \$128,105) to accurately reflect the Legislature's financing of Criminal Justice Information System (CJIS) expenditures. A Governor's Budget Amendment adopted by the 2000 Legislature recommended the increase, but the increase was inadvertently omitted from the appropriations bill.

FY 2001 Supplemental Requests. The current year estimated State General Fund (SGF) financing reflects a supplemental appropriation request totaling \$17,162 to finance costs associated with modifications to PROPHET (the prison population project software).

The Governor recommends an FY 2001 budget total of \$1,991,197, which is \$2,564,431 or 56.3 percent below the FY 2001 approved amount. State General Fund expenditures increase by \$8,598 or 1.2 percent due the Governor's recommended supplemental appropriation. All other funds decrease by \$2,573,029 or 66.8 percent below the approved amount of \$3,854,381. The change can be attributed to the loss of federal funding to finance criminal justice activities incurred by local units of government and underestimated projections.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. The Subcommittee notes that under the Governor's revised FY 2001 recommendation, special revenue funds (as compared to the agency's revised estimate) total \$1,281,352 which is \$1,712,632 below the agency's revised projection. The difference is due to incomplete information submitted to the Division of Budget by the agency. Although corrected amounts were submitted at a later date, those amounts were not included in the Governor's FY 2002 Budget Report. However, the money deposited in those special revenue funds are obtained from federal grants and have a "no limit" expenditure authority. Any miscalculations have no effect on the operational budget of the agency which is financed by the State General Fund. The Subcommittee requests the Governor reevaluate the status of those funds to more accurately reflect monies deposited and expended by the agency in FY 2001.
2. The Subcommittee notes that \$53,105 was recommended by the Governor (during the 2000 Legislative Session) to be expended from the State Forfeiture Fund for CJIS expenses. However, the Governor did not recommend increasing the agency's expenditure limitation by that amount in the current year. The Subcommittee adds \$53,105 (all other funds) and recommends the fund be made no-limit to correct these errors, and those monies be used to finance Criminal Justice Information System expenditures incurred during FY 2001.

SENATE SUBCOMMITTEE REPORT

Agency: Sentencing Commission

Bill No. --

Bill Sec. --

Analyst: Waller

Analysis Pg. No. 1153

Budget Page No. 400

Expenditure Summary	Agency Req. FY 02	Governor's Recommendation FY 02	Senate Subcom- mittee Adjustments
All Funds:			
State Operations	\$ 804,642	\$ 625,436	\$ 65,233
Aid to Local Units	2,566,925	1,058,400	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 3,371,567	\$ 1,683,836	\$ 65,233
Capital Improvements	0	0	0
TOTAL	\$ 3,371,567	\$ 1,683,836	\$ 65,233
State General Fund:			
State Operations	\$ 516,447	\$ 359,097	\$ 38,385
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 516,447	\$ 359,097	\$ 38,385
Capital Improvements	0	0	0
TOTAL	\$ 516,447	\$ 359,097	\$ 38,385
FTE Positions	11.0	9.0	1.0
Unclassified Temp. Positions	3.0	2.0	1.0
TOTAL	14.0	11.0	2.0

* Excluding the adjustment for the Governor's pay plan, the change by the Subcommittee would be an increase of \$74,279 (\$44,283 from the State General Fund) above the Governor's recommendation.

Agency Req./Governor's Recommendation

The **FY 2002 operating budget request** totals \$3,371,567, which is \$340,826 or 9.2 percent below the FY 2001 estimate. Requested State General Fund expenditures decrease by \$201,962 or 28.1 percent due to the reduction of Criminal Justice Information System (CJIS) expenses. All other funds decrease by \$138,864 or 4.6 percent. The decrease can be attributed largely to a reduction in federal aid to local unit expenditures (from \$2,661,647 to \$2,566,925) and State Forfeiture Funds expended during the current year for CJIS expenses.

The agency's operating budget request includes:

- \$631,242 for salaries and wages
 - 11.0 FTE positions
- \$153,900 for contractual services
- \$13,500 for commodities
- \$6,000 for capital outlay
- \$2,566,925 for federal aid to local units

The agency's operating enhancement package totals \$63,291 (\$38,271 from the State General Fund) with 1.0 FTE position and 1.0 other unclassified position.

Absent the agency's requested FY 2002 enhancements, operating expenditures total \$3,308,276. This is a decrease of \$404,117 or 10.9 percent below the FY 2001 estimate.

