

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Steve Morris at 10:40 a.m. on February 28, 2001 in Room 123-S of the Capitol.

All members were present except: All Present

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Amory Lovin, Kansas Legislative Research Department
Rae Anne Davis, Kansas Legislative Research Department
Tom Severn, Kansas Legislative Research Department
Audrey Nogle, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor, Revisor of Statutes Office
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Tom Day, Public Service Executive, Kansas Corporation Commission

Others attending: See attached guest list

Chairman Morris referred the following bill to the KPERS Issues subcommittee:

SB 340 – Contribution rates for local police or fire pension plans

Subcommittee budget reports on:

Kansas Department of Health and Environment (Attachment 1)

Senator Adkins reported that the Subcommittee concurs with the recommendations of the Governor for FY 2001 with modifications as listed in the subcommittee budget report.

Senator Adkins reported that the Subcommittee concurs with the recommendations of the Governor for FY 2002 with exceptions as listed in the subcommittee budget report.

Senator Downey moved, with a second by Senator Adkins, to amend the Subcommittee budget report for FY 2002, regarding Item Number 6, Paragraph 1, to change "teenagers" to "youth". Motion carried by a voice vote.

Senator Adkins moved, with a second by Senator Downey, to adopt the Subcommittee budget report on the Kansas Department of Health and Environment as amended. Motion carried by a voice vote.

Homestead Property Tax (Attachment 2)

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 recommendation for FY 2002 with observations as listed in the subcommittee report.

Senator Salmans moved, with a second by Senator Feleciano, to adopt the Subcommittee budget report on Homestead Property Tax. Motion carried by a voice vote.

CONTINUATION SHEET

Kansas Department of Human Resources (Attachment 3)

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

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

Senator Jordan moved, with a second by Senator Barone, to adopt the Subcommittee budget report on the Department of Human Resources. Motion carried by a voice vote.

Kansas Commission on Veterans Affairs (Attachment 4)

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

Senator Salmans moved, with a second by Senator Feleciano, to amend the Subcommittee budget report for FY 2001 to change the wording in Item Number 4 to reflect referring it to the Capital Improvement Subcommittee. Motion carried by a voice vote.

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

Senator Feleciano moved, with a second by Senator Salmans, to adopt the Subcommittee budget report on the Kansas Commission on Veterans Affairs as amended. Motion carried by a voice vote.

Chairman Morris opened the public hearing on:

SB 321 – Abandoned oil and gas well fund, extending certain transfers

Staff briefed the Committee on the bill.

Chairman Morris welcomed Tom Day, Public Service Executive, Kansas Corporation Commission, who spoke in support of **SB 321 (Attachment 5)**. Mr. Day mentioned that the Abandoned Oil and Gas Well/Site Remediation program has been successful in plugging more than 2,100 wells from FY 1997 through FY 2000. The Division is on track to plug or schedule plugging operations on approximately 600 abandoned oil and gas wells in FY 2001. Authorization for continuation of this program beyond the current sunset date of July 1, 2002, will allow the Conservation Division to continue to address the ongoing and potential threats to the water and natural resources of the State of Kansas from these types of abandoned wells.

Chairman Morris welcomed Ken Peterson, Executive Director, Kansas Petroleum Council, who spoke in support of **SB 321 (Attachment 6)**. Mr. Peterson mentioned that **SB 321** ensures that the Conservation Division of the Kansas Corporation Commission can continue to address abandoned wells that threaten groundwater. Many of these wells were drilled in the pre-regulatory days of the oil and gas industry. The state did not get into the situation overnight and it will take some time to adequately address the problem. Mr. Peterson mentioned that Jim Allen, Kansas Independent Oil and Gas Association, and Robert Krehbiel, Eastern Kansas Oil and Gas Association, also support his testimony and **SB 321**.

The Chairman thanked the conferees for their appearance before the Committee. There being no further conferees to appear before the Committee, the Chairman closed the public hearing on **SB 321**.

Senator Salmons moved, with a second by Senator Barone, to move **SB 321** favorable for passage. Motion carried by a roll call vote.

The meeting was adjourned at 11:50 a.m. The next meeting is scheduled for March 1, 2001.

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE February 28, 2001

NAME	REPRESENTING
Don Cawby	DOB
Julia Thomas	DOB
David Dallon	H & E
Kyle Lester	DOB
Edie Suther	KALHD
Bob McDanold	KWO
Jim Hays	KVH
Steve Goodman	Kansas Soldiers' Home, Ft. Dodge
STONEY WAGES	KCVA TOPEKA
Wayne Bollig	KCVA "
Lea Steele	KCVA
Josie Torres	KCDID
Kevin Bazon	Hein/Wer chrt'd
Julia Hair	Hein & Wer
Jim Murphy	KDHE
Jim Murphy	KDHE
Sharon Fafurde	KDHE
Michael Moran	KDHR
David E. Pierce	Splane Pulling & Roustabout Service
KEITH SPLANE	Splane Pulling
Terri Splane	Splane Pulling & Roustabout Service
PHILIP HURLEY	PAT HURLEY & Co.

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE 2/28/01

NAME	REPRESENTING
Susan Nuff	KCC
Diana Edmister	KCC
Frances Kastner	Ks Food Dealers Assn
Tom Day	KCC
Ken Peterson	KS Petroleum Council

**2001-2002 HEALTH AND ENVIRONMENT/
HUMAN RESOURCES SUBCOMMITTEE**

Department of Health and Environment
FY 2001 and FY 2002

David Adkins

Senator David Adkins, Chairperson

Christine Downey

Senator Christine Downey

Jean Schodorf

Senator Jean Schodorf

Senate Ways and Means
2-28-01
Attachment 1

Budget Committee Report

Agency: Department of Health
and Environment

Bill No.

Bill Sec.