The Governor recommends operating expenditures which total \$1,683,836. This is a decrease of \$307,361 or 15.4 percent below the revised FY 2001 recommendation. State General Fund expenditures decrease by \$350,748 or 49.4 percent due mostly to the reduction of CJIS related expenditures incurred during FY 2001 and the recommended transfer of the CJIS Project Manager and appropriate funding from the Sentencing Commission to the Attorney General's office. All other funds increase by \$43,387 or 3.4 percent. The change can be attributed to the amount of federal grants received by the agency for criminal justice projects which would then be passed to local law enforcement agencies.

The Governor's operating budget recommendation includes:

- \$453,036 for salaries and wages
 - 9.0 FTE positions
- \$153,900 for contractual services
- \$13,500 for commodities
- \$5,000 for capital outlay
- \$1,058,400 for aid to local units

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, with the following adjustments and observations:

1. Delete \$9,046 (\$5,898 from the State General Fund) to remove the Governor's recommended pay plan adjustments (a 3.0 percent annualized unclassified merit pool) from individual agency budgets.
2. The Subcommittee encourages the issuance of a Governor's Budget Amendment to reinstate funding eliminated due to an increase in the agency's shrinkage rate. The Governor recommended a shrinkage savings amount of \$23,844, which is \$3,845 above the agency's projection of \$19,999. The total salary shrinkage amounted to 5.0 percent of total salaries. The Subcommittee recommends the Governor add \$3,845 (from the State General Fund) to coincide with the minimal staff turnover experienced by the agency. The Subcommittee notes that, according to the agency, it has never experienced an employee retiring from the Department nor does it anticipate any retirements in the next 10 years.

3. The Subcommittee adds \$34,283 (from the State General Fund) to finance 1.0 FTE Research Analyst due to additional data analysis and programming changes to the project model required by the enactment of 2000 S.B. 323. The Subcommittee notes the agency is statutorily required to produce annual prison population projections for the Department of Corrections. The agency estimates that the number of hours spent on prison population projections for FY2001 will be 1,060. However, due to the retroactive provisions within SB 323, additional hours were needed to fully implement changes required by the passage of the bill. The agency informed the Subcommittee that the increased time was not reflected in the budget submitted because information identifying the number of hours necessary to provide additional projection analysis was not available since final projections were not released until September 21, 2001. Also, the agency estimates that there will be on going monitoring and data collection, specific to that bill, requiring additional staff time to accomplish those duties.

Further, the Subcommittee would like to express its concerns relating to under staffing found within the Sentencing Commission by reviewing the following:

- The Juvenile Justice Authority entered into a contract with a private company to provide annual population projections for the state's Juvenile Correctional Facility Projections because the Sentencing Commission did not have sufficient staff to do so.
- The agency is statutorily mandated to conduct a Racial Disparity study. The goal set forth is to develop a report that identifies the impact of sentencing guidelines on racial disparity in sentencing throughout the State of Kansas. The activities identified to achieve that goal are:
 - (1) Conduct literary research
 - (2) Develop a survey instrument
 - (3) Compile data collected over the past 5 years
 - (4) Record responses
 - (5) Develop a computer model
 - (6) Test the model
 - (7) Perform primary analysis and secondary analysis
 - (8) Verify findings per computer program
 - (9) Write a report and develop charts and graphs
 - (10) Publish the report after appropriate approval and testing
 - (11) Monitor and evaluate the study.

The agency estimates that the racial disparity study would take two FTE positions approximately 2,080 hours, not counting the monitoring time.

- The agency is experiencing a delay of up to 60 days in responding to requests for information from state and federal criminal justice agencies. Previously, response time was only up to 10 days. The agency states that comprehensive information is available to be utilized in evaluating criminal justice issues. However, the agency is unable to utilize that data completely and effectively due to understaffing.