Analyst: Davis

Analysis Pg. No. 138

Budget Page No. 179

Expenditure Summary	Agency Est. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
All Funds:			
State Operations	\$ 105,715,400	\$ 105,675,596	\$ 0
Aid to Local Units	34,183,986	34,352,736	0
Other Assistance	29,000,000	29,000,000	0
TOTAL	\$ 168,899,386	\$ 169,028,332	\$ 0
State General Fund:			
State Operations	\$ 21,962,761	\$ 22,226,850	0
Aid to Local Units	9,594,690	9,594,690	0
Other Assistance	0	0	0
TOTAL	\$ 31,557,451	\$ 31,821,540	\$ 0
Other Funds:			
State Operations	\$ 83,752,639	\$ 83,448,746	0
Aid to Local Units	24,589,296	24,758,046	0
Other Assistance	29,000,000	29,000,000	0
TOTAL	\$ 137,341,935	\$ 137,206,792	\$ 0
FTE Positions	839.5	839.5	0.0
Other Unclass. Positions	216.0	212.0	0.0
TOTAL	1,055.5	1,051.5	0.0

Agency Est./Governor's Recommendation

The Department's estimate for FY 2001 operating expenditures is \$168,899,386. This is a decrease of \$2.8 million from the approved budget. The FY 2001 revised State General Fund request includes transfers totaling \$107,764 to the operating expenditures account from various SGF accounts. This includes reduced expenditures of \$98,745 from the Title XIX Nursing Home Inspection account and reappropriated balances from the Aid to Local Units, Primary Health, Immunizations and Vaccine Purchases accounts. The revised budget also includes expenditures of \$68,614 (of the \$75,000 approved by the 2000 Legislature) from reappropriated balances in the Aid to Local Units account for the Pregnancy Maintenance Program. The approved FY 2001 budget also included expenditures of \$225,000 from the Operating Expenditures account for the program. These expenditures are not included in the \$20.4 million of expenditures from the Operating Expenditures account. The revised SGF request also includes a lapse of \$247,970. This amount was budgeted to be lapsed in FY 2000 when several of the Departments's SGF accounts were collapsed into the Operating Expenditures account. In accommodating the Department's request for unlimited

reappropriation in those accounts, the 2000 Legislature inadvertently allowed the money to carry forward. The revised request addresses this by lapsing the amount.

The revised request also includes lower than anticipated expenditures in various special revenue funds.

The Governor's revised FY 2001 recommendation for operating expenditures is \$31,821,540. This is a decrease of \$2.6 million from the approved budget. The Governor makes reductions to increase shrinkage and make fringe benefit calculation adjustments. The Governor's recommendation includes:

- a supplemental appropriation of \$400,000 from the State General Fund for the AIDS Drug Assistance Program. The Governor's recommendation is based on the Department's most recent information regarding projected shortfalls.
- \$168,750 from the Trauma Fund for the Pregnancy Maintenance Program and a transfer of \$131,250 from the Trauma Fund to the State General Fund to help fund the Emergency Medical Services Board in FY 2002.

Budget Committee Recommendations

The Budget Committee concurs with the recommendations of the Governor with the following modifications.

1. The Budget Committee does not concur with the Governor's recommendation to transfer \$131,250 from the Trauma Fund to the State General Fund and recommends that the moneys be retained in the Trauma Fund of KDHE.
2. The Budget Committee notes that the Governor recommends a supplemental appropriation of \$400,000 from the State General Fund for the AIDS Drug Assistance Program (ADAP). The Budget Committee is concerned that increased state spending for ADAP will result in a required maintenance of effort. The Budget Committee recommends the addition of a proviso to require the Department to certify with the Director of the Budget that any ADAP expenditure will not create a maintenance of effort before such funds are able to be expended.

House Committee Recommendation

The Committee concurs with the Budget Committee.

Senate Subcommittee Report

Agency: Department of Health
and Environment

Bill No.

Bill Sec.

Analyst: Davis

Analysis Pg. No. 138

Budget Page No. 179

Expenditure Summary	Agency Est. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 105,715,400	\$ 105,715,400	\$ 0
Aid to Local Units	34,183,986	34,183,986	0
Other Assistance	29,000,000	29,000,000	0
TOTAL	\$ 168,899,386	\$ 168,899,386	\$ 0
State General Fund:			
State Operations	\$ 21,962,761	\$ 21,962,761	\$ 0
Aid to Local Units	9,594,690	9,594,690	0
Other Assistance	0	0	0
TOTAL	\$ 31,557,451	\$ 31,557,451	\$ 0
Other Funds:			
State Operations	\$ 83,752,639	\$ 83,752,639	\$ 0
Aid to Local Units	24,589,296	24,589,296	0
Other Assistance	29,000,000	29,000,000	0
TOTAL	\$ 137,341,935	\$ 137,341,935	\$ 0
FTE Positions	839.5	839.5	0.0
Other Unclass. Positions	216.0	216.0	0.0
TOTAL	1,055.5	1,055.5	0.0

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor.

Budget Committee Report

Agency: Department of Health
and Environment

Bill No.

Bill Sec.

Analyst: Davis

Analysis Pg. No. 138

Budget Page No. 179

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Budget Committee Adjustments
All Funds:			
State Operations	\$ 114,859,098	\$ 108,920,763	\$ (419,333)
Aid to Local Units	37,184,206	33,202,784	456,000
Other Assistance	30,000,000	30,000,000	0
TOTAL	\$ 182,043,304	\$ 172,123,547	\$ 36,667
State General Fund:			
State Operations	\$ 27,320,452	\$ 22,594,854	\$ (300,000)
Aid to Local Units	12,391,976	9,525,976	300,000
Other Assistance	0	0	0
TOTAL	\$ 39,712,428	\$ 32,120,830	\$ 0
Other Funds:			
State Operations	\$ 87,538,646	\$ 86,325,909	\$ (119,333)
Aid to Local Units	24,792,230	23,676,808	156,000
Other Assistance	30,000,000	30,000,000	0
TOTAL	\$ 142,330,876	\$ 140,002,717	\$ 36,667
FTE Positions	923.5	863.5	(12.0)
Other Unclassified Positions	213.0	208.0	6.0
TOTAL	1,135.5	1,071.5	(6.0)