4. The Subcommittee adds \$39,996 (\$10,000 from the State General Fund) to finance 1.0 Grant Specialist position due to federal compliance requirements relating to sub-recipient visits and the identification of additional criminal justice related grants. The Subcommittee notes that the agency currently has only two other unclassified positions assigned to the administration of federal grants. These positions administer, monitor and audit the disbursement of approximately \$7 million from eight different grants sources to nearly 175 subrecipients statewide every year.
5. The Subcommittee notes that with the increase in postage and the recalculation of the agency's utility contract in December of 2001, the agency may request the 2002 Legislature provide supplemental financing for the FY 2002 revised budget.
6. The Subcommittee notes that within the Governor's FY 2002 recommendation, special revenue funds (as compared to the agency's requested amount) total \$1,324,739 which is \$1,530,381 below the agency's projection. The difference is due to incomplete information submitted to the Division of Budget by the agency. Although corrected amounts were submitted at a later date, those amounts were not reflected in the *Governor's FY 2002 Budget Report*. However, the moneys deposited in those funds are obtained from federal grants and have a "no limit" expenditure authority. Therefore any miscalculations have no effect on the operational budget of the agency which is financed by the State General Fund. The Subcommittee requests the Governor reevaluate the status of those funds to more accurately reflect monies deposited and expended by the agency in FY 2002.

SENATE SUBCOMMITTEE REPORT

Agency: Emergency Medical Services Board **Bill No. --**

Bill Sec. --

Analyst: Waller

Analysis Pg. No. 1125

Budget Page No. 165

Expenditure Summary	Agency Est. FY 01	Governor's Recommendation FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,044,871	\$ 1,044,871	0
Aid to Local Units	79,008	79,008	0
Other Assistance	0	0	0
TOTAL	\$ 1,123,879	\$ 1,123,879	0
State General Fund:			
State Operations	\$ 783,992	\$ 783,992	0
Aid to Local Units	79,008	79,008	0
Other Assistance	0	0	0
TOTAL	\$ 863,000	\$ 863,000	0
FTE Positions	13.0	13.0	0.0
Unclassified Temp. Positions	2.0	2.0	0.0
TOTAL	15.0	15.0	0.0

Agency Est./Governor's Recommendation

The agency's estimated FY 2001 budget totals \$1,123,879, which is \$258,379 or 29.9 percent above the amount approved by the 2000 Legislature. The State General Fund estimate of \$863,000 is the same as the approved amount with the inclusion of Kansas Saving Incentive Plan expenditures (\$7,197). Other operating funds increase by \$258,379 due to the agency's receipt of federal funding to finance the Emergency Medical Services for Children Program. **The Governor concurs.**

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

*Senate Ways and Means
2-16-01
Attachment 8*

SENATE SUBCOMMITTEE REPORT

Agency: Emergency Medical Services Board **Bill No. --**

Bill Sec. --

Analyst: Waller

Analysis Pg. No. 1125

Budget Page No. 165

Expenditure Summary	Agency Request FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 923,565	\$ 873,702	\$ 90,234
Aid to Local Units	79,008	77,500	1,508
Other Assistance	0	0	0
TOTAL	\$ 1,002,573	\$ 951,202	\$ 91,742
State General Fund:			
State Operations	\$ 921,567	\$ 771,704	\$ 91,985
Aid to Local Units	79,008	77,500	1,508
Other Assistance	0	0	0
TOTAL	\$ 1,000,575	\$ 849,204	\$ 93,493
FTE Positions	16.0	13.0	2.0
Unclassified Temp. Positions	0.0	2.0	0.0
TOTAL	16.0	15.0	2.0

* Excluding the adjustment for the Governor's pay plan, the change by the Subcommittee would be an increase of \$107,713 above the Governor's recommendation.

Agency Request./Governor's Recommendation

The agency's FY 2002 operating budget request totals \$1,002,573 which is \$121,306 or 10.8 percent below the FY 2001 revised estimate. Requested State General Fund expenditures total \$1,000,575 which is an increase of \$137,575 or 15.9 percent due in large portion to the agency's enhancement package. Requested all other funds expenditures decrease by \$258,881 from the \$260,879 estimated FY 2001 total due to the loss of federal funding which finances the Emergency Medical Services for Children Program. The agency does expect renewal of the grant during the FY 2002 budget year. The agency also reduced its requested unclassified temporary positions by 2.0 due to the loss of those funds. However, the agency did request an increase of 3.0 FTE positions in FY 2002.

The agency's operating budget request (with enhancements) includes:

- \$682,742 for salaries and wages
 - 16.0 FTE positions requested
- \$223,166 for contractual services
- \$13,720 for commodities

- \$3,937 for capital outlay
- \$79,008 for aid to local units (Regional Councils)

The agency's operating enhancement package totals \$140,419 (from the State General Fund) with 3.0 FTE positions.