Agency Req./Governor's Recommendation

The Department's FY 2002 request is \$182,043,304. The request is an increase of \$13.1 million or 7.8 percent over the FY 2001 estimate. The Department requests:

State General Fund

- **\$39,712,428**, or 21.8 percent of the total request
- including requested enhancements of \$8.3 million
- the request does not include funding for the pregnancy maintenance program funded by the Legislature in FY 2000 and FY 2001
- offset mainly by an increase of \$658,613 in salaries and wages

Other Funds

- **\$142,330,876**, or 78.2 percent of the total request
- includes \$1.25 million from the Children's Health Initiatives Fund for Healthy Start (\$250,000), Infant Toddler (\$500,000) and Smoking Prevention Grants (\$500,000)
- does not include funding for the Rural Stroke Initiative or Sudden Infant Death Support (SIDS) Network

Salaries and Wages

- **\$48,789,628** for 923.5 FTE positions and 213.0 other unclassified positions
- an increase of \$4.8 million or 11.0 percent over the FY 2001 estimate

The Governor recommends FY 2002 expenditures of \$172,123,547. The recommendation is an increase of \$3.1 million or 1.8 percent over the FY 2001 revised recommendation. The recommendation includes:

State General Fund

- **\$32,120,830**, or 18.7 percent of the total recommendation
- the recommendation does not include funding for the pregnancy maintenance program funded by the Legislature in FY 2000 and FY 2001
- \$733,615 for requested enhancements

Other Funds

- **\$140,002,717** or 81.3 percent of the total recommendation
- includes \$750,000 from the Children's Initiatives Fund for Healthy Start (\$250,000) and Infant Toddler (\$500,000). The Governor funds smoking prevention activities through the Kansas Smart Start Program in the Children's Cabinet

Salaries and Wages

- **\$16,330,224** for 863.5 FTE and 208.0 Other Unclassified positions
- increase of \$2.6 million or 5.9 percent over the FY 2001 revised recommendation
- includes funding for 28.0 new FTE

Budget Committee Recommendations

The Budget Committee concurs with the recommendations of the Governor with the following modifications.

1. The Governor's recommendation includes folding tobacco use prevention activities into the Kansas Smart Start program in the Children's Cabinet. In FY 2001, \$500,000 was appropriated to KDHE for this purpose from the Children's Initiatives Fund. This money was matched by the American Legacy Foundation with another \$500,000. The Budget Committee is concerned that without specifically designated funds for tobacco prevention, Kansas will not be eligible for the American Legacy Foundation grant. The Budget Committee recommends KDHE and the Children's Cabinet look into this issue and report their findings to the Budget Committee during Omnibus.
2. Delete \$200,000 from the State General Fund from the Bureau of Air and Radiation to be offset by increased expenditures from the Air Quality Fee Fund

of \$200,000. The Department recently submitted regulations to increase fees which will result in increased revenues to the fee fund of \$400,000 per year.

3. Add \$200,000 from the State General Fund for an Oral Health Program. Kansas is one of the few states that does not have a dental officer. There is a shortage of dentists generally and specifically for the low-income population of the state. Further, recruiting dentist to a community is made more difficult by the lack of a dental officer to identify where dental resources are most needed. An Oral Health Office will provide a focal point for discussion and strategies to address the overwhelming need for dental care in this state and could implement a more systematic recruitment of dental health professionals and put Kansas in a position to apply for more federal and private sector funding to assure the continuation of public health leadership and health policy responsibilities for protection and improvement of the oral health of Kansans.

The Budget Committee recommends that a State Loan Repayment Program to assist in the recruitment and retention of dentists and hygienists and a loan repayment fund be established. This program, in which the federal government matches state contributions dollar for dollar, has worked well for medical doctors. The Budget Committee recommends that the dental loan repayment program be funded with dollars from local communities rather than the state. The Department will be responsible for housing the program and processing the applications.

4. The Budget Committee recommends the introduction of a bill to increase fees charged for all certified copies of birth, death, marriage and divorce certificates by \$1 and to create a Vital Statistics Maintenance Fee Fund in which the increased revenue will be deposited. This fund will be used to help the Department repay the certificates of participation proposed to be issued to pay for the new Vital Statistics Integrated Information System (an automated process for registering and retrieving records of vital events such as births, deaths, fetal deaths, marriages and divorces). It is anticipated that approximately \$350,000 would be generated each year through this fee increase. Once the system is paid off, the revenue will be used to provide funding for maintenance of the system. Currently, revenue generated from fees for certified copies is deposited in the General Fund (\$2.8 million in FY 2002) with the exception of surcharge fees on birth certificates to the Permanent Families account and a surcharge on death certificates to the District Coroners' Fund.

The Budget Committee also requests updated information prior to Omnibus from the Department on the cost of paying to replace the system all at once versus the cost of issuing certificates of participation through the Kansas Development Finance Authority and repaying the bonds over an 8 year period as proposed.

The current Vital Statistics Integrated Information System can no longer be modified to implement changes to the nationally standardized birth, death and fetal death certificates, which will not enable Kansas to fulfill contractual obligations with the National Center for Health Statistics for submission of Kansas data to the national database and exchange vital record information with other states. Further, future federal standards will require Kansas to adopt a new Electronic Death Record system. The process of changing from a manual

process for recording and managing death information to an electronic process to meet contractual requirements of the Social Security Administration for fact of death reporting will require the implementation of an electronic based data reporting system.