Absent requested FY 2002 enhancements, the agency's request totals \$862,154. This is a decrease of \$261,725 or 23.3 percent below FY 2001 estimates.

The Governor recommends an operating expenditure total of \$951,202, which is \$172,677 or 15.4 percent below the FY 2001 amount. Recommended State General Fund expenditures decrease by \$13,796 or 1.6 percent due to reductions in regional council funding and other operating expenses. These decreases are offset by the inclusion of the Governor's pay plan adjustment. Recommended all other funds decrease by \$158,881 or 60.9 percent due to the reduction of federal funds which finance the Emergency Medical Service for Children program.

The Governor's operating budget recommendation includes:

- \$641,779 for salaries and wages
 - 13.0 FTE positions recommended
- \$ 218,676 for contractual services
- \$ 11,500 for commodities
- \$ 1,747 for capital outlay
- \$ 77,500 for aid to local units (Regional Councils)

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, with the following adjustments and observations:

1. Delete \$17,479 (\$15,728 from the State General Fund) to remove the Governor's recommended pay plan adjustments for longevity bonus payments (\$4,909); a 3.0 percent annualized base salary adjustment (\$2,888); and a 3.0 percent annualized unclassified merit pool (\$9,682) from individual agency budgets.
2. The Subcommittee adds \$6,280 (from the State General Fund) to restore funding inadvertently eliminated within the Governor's FY 2002 recommendation. While completing its FY 2002 budget, the agency was instructed by the Division of Budget not to include step movement within its FY 2002 request. As a result of two staff vacancies during FY 2001, the figures for requested salaries and wages expenses for approved personnel and the amount actually spent, made it appear the agency included step movement within its FY 2002 budget. With the agency now at full strength, elimination of this money would not allow the Board of Emergency Medical Services to meet all payroll expenses for FY 2002.
3. The Subcommittee adds \$5,735 (from the State General Fund) to restore requested financing for general operating expenses eliminated within the Governor's FY 2002 recommendation. Due to an increase in the number of hearings and investigations, requests for technical support, and the agency's responsibility to regulate emergency medical services providers, the Subcommit-

tee recommends restoring the above funding to assist the agency in the maintenance of its current level of service.

4. The Subcommittee adds \$1,508 (from the State General Fund) to restore requested funding eliminated within the Governor's FY 2002 recommendation. The Governor reduced funding distributed to the four regional councils from \$79,008 to \$77,500.
5. The Subcommittee adds \$10,000 (from the State General Fund) to finance expenses related to the maintenance and utilization of the 400 MHz communication system. The Subcommittee notes its concern regarding the completion of the 800 MHz communication system, the costs to implement that system, and costs to state agencies to purchase equipment to access the system.
6. The Subcommittee adds \$85,698 (from the State General Fund) and 2.0 FTE Staff Development Specialist positions. The recommendation includes 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 the rural areas of the state.
7. The Subcommittee recommends authority be granted to the agency to expended monies deposited within the Rural Health Options Fund (created during the 2000 Legislative Session), although the agency informed the Subcommittee that no funds have, as of yet, been deposited within that account.
8. The Subcommittee recommends the establishment of a Trauma System Development Fund with a no limit expenditure authority. This account will 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.



KANSAS
DEPARTMENT OF HEALTH & ENVIRONMENT
BILL GRAVES, GOVERNOR
Clyde D. Graeber, Secretary

Testimony on Natural Resource Damage Fund (SB184)
to
Senate Ways and Means Committee
Presented by Gary Blackburn

February 16, 2001

Chairperson Morris and members of the Ways and Means Committee, I am pleased to appear before you today to discuss the Natural Resource Damage Fund, Senate Bill 184.

The Comprehensive Environmental Response, Compensation, and Liability Act, also known as Superfund, and the Oil Pollution Act (OPA) authorizes the trustee of the State to assess the damages to natural resources resulting from releases of hazardous substances at Superfund sites. This process is referred to as Natural Resource Damage Assessment (NRDA). The state's Natural Resource Trustee is the Secretary of the Kansas Department of Health and Environment. Trustees for natural resources may recover damages for injury to, destruction of, or loss of natural resources resulting from the release of a hazardous substances or the discharge of oil. Damage awards must be used to restore, replace, rehabilitate, or acquire the equivalent of the injured natural resources. The lead federal agency overseeing natural resource damage activities is the U.S. Department of Interior.