5. Add \$156,000 from the Trauma Fund, including \$56,000 carried forward from the FY 2001 program, for the Stroke Prevention Program. The Budget Committee encourages local health departments and Kansas State University Extension to work together towards a state-wide program.
6. Shift \$300,000 from the State General Fund from agency operations to the Pregnancy Maintenance Initiative. The Budget Committee intends this funding be used for continuation of the FY 2000 and FY 2001 program, with the same not-for-profit entities selected through the grant application processes carried out in FY 2000.
7. The Budget Committee notes that public water systems across the state are not meeting federal standards under the Safe Water Drinking Act. The Budget Committee was informed that the State's revolving loan fund does not have enough money to make all of the loans that will be needed across the state to update public water systems. The Budget Committee was informed that compliance rates are decreasing, from 93.0 percent of public water systems in total compliance in FY 1999 to 90.0 percent in FY 2000 to 85.0 percent in FY 2001 and 75.0 percent in FY 2002. The Budget Committee requests the following information from the Department prior to Omnibus: the cause of this decrease in performance and how much is caused by changed federal standards; the exact number of systems which will be out of compliance and the cost of bringing these systems into compliance; and a list of systems which the Department expects to address in the next five years.
8. The Budget Committee notes that 2001 SB 64 removes the sunset language on the HIV and AIDS reporting statutes. Currently, the reporting requirements expire as of July 1, 2001. This requirement was enacted by the 1999 Legislature. The change requiring named reporting was very controversial and, for this reason, the Legislature included the sunset of the entire reporting act to ensure a review of the issue by the 2001 Legislature. The privacy concerns creating the controversy have not been an issue and the Budget Committee therefore recommends the sunset be eliminated and supports the passage of 2001 SB 64.
9. The Budget Committee notes that the Department's FY 2002 request includes an addition of \$2.8 million from the State General Fund for aid to local health departments. This was not recommended by the Governor. The Budget Committee recognizes the important role that local health departments play in providing essential public health services to Kansas communities. Local health departments help to prevent the spread of communicable diseases, protect communities against environmental hazards, and promote and encourage healthy behaviors. The Budget Committee recognizes the valuable asset that Kansas has in its local health departments and encourages the Department to continue to work to find a way to increase funding available for these services.

10. Add a proviso requiring the Department to amend its regulations to expand the requirements for conducting physical examinations of ill, injured, intoxicated or physically or mentally impaired juveniles prior to detention. Currently, K.A.R. 28-4-354(d) requires an examination by a licensed physician, the Budget Committee recommends this be expanded to include a nurse practitioner or a registered nurse in consultation with a physician.
11. Shift 6.0 FTE in the Bureau of Water to other unclassified positions. These are new positions recommended by the Governor for public water supply oversight and which are funded through the Federal Water Supply Fund and the Public Water Supply Loan Fund. The Budget Committee recommends these be other unclassified positions rather than FTE because this is a federal-driven program and the state should not add permanent positions for such a program.
12. Delete 6.0 FTE and \$319,333 from Medicaid and Medicare for certified nursing home survey staff. The Governor added these positions to increase the frequency of nursing home surveys. The Budget Committee believes that the Department should work with the industry towards a less adversarial relationship and increasing surveyors and survey frequency is not the appropriate way to address that problem. The Budget Committee recommends that the \$42,517 from the State General Fund the Governor recommends for Medicaid match for these positions remain in the Department's budget.
13. Add a proviso requiring the Department to direct all health care providers providing immunizations through the Department's programs to inform patients that any vaccines given in a manner that combines separate or individual vaccines may be given in individual doses of each separate vaccine.
14. The Budget Committee notes that currently, grocery stores and food processors are inspected the same as any food services establishment but are not required to pay fees. The cost of these inspections is paid out of State General Fund dollars. The Budget Committee recognizes the changed nature of grocery operations. Much food preparation goes on at grocery stores, and all food establishments present a risk to public health if health-focused best practices are not properly employed. Further, the 1999 Food and Drug Administration (FDA) Food Code adopted regulations governing food service establishments and retail food stores became identical. The Budget Committee believes that license fees for retail grocers and food processors are appropriate, and should be used to reduce the need for State General Fund dollars in supporting the expense of food protection activities in Kansas. The Budget Committee recommends the introduction of a bill to establish annual license fees for retail food stores and food processors based on the complexity of the individual establishment, to be established by the Department to a maximum of \$100. These fees will be credited to the Food Inspection Fee Fund and be used to support the inspection activities associated with these facilities. It is the Budget Committee's intention that the increased fees allow the program to decrease its reliance on State General Fund dollars.

As the additional fee income can be used to offset State General Fund expenditures, the Budget Committee recommends that the food inspection program's State General Fund expenditures be reviewed at Omnibus to determine if those dollars can be shifted elsewhere.

15. The Budget Committee notes that it intends to review the language in the Appropriation Bill once it is available to determine if any reappropriation language should be added to ensure the smooth operation of the Department's programs.
16. The Budget Committee recognizes that the Department's budgeting process and responses regarding budgetary matters have improved in recent years. The Budget Committee also appreciates the documentation provided to the Legislature in its Legislative Briefing Book and in response to the Budget Committee's questions during the budget hearings.

House Committee Recommendation

The Committee concurs with the recommendations of the Budget Committee with the following modification:

1. Amend item No. 14 to include language in the bill introduced by the Committee to establish fees for grocery store inspections so that nutrition sites that serve, but do not prepare, food are exempted from food inspection fees.
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Senate Subcommittee Report

Agency: Department of Health and Environment **Bill No.** **Bill Sec.**

Analyst: Davis **Analysis Pg. No.** 138 **Budget Page No.** 179

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 114,859,098	\$ 108,920,763	\$ (737,277)
Aid to Local Units	37,184,206	33,202,784	875,000
Other Assistance	30,000,000	30,000,000	0
TOTAL	<u><u>\$ 182,043,304</u></u>	<u><u>\$ 172,123,547</u></u>	<u><u>\$ 137,723</u></u>
State General Fund:			
State Operations	\$ 27,320,452	\$ 22,594,854	\$ (503,176)
Aid to Local Units	12,391,976	9,525,976	0
Other Assistance	0	0	0
TOTAL	<u><u>\$ 39,712,428</u></u>	<u><u>\$ 32,120,830</u></u>	<u><u>\$ (503,176)</u></u>
Other Funds:			
State Operations	\$ 87,538,646	\$ 86,325,909	\$ (234,101)
Aid to Local Units	24,792,230	23,676,808	875,000
Other Assistance	30,000,000	30,000,000	0
TOTAL	<u><u>\$ 142,330,876</u></u>	<u><u>\$ 140,002,717</u></u>	<u><u>\$ 640,899</u></u>
FTE Positions	923.5	863.5	0.0
Other Unclass. Positions	213.0	208.0	0.0
TOTAL	<u><u>1,135.5</u></u>	<u><u>1,071.5</u></u>	<u><u>0.0</u></u>

* Includes a reduction of \$1,291,277 (including \$599,176 from the State General Fund) for the Governor's employee salary adjustment. Absent the decrease for the pay plan, the recommendation is an increase of \$1,429,000 from the Governor's recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor with the following exceptions:

1. Delete \$1,291,277 (including \$599,176 from the State General Fund) for the Governor's recommended pay plan adjustments for longevity bonus payments (\$372,353), an unclassified merit pool (\$182,929), and a classified base increase (\$735,995).

2. The Subcommittee recommends that SB 100 be passed out of the Committee favorably and be recommended for passage. SB 100 raises the maximum allowable fee for restaurant inspections from \$100 to \$200. The Subcommittee was informed that if SB 100 is enacted, the Department intends to raise fees to \$130 this year. The Subcommittee heard testimony that the Kansas Restaurant and Hospitality Association has no objection to the passage of SB 100.
3. Add \$204,000 (including \$96,000 from the State General Fund, \$58,000 from Medicaid, and \$50,000 from a grant from the United Methodist Health Ministry Fund) for an Oral Health Program. The Department's original request was for the program to be funded entirely from the State General Fund. However, the Subcommittee's recommendation reduces the General Fund portion by using Medicaid to fund half of the salaries and by the grant from the Health Ministry Fund for other operating expenditures.

Kansas is one of the few states that does not have a dental officer. There is a shortage of dentists generally and specifically for the low-income population of the state. Further, recruiting dentist to a community is made more difficult by the lack of a dental officer to identify where dental resources are most needed. An Oral Health Office will provide a focal point for discussion and strategies to address the overwhelming need for dental care in this state and could implement a more systematic recruitment of dental health professionals and put Kansas in a position to apply for more federal and private sector funding to assure the continuation of public health leadership and health policy responsibilities for protection and improvement of the oral health of Kansans.

4. The Subcommittee recommends the introduction of a bill to increase fees charged for all certified copies of birth, death, marriage and divorce certificates by \$1 and to create a Vital Statistics Maintenance Fee Fund in which the increased revenue will be deposited. This fund will be used to help the Department repay the certificates of participation proposed to be issued to pay for the new Vital Statistics Integrated Information System (an automated process for registering and retrieving records of vital events such as births, deaths, fetal deaths, marriages and divorces). It is anticipated that approximately \$350,000 would be generated each year through this fee increase. Once the system is paid off, the revenue will be used to provide funding for maintenance of the system. Currently, revenue generated from fees for certified copies is deposited in the General Fund (\$2.8 million in FY 2002) with the exception of surcharge fees on birth certificates to the Family and Children Investment Fund permanent families account and a surcharge on death certificates to the District Coroners' Fund.

The current Vital Statistics Integrated Information System can no longer be modified to implement changes to the nationally standardized birth, death and fetal death certificates, which will not enable Kansas to fulfill contractual obligations with the National Center for Health Statistics for submission of Kansas data to the national database and exchange vital record information with other states. Further, future federal standards will require Kansas to adopt a new Electronic Death Record system. The process of changing from a manual process for recording and managing death information to an electronic process to meet contractual requirements of the Social Security Administration for fact

of death reporting will require the implementation of an electronic based data reporting system.

5. Add \$264,901 from the Children's Initiatives Fund and a proviso requiring varicella (chicken pox) and hepatitis B immunizations for school entry. The Subcommittee considered requiring the Department to fund these mandates through existing resources but determined that to be detrimental to the overall immunization program in Kansas. There are not sufficient federal and state funds to meet current program obligations and provide vaccine to meet the expected demand following implementation of these two school entry requirements. Because a number of important vaccines recommended for infants are not required for school entry, such as the haemophiles influenza type b (Hib) conjugate, response by local health departments to their statutory obligations to supply required varicella and hepatitis B immunization could, in the absence of funds appropriated to meet this demand, lead to reduced delivery of recommended immunizations to infants.

The Subcommittee recommends that when the Committee reviews the FY 2002 budget as a whole prior to voting on the appropriation bill, the \$264,901 recommended for this item be shifted from the \$11,260,000 recommended for Smart Start Kansas in the Children's Cabinet.

6. Add \$875,000 from the Children's Initiatives Fund for smoking prevention grants. The Subcommittee notes that the Governor's recommendation folds smoking prevention activities into the Smart Start Kansas program. The Subcommittee is concerned that, while Smart Start is a worthwhile program, Kansas should have some state level commitment to smoking prevention that is targeted at teenagers, considering that the reported use percentage for cigarettes is 13.9 percent for Kansas eighth graders and 35.3 percent for twelfth graders and the reported use percentage for smokeless tobacco is 5.7 percent for eighth graders and 14.5 percent for twelfth graders. The FY 2001 budget includes \$500,000 for smoking prevention grants. This amount is matched dollar for dollar by a grant from the American Legacy Foundation. The Subcommittee was informed that Kansas will be able to receive \$875,000 from the American Legacy Foundation for smoking prevention grants if the state provides matching money.

The Subcommittee recommends that when the Committee reviews the FY 2002 budget as a whole prior to voting on the appropriation bill, the \$875,000 recommended for this item be shifted from the \$11,260,000 recommended for Smart Start Kansas in the Children's Cabinet.

7. Introduce a bill to increase taxes on cigarettes by one cent per pack and create a fund for receipt of the one cent increase to be used to fund local health departments through the statutory formula. The Subcommittee was informed that this would raise \$1.965 million in FY 2002. The Department's highest priority enhancement is increasing base state aid for local health departments and has requested an increase of \$2.8 million from the State General Fund.