The proposed statute creates an interest bearing fund to receive Natural Resource Damage Claims and provides for the expenditures from the fund to restore the injured natural resources. Currently, there is no fund to deposit settlements for natural resource damages. A separate fund is necessary because the money received in the settlements must remain separate from other state funds because the settlement money can only be used to restore, replace, rehabilitate, or acquire equivalent natural resources. An interest bearing account is requested since most restoration projects are long-term in nature. The interest received on the funds deposited could be significant and would help the restoration effort. Expenditures from the fund would, of course, be established by the appropriations process.

After the bill had been introduced, it was pointed out to the agency that the current wording may create some unanticipated consequences. To eliminate those concerns we have proposed some language changes to (f) to narrow the scope of activities and funding sources.

I thank you for the opportunity to appear before the Natural Resource Committee and will gladly stand for questions the committee may have on this topic.

SENATE BILL No. 184

By Committee on Natural Resources

1-31

AN ACT concerning natural resources; creating the natural resources damages trust fund.

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

Section 1. (a) As used in this section:

- (1) "Department" means the department of health and environment.
- (2) "Secretary" means the secretary of health and environment.
- (3) "Fund" means the natural resources damages trust fund.

(b) There is hereby created in the state treasury the natural resources damages trust fund. All moneys received pursuant to subsections (d), (e) and (f) shall be remitted to the state treasurer. Upon receipt of such remittance, the state treasurer shall deposit the entire amount in the state treasury and credit it to the natural resources damages trust fund.

(c) All moneys credited to the fund shall be used to pay the cost of:

- (1) The design, review, implementation or oversight of the implementation of natural resources and environmental restoration plans;
- (2) contracting for services needed to supplement the department's staff expertise in natural resource restoration activities;
- (3) mitigation of adverse environment impacts;
- (4) emergency or long-term remedial activities;
- (5) legal costs, including expert witness fees, incurred in the recovery of fund expenditures;
- (6) state cost share for restoration activities undertaken in conjunction with the federal government or others; and
- (7) administrative costs necessary to administer the fund.

(d) There is hereby created the natural resources restoration activities federal account in the natural resources damages trust fund. All moneys received from the federal government that are designated for natural resource restoration activities shall be credited to such account.

(e) There is hereby created the natural resources restoration activities general account in the natural resources damages trust fund. All moneys received solely by the state as cost recoveries, settlements, grants and donations from other sources that are designated for natural resource restoration activities shall be credited to such account. All moneys credited to such account shall be used for the purposes as designated in the

granting or collection document.

(f) There is hereby created the emergency response/~~environmental remediation~~ activities account in the natural resources damages trust fund. All moneys received ~~from state appropriations, by the secretary in the form of gifts, grants, reimbursements, appropriations,~~ cost recoveries or funds collected from other sources that are designated for emergency response activities *in accordance with this act* and ~~environmental remediation activities~~ shall be credited to such account. ~~All moneys credited to such account shall be used for activities at any sites polluted by environmental contaminants that are not included in the definition of a hazardous substance, as such term is defined in K.S.A. 65-3452a, and amendments thereto, where remedial action is necessary to protect public health or the environment.~~

(g) All expenditures from the natural resources damages trust fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or by a person or persons designated by the secretary.

(h) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the natural resources damages trust fund interest earnings based on:

- (1) The average daily balance of moneys in the natural resources damages trust fund for the preceding month; and
- (2) the net earnings of the pooled money investment portfolio for the preceding month.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.

STATE OF KANSAS



KANSAS DEPARTMENT ON AGING

NEW ENGLAND BUILDING
503 S. KANSAS AVE.
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BILL GRAVES
Governor

January 26, 2001

Connie Hubbell
Secretary of Aging

The Honorable Stephen Morris
Kansas Senate
Chairman, Senate Ways and Means Committee
Statehouse, 120-S
Topeka, KS 66612

Dear Senator Morris:

Thank you for the opportunity to respond to questions raised by members of the Senate Ways and Means Committee during our agency overview on January 17, 2001. In our initial response, we were not able to provide information on the Wage Pass Through program, but are able to now.

Question: Does the agency have information on the success of the nursing facility wage pass-through program in retaining employees?

Response: The attached information provides an annual report on the Wage Pass Through program for SFY 2000, as well as a fact sheet for SFY 2000 on the turnover rates, expenditures, and other information.

If you have any further questions or need clarification on an issue, please feel free to contact me at 296-5222. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Connie Hubbell".

Connie Hubbell
Secretary

cc: Mike Hammond
Sheli Sweeney
Doug Farmer
Janis DeBoer

Senate Ways and Means
2-16-01
Attachment 10

**Nursing Facility Quality Enhancement Wage Pass-Through Program
Fact Sheet**

SFY 2000

- 228 of 357 eligible providers applied, requesting a total of approximately \$9 million.
- Requests were pro-rated down to approximately 47% to stay within the allocation. This meant that a request for \$4.00 per day was awarded \$1.90 per day.
- 219 providers remained active in the program at the end of SFY 2000.
- Total payments for SFY 2000 were \$3.74 million.
- The participants documented legitimate expenditures of \$3.36 million.
- Approximately \$380,000 will be recouped from 51 providers (23% of the participants) due to their failure to document appropriate use of the funds.
- Quarterly reports filed by providers showed that 68% of expenditures were for wage increases or bonuses, 30% were for new staff, and 2% were for benefits enhancements.
- Annualized turnover rates for all eligible positions rose 9% between the quarter ending October 31, 1999, and the quarter ending June 30, 2000, for participating providers.
- The annualized turnover rate for all eligible staff employed by the participating providers was 101%.

Kansas Department on Aging Quality Enhancement Wage Pass-Through Program Report

Background:

Staff members from the Kansas Department on Aging (KDOA) and the Kansas Department of Social and Rehabilitation Services (SRS), met with representatives from the Kansas Association of Homes and Services for the Aging (KAHSA) and the Kansas Health Care Association (KHCA) to design and implement the Quality Enhancement Wage Pass-Through Program (wage pass-through) for Nursing Facilities. The program had to be designed in accordance with Senate Bill No. 126, an Act establishing the wage pass-through program for nursing facilities, and House Bill No. 2489, an Act which included the KDOA and SRS appropriation for the program. One of the major issues was keeping the program within the KDOA state general fund appropriation of \$1,725,000 and the SRS state general fund appropriation of \$224,402.

The group anticipated that requested funding would exceed the money appropriated. There was discussion about using high turnover, low wages and high Medicaid utilization as the criteria for prioritizing applications. The group determined this could be viewed as rewarding nursing facilities that paid lower salaries and could create unfair competition for a limited labor supply.

This led to a discussion about approving applications on a first-come, first-served basis. There was concern that providers would be lined up in front of KDOA's office to be the first to submit an application. There was also a concern that chain operators would submit multiple applications at one time resulting in an advantage.

To alleviate these concerns, the group agreed that there should be a period of time for all nursing facility providers to submit applications for consideration. This would establish two groups of applicants. Those getting the applications submitted by a specified deadline would be considered the primary group. If the total amount requested by the primary group of applicants did not exceed the total appropriation, the second group of applications would be funded on a first-received basis until the appropriation was expended.

Consensus was reached that if the requests in the primary group of applicants amounted to between 100% and 133 1/3% of the appropriation, each request would be prorated down so that the total amount awarded would equal the allocated funding. This would assure that all applicants were funded but at a reduced amount. If the requests exceeded 133 1/3% of the appropriation, then a random drawing would be held and each facility drawn would get 100% of their request until the funds were exhausted. Those not randomly selected would not receive funding.

The proposed methodology was printed in the *Kansas Register* on June 24, 1999 with a 30-day comment period to comply with Medicaid State Plan requirements. The overwhelming majority of comments were opposed to the random drawing if the requests in the primary group exceeded the appropriation by 133 1/3%. The commenters felt that all those applicants in the primary group should be funded, even if at a prorated reduction in the request.

Kansas Department on Aging
Quality Enhancement Wage Pass-Through Program Report

The KDOA, SRS, KAHSA, and KHCA representatives finally agreed with the methodology of prorating the reduction in requests to the amount of the appropriation if the requests in the primary group exceeded the total. The final methodology was printed in the *Kansas Register* on August 5, 1999 and the Medicaid State Plan provision was submitted and subsequently approved by the federal Health Care Financing Administration (HCFA).

Another significant issue discussed at length in the meetings was the period of funding. The appropriations bill stated that the funding was for the fiscal year ending June 30, 2000. The Medicaid State Plan and application stated that the funding was for SFY 2000 and there may not be additional funding in SFY 2001.