Local public health departments are a critical component in the Kansas system for delivery of essential public health services Kansans. The amount

appropriated for general financial assistance grants has not kept pace with inflation or the demands for local public health services. The appropriation for general financial assistance remained essentially static from 1991 through 1998; and the minimum amount of \$7,000 per county has not changed since 1989. In FY 1999, an increase of \$250,000 was approved, but limited to counties receiving more than the base amount of \$7,000.

The general assistance formula grant is the only state funding which supports basic local health department operations. Many core public health activities are not supported by state or federal categorical funding. The infrastructure which is necessary to support the entire public health effort relies on the adequacy of the general assistance grant. Accordingly, inadequate general assistance funding affects the quality of all local health department services. Local health departments in Kansas are hamstrung by the lack of unrestricted funding from responding in a timely and effective way to emerging public health problems and needs. The lack of such foundation funding from the state impairs the ability of local public health agencies to access other funding sources to support important public health services such as preventing and controlling communicable diseases and protecting against and reducing exposure to environmental hazards.

The Subcommittee notes that tobacco related disease is the leading cause of death in Kansas. The Subcommittee believes this critical public health issue establishes a nexus between the consumption of cigarettes and the funding of our local health departments.

The Subcommittee recommends that the status of the dedicated revenue stream for local health departments be reviewed at Omnibus. If the increase in cigarette taxes recommended by the Subcommittee has been enacted, the Subcommittee recommends that expenditures of \$1.965 million be added to be distributed by the statutory formula, with the minimum-funded local health department allocation to be increased by proviso from \$7,000 to \$14,000.

8. The Subcommittee recommends that the Department continue to work with the Juvenile Justice Authority, the Department of Social and Rehabilitation Services, the Department of Education, regional prevention centers, the Kansas Health Foundation and other non-profit community partners in implementing the Connect Kansas Model and coordinating inter-agency efforts focused on prevention.
9. The Subcommittee is concerned that the Department's interpretation of Infant Toddler regulations appears to be too restrictive. Infant Toddler funding is not available for parents who chose to seek services in a center-based environment where disabled children are educated with non-disabled children. The Department has determined that center-based programs are not eligible for Infant Toddler funding because of the federal IDEA Part C requirement that "services must be provided in a natural environment to include home, childcare center, or community setting where children without special needs would attend." Such centers have been excluded on the basis of not being a natural environment. The Subcommittee acknowledges that home-based therapies may not be the best choice for all parents and respects the rights of parents to

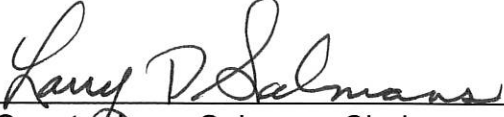
choose other settings that offer benefits such as networking with other parents of children with special needs and socialization opportunities for their children if they believe such an environment would be most beneficial.

The Subcommittee recommends that the Department review this situation to determine how such center-based environments may be made eligible for Infant Toddler funding. The Subcommittee recommends this issue be reviewed at Omnibus.

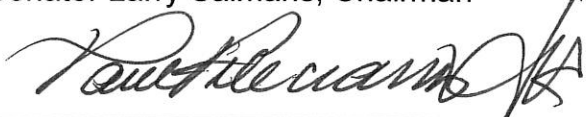
10. The Subcommittee notes that the House Committee on Appropriations has announced its intention to recommend that the Infant Toddler program be moved from the Department of Health and Environment to the Department of Education (which administers special education services for 3 and 4 year olds) at Omnibus. The Subcommittee's preference is that the program remain in the Department of Health and Environment. The Subcommittee is concerned that if the program is moved, while some economies of scale may be created and the program may gain access to categorical aid administered by the Department of Education, private and local funding of \$2.0 to \$3.0 million may be lost. Further, the Subcommittee believes that Infant Toddler services for children aged birth to three differ somewhat from special education services for 3 and 4 year olds. The birth to three program has considerable health and medical focus with programs such as assistive technology devices, audiology, family training and counseling, health services, physical therapy, occupational therapy, and speech language pathology. These services are best delivered through the Department of Health and Environment.

**2001 HEALTH AND ENVIRONMENT/
HUMAN RESOURCES SUBCOMMITTEE**

Homestead Property Tax



Senator Larry Salmans, Chairman



Senator Paul Feleciano, Jr.

Senate Ways and Means
2-28-01
Attachment 2

Senate Subcommittee Report

Agency: Homestead Property
Tax Refunds

Bill No. --

Bill Sec. --

Analyst: Nogle

Analysis Pg. No. 370

Budget Page No. 385

Expenditure Summary	Agency Est. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	15,100,000	15,100,000	0
TOTAL	\$ 15,100,000	\$ 15,100,000	\$ 0
State General Fund	\$ 15,100,000	\$ 15,100,000	\$ 0
All Other Funds	0	0	0
TOTAL	\$ 15,100,000	\$ 15,000,000	\$ 0
FTE Positions	0.0	0.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0

Agency Estimate/Governor's Recommendation

The **agency's current year estimate** of \$15,100,000 reflects an increase of \$1,319,233 (9.6 percent) over the amount approved by the 2000 Legislature, including reappropriations. The agency is requesting a supplemental appropriation of \$1,319,233 for FY 2001 based on the current year estimate. The current year estimate is based on:

- The disbursement of \$14.9 million in FY 2000 and an estimated increase in the average refund from \$230 in FY 2000 to \$232 in FY 2001, as well as an estimated decrease of refunds from 65,329 in FY 2000 to 65,000 in FY 2001.
- Continued efforts by the Revenue Department to inform the public of the Homestead Act.