Application Outcome:

The primary group of applications was to be received between the mailing of the applications to all providers on July 30, 1999 and the deadline of 5:00 PM on August 13, 1999. The program was well received by the industry, with 228 of the 357 eligible nursing facilities electing to participate. These facilities requested a total of \$9 million in pass-through funds. The legislature had allocated total funds of \$4.3 million, so each facility's request was reduced to approximately 47%. For example, a provider requesting the maximum request of \$4.00 per day was reduced to \$1.90 per day. Ten nursing facilities have since dropped out of the program.

The applicants in the primary group were sent rate notices on August 20, 1999 informing them of the per diem factor they would receive from the wage pass-through program. Those that selected September 1, 1999 as their effective date were responsible for filing the first quarterly audit report for the month of September. This report was due 45 days after the quarter ended as mandated by Senate Bill 126.

Summary of SFY 2000

Of the 228 nursing facilities that originally applied to participate in the wage pass-through program, 219 were active participants at the end of SFY 2000. Those providers that chose to drop out of the program cited various reasons for doing so. In most cases the provider's reimbursement rate was affected by the private pay rate restriction of the Kansas Medicaid nursing facility rate setting methodology. This restriction holds provider's reimbursement rates to the lesser of their average private pay rate or the calculated Medicaid rate. For providers that were being held to their private pay rate the pass-through did not increase their Medicaid reimbursement.

Total wage pass-through payments for SFY 2000 were \$3.74 million. Of this amount \$3.36 million was documented as eligible expenses. A total of \$381,939 is to be recouped from 51 providers (23% of the participants) due to their failure to document appropriate use of the funds. This amount is pending some incomplete audit activity..

Most providers chose to use the pass-through funds to raise the wages of the frontline staff (nurse aides, medication aides, restorative-rehabilitation aides, licensed mental health technicians, plant operating/maintenance personnel, non-supervisory dietary personnel, laundry staff, housekeeping

Kansas Department on Aging Quality Enhancement Wage Pass-Through Program Report

staff, and non-supervisory activity staff) that the program was targeted toward. The second most common use was to pay bonuses. Other uses included adding new positions, increasing benefits contributions and establishing new benefits for employees. A sample of the quarterly reports filed by providers showed that 68% of expenditures were for wage increases or bonuses, 30% were for new staff, and 2% were for benefits enhancements.

Continuation into SFY 2001

Approximately \$4.3 million in total funds was allocated by the 2000 Kansas Legislature to continue the wage pass-through program during SFY 2001. However this funding was dependent upon the Kansas Intergovernmental Transfer Program (KSIT). This situation caused several uncertainties for the wage pass-through. First of all, funding would not be available for the program at all if the KSIT program was not approved by the HCFA. Secondly, if funding was made available it would likely not be available until after October 1, 2000 due to the review time required by HCFA for KSIT. Furthermore, no monies were to be expended without the authorization of the State Finance Council. Finally, if funding was made available it might be less than the amount approved by the legislature since the funds generated by KSIT could be less than projected.

KDOA took several steps to deal with these uncertainties. The workgroup that included representatives from KDOA, SRS, KAHSA, and KHCA was reconvened and addressed issues concerning the implementation of the wage pass-through in SFY 2001. The Kansas Hospital Association also participated in this workgroup. A memorandum detailing the implementation of the wage pass-through for SFY 2001 was mailed on June 1, 2000 to all facilities that participated in the program.

There were many issues that were addressed through the workgroup meetings and KDOA research. It was determined that the funding for SFY 2001 was intended to continue the pass-through for facilities that were already enrolled in the program. The workgroup concluded that it would be best to make the pass-through factors effective retroactively to July 1, 2000 once funding was secured. The workgroup also decided that the quarterly reports for SFY 2001 would only be requested if funding was secured. The group also reached consensus on a plan to award the funding for SFY 2001 in a way that would attempt to phase-out any added costs that facilities would incur to continue providing the enhancements started during SFY 2000. This meant that any per diem add-on awarded to facilities for the wage pass-through for SFY 2001 would be based on the per diem amount that they received and documented using during SFY 2000.

Implementation for SFY 2001

On December 5, 2000, the State Finance Council approved expenditure of the funds that had been received through KSIT and designated for the wage pass-through. On December 21, 2000 each participant was notified by mail of the expenditures they had documented for SFY 2000. At this time participants were also informed of any undocumented funds that would need to be recouped and the per diem add-on they would receive for SFY 2001. This correspondence also explained that the wage pass-through add-on would be reinstated as of February 1, 2001, and that a mass adjustment process would be used to settle for the time period between July 1, 2000 and

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January 31, 2001. Quarterly reporting for SFY 2001 will continue. However, the first report will cover the period from July 1, 2000 through March 31, 2001 and will be due on May 15, 2001.

Outcome Monitoring:

Some general observations can be made on the use of the program funds. Most facilities chose to use the funds to raise the wages of frontline staff. The second most common use was to pay bonuses. Other uses have included adding new positions, increasing benefits contributions, and establishing new benefits for employees.

To measure the effectiveness of the wage pass-through program, the quarterly reports also included a turnover report form. This form collected information on the employees in each of the 9 target positions (nurse aides, medication aides, restorative-rehabilitation aides, licensed mental health technicians, plant operating/maintenance personnel, non-supervisory dietary personnel, laundry staff, housekeeping staff, and non-supervisory activity staff). Facilities were expected to show the beginning number of employees, the number hired, the number terminated, the ending number of employees, and the number that are part-time and full-time. This information was used to calculate turnover statistics for the facilities participating in the program. These statistics are shown in the attached tables.

Staff turnover in the nursing facility industry has been a major problem, especially for those staff often directly responsible for resident care. According to statistics published in the Adult Care Home Annual Reports by the Kansas University School of Social Welfare, during 1996, 1997, and 1998 turnover for the positions targeted by the wage pass-through was 102%, 106%, and 111% respectively. Based on the information gathered from the wage pass-through turnover reports, turnover for all staff employed in the eligible positions by the wage pass-through participants converts to an average annualized rate of 101%.

Some caveats should be noted regarding this analysis. The first of these would be to consider the period of time for which statistics are reported. Since the statistics available provide a picture of trends after only four months of the program, this analysis may not yet show the impact of the program. There may also be seasonal factors whose impact on turnover has not yet been balanced out in the wage pass-through program, although the impact of all such seasonal factors would be present in the calendar year statistics presented. Another consideration is that current economic factors may make the baseline statistics less relevant. A final concern would be that the facilities participating in the pass-through program are facilities that elected to participate. Therefore they are a subgroup of all Kansas nursing facilities that may have a more serious turnover problem than all Kansas nursing facilities taken as a group. For this reason it may not be appropriate to compare statistics for this subgroup to cumulative statistics for all Kansas nursing facilities.

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 Turnover Statistics

Aides/LMHT

Period	Beginning	Added	Terminated	Ending	Turnover Rate
1996	10,819	12,604	12,451	10,972	115%
1997	10,666	11,472	11,927	10,211	112%
1998	9,740	12,171	11,726	10,185	120%
2Q SFY00	5,829	1,630	1,483	5,976	102%
3Q SFY00	5,977	1,734	1,559	6,152	104%
4Q SFY00	5,906	1,797	1,718	5,985	116%

Plant Operating and Maintenance Personnel

Period	Beginning	Added	Terminated	Ending	Turnover Rate
1996	707	366	368	705	52%
1997	698	342	334	706	48%
1998	676	340	347	669	51%
2Q SFY00	344	54	55	343	64%
3Q SFY00	341	52	56	337	66%
4Q SFY00	338	60	52	346	62%

Diet/Laundry/Housekeeping

Period	Beginning	Added	Terminated	Ending	Turnover Rate
1996	7,763	6,781	6,812	7,732	88%
1997	7,544	7,832	7,696	7,680	102%
1998	6,627	7,632	6,906	7,353	104%
2Q SFY00	3,867	1,007	929	3,945	96%
3Q SFY00	3,929	1,075	929	4,075	95%
4Q SFY00	3,998	1,060	971	4,087	97%

All Eligible Positions

Period	Beginning	Added	Terminated	Ending	Turnover Rate
1996	19,289	19,751	19,631	19,409	102%
1997	18,908	19,646	19,957	18,597	106%
1998	17,043	20,143	18,979	18,207	111%
2Q SFY00	10,040	2,691	2,467	10,264	98%
3Q SFY00	10,247	2,861	2,544	10,564	99%
4Q SFY00	10,242	2,917	2,741	10,418	107%
Average Annualized Turnover Rate for SFY00					101%

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