Governor's Recommendation. The Governor concurs with the agency request.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Homestead Property
Tax Refunds

Bill No. --

Bill Sec. --

Analyst: Nogle

Analysis Pg. No. 370

Budget Page No. 385

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Senate Subcommittee Adjustments
State Operations	\$ 0	0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	14,430,000	0	0
TOTAL	\$ 14,430,000	\$ 0	\$ 0
State General Fund	\$ 14,430,000	\$ 0	\$ 0
All Other Funds	0	0	0
TOTAL	\$ 14,430,000	\$ 0	\$ 0
FTE Positions	0.0	0.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0

Agency Request/Governor's Recommendation

The agency requests \$14,430,000 for Homestead Property Tax refunds in FY 2002. The request represents a decrease of \$670,000 (4.4 percent) from FY 2001. The request is based on the historical trends of decreasing refunds in years when the program is unchanged. The decrease is due to fewer refunds.

Governor's Recommendation. The Governor recommends a decrease of \$15,100,000 (100.0 percent) for FY 2002 from the FY 2001 recommendation. The Governor recommends the issuance of Homestead refunds as refunds from income tax receipts and not as expenditures. As a result, the Governor recommends no expenditures from the State General Fund, but recommends that revenue estimates for individual income tax be reduced by \$14,300,000 for FY 2002 to implement this recommendation. The Governor further recommends that a substantive change be made to K.S.A. 79-4505, the Homestead enabling legislation, to make the change permanent.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following observations:

1. SB 44 as amended, which has passed the Senate, would make several changes to the Homestead Property Tax Refund Act to:
 - a. Allow refunds to be paid directly from the income tax refund fund in lieu of the current methodology, which provides for refunds to be paid from an appropriation;
 - b. Amend the refund advancement program, which allows certain eligible taxpayers to receive refunds prior to the payment of their property taxes on December 20, to clarify that the certificate of eligibility forms be issued by the Department of Revenue and that the Department (and not county clerks) would be ultimately responsible for the qualification determination
 - c. Delete unnecessary statutory language relating to widows (without changing any of the current qualifications for homestead refunds).
 - d. Clarify that refunds designed to offset part of property taxes paid on the working interest of certain low production oil leases shall be paid from the income tax refund fund.

**2001-2002 HEALTH AND ENVIRONMENT/
HUMAN RESOURCES SUBCOMMITTEE**


Department of Human Resources



Senator Dave Jackson



Senator Nick Jordan, Chairman



Senator Jim Barone

Senate Subcommittee Report

Agency: Department of Human Resources

Bill No.

Bill Sec.

Analyst: Lovin

Analysis Pg. No. 376

Budget Page No. 225

Expenditure Summary	Agency Est. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 48,079,876	\$ 48,079,876	\$ 77,000
Aid to Local Units	364,160	364,160	0
Other Assistance	194,697,745	194,697,745	0
Subtotal	<u>\$ 243,141,781</u>	<u>\$ 243,141,781</u>	<u>\$ 77,000</u>
Capital Improvements	300,000	300,000	0
TOTAL	<u><u>\$ 243,441,781</u></u>	<u><u>\$ 243,441,781</u></u>	<u><u>\$ 77,000</u></u>
State General Fund:			
State Operations	\$ 2,234,505	\$ 2,234,505	\$ 0
Aid to Local Units	364,160	364,160	0
Other Assistance	1,324,695	1,324,695	0
TOTAL	<u><u>\$ 3,923,360</u></u>	<u><u>\$ 3,923,360</u></u>	<u><u>\$ 0</u></u>
Other Funds:			
State Operations	\$ 45,845,371	\$ 45,845,371	\$ 77,000
Aid to Local Units	0	0	0
Other Assistance	193,373,050	193,373,050	0
Subtotal	<u>\$ 239,218,421</u>	<u>\$ 239,218,421</u>	<u>\$ 77,000</u>
Capital Improvements	300,000	300,000	0
TOTAL	<u><u>\$ 239,518,421</u></u>	<u><u>\$ 239,518,421</u></u>	<u><u>\$ 77,000</u></u>
FTE Positions	964.3	964.3	0.0
Other Unclassified Positions	38.0	38.0	0.0
TOTAL	<u><u>1,002.3</u></u>	<u><u>1,002.3</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The agency estimate for State General Fund financing in FY 2001 is \$3,923,360 which is the amount approved by the 2000 Legislature including reappropriations. The agency estimate for all other funds, not including capital improvements, is \$239,218,421 which is an increase of \$22,695,301 (10.5 percent) over the amount approved by the 2000 Legislature. The increase is mainly due to an estimated \$23,000,000 increase in unemployment benefits. This amount is offset by a partial reduction in other funds.

The Governor concurs with the agency request.

Senate Subcommittee Recommendation

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

1. **Add \$77,000** in Other Funds for the OSHA Consultation program; the program requires a 10 percent match which the agency will absorb. The Subcommittee expects to see an increase from the number of private sector consultations made and public entity inspections made for workplace safety in FY 2000. In FY 2000, the number of private consultations made under the federal contract were 810 and the number of public sector inspections made were 268.
2. The Subcommittee expects the development of the "KDHR Dashboard," which is KDHR's version of performance measures, to increase them and cause the performance measures to be a better reflection of the activity of the programs involved.

Senate Subcommittee Report

Agency: Department of Human Resources

Bill No.

Bill Sec.

Analyst: Lovin

Analysis Pg. No. 376

Budget Page No. 225

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 51,642,567	\$ 50,310,409	\$ (1,145,129) *
Aid to Local Units	359,175	325,000	0
Other Assistance	200,900,000	204,100,000	0
TOTAL	\$ 252,901,742	\$ 254,735,409	\$ (1,145,129)
State General Fund:			
State Operations	\$ 3,783,039	\$ 1,829,172	\$ (43,466)
Aid to Local Units	359,175	325,000	0
Other Assistance	0	0	0
TOTAL	\$ 4,142,214	\$ 2,154,172	\$ (43,466)
Other Funds:			
State Operations	\$ 47,859,528	\$ 48,481,237	\$ (1,101,663)
Aid to Local Units	0	0	0
Other Assistance	200,900,000	204,100,000	0
TOTAL	\$ 248,759,528	\$ 252,581,237	\$ (1,101,663)
FTE Positions	968.3	964.3	0.0
Other Unclassified Positions	38.0	38.0	0.0
TOTAL	1,006.3	1,002.3	0.0

* The reduction includes the removal of the Governor's pay plan adjustments totaling \$1,247,229, this includes \$43,466 from the State General Fund. Absent the pay plan reduction, the Subcommittee's recommendation reflects an increase of \$102,100.

Agency Req. /Governor's Recommendation

The **agency requests** \$252,901,742 in operating expenditures for FY 2002, \$9,759,961(4.0 percent) more than the agency's FY 2001 estimate. This is based on the agency estimate of additional unemployment benefits mainly due to inflationary increases in the average weekly benefit amount.

Also included in the agency's requests are two enhancements: \$2,000,000 from the State General Fund for the Kansas Workforce Development System (KansasJobLink.com), for continued development and maintenance; and 4.0 FTE and \$171,211 from the State General Fund for the Kansas Apprenticeship Council.

The Governor recommends \$254,735,409 in operating expenditures for FY 2002, an increase of \$1,833,667 (or 0.7 percent) over the agency request. The increase reflects the Governor's recommended pay plan adjustments. The Governor does not recommend the enhancements.


Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following adjustments and observations.

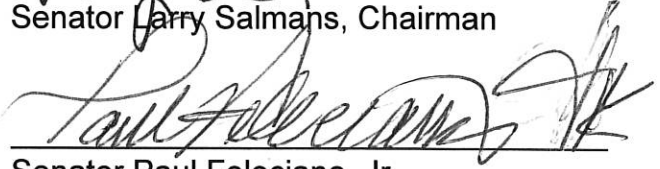
1. **Delete \$1,247,229** including \$43,466 from the State General Fund, based on the recommendation to delete funding for the Governor's pay plan adjustments from individual agency budgets. This includes an annualized 3.0 percent base salary increase (\$730,778), unclassified merit (\$67,801), and longevity bonus (\$448,650).
2. **Add \$102,100** from Other Funds, the Subcommittee was informed the Governor added 2.0 FTE positions to the Department of Health and Environment's (KDHE) budget to be funded by the Department of Human Resources. These positions will collect data on safety in the workplace and collect data allowing for the development of policy for the Workers Compensation maximum medical fee schedule.
3. The Subcommittee requests the Joint Committee on Economic Development review other state's Workforce Development plans and compare to what Kansas has in place. The Subcommittee feels workforce development is a key to economic development.
4. The Subcommittee notes the work being done by Barbara Reavis, who is the Coordinator/Liaison for the Kansas Workforce Investment Partnership (KWIP). As the Coordinator, Ms. Reavis facilitates the KWIP board meetings, informs the Board on the current law, and acts as a liaison between state government, various state agencies, and the local boards. The Subcommittee hopes this will result in better coordination, efficiency, and use of our workforce development dollars.

**2001-2002 HEALTH AND ENVIRONMENT/
HUMAN RESOURCES SUBCOMMITTEE**

Kansas Commission on Veterans Affairs



Senator Larry Salmans, Chairman



Senator Paul Feleciano, Jr.

Senate Ways and Means
2-28-01
Attachment 4

Senate Subcommittee Report

Agency: Kansas Commission on
Veterans Affairs

Bill No. ---

Bill Sec. --

Analyst: Lovin

Analysis Pg. No. 407

Budget Page No. 447

Expenditure Summary	Agency Est. FY 01	Gov. Rec. FY 01	Subcommittee Adjustments
All Funds:			
State Operations	\$ 13,974,489	\$ 11,029,947	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 13,974,489	\$ 11,029,947	\$ 0
Capital Improvements	4,612,833	3,812,833	601,071
TOTAL	\$ 18,587,322	\$ 14,842,780	\$ 601,071
State General Fund:			
State Operations	\$ 7,939,865	\$ 5,199,921	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 7,939,865	\$ 5,199,921	\$ 0
Capital Improvements	30,342	0	0
TOTAL	\$ 7,970,207	\$ 5,199,921	\$ 0
Other Funds:			
State Operations	\$ 6,034,624	\$ 5,830,026	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 6,034,624	\$ 5,830,026	\$ 0
Capital Improvements	4,582,491	3,812,833	601,071
TOTAL	\$ 10,617,115	\$ 9,642,859	\$ 601,071
FTE Positions	454.8	460.8	3.0
Other Unclassified Positions	4.8	4.8	0.0
TOTAL	459.6	465.6	3.0

Agency Est./Governor's Recommendation

The agency's revised FY 2001 estimate for operating expenditures is \$13,974,489. This is a decrease of \$616,993 or 4.2 percent from the amount approved by the 2000 Legislature. The request includes:

- An increase from the **State General Fund of \$2,765,368** including,
 - \$60,693 for Veterans Services, to fund 2.0 additional FTE
 - \$809,531 for the Kansas Soldiers Home
 - \$1,847,919 for the Kansas Veterans Home for operations
 - the increase of State General Fund is mainly due to KVH needing to cover the shortage from the Home's fee fund because the per diem reimbursement from the federal government has not been sent; it is anticipated to be received February/March 2001
 - \$47,255 for the State Veterans Cemeteries, for the contracting of specific duties at the cemeteries

The Governor recommends for the current year operating expenditures \$11,029,947 and an additional 6.0 in FTE, the recommendations includes:

- State General Fund-\$5,199,921 or 47.1 percent of the total operating expenditures request
- Special revenue funds-\$5,830,026 or 52.9 percent of the total operating expenditures request

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations with the following adjustments and comments.

1. The Subcommittee notes the one cent increase in postage is not included in the supplemental request and could have an impact in FY 2002.
2. The Subcommittee notes the Community Based Outpatient Clinic (CBOC) is a NO-Limit fund and appears to be doing well. Also concerning the CBOC, pharmaceuticals are increasing in cost but this will not affect the State General Fund because these costs are covered by the Veterans Administration.
3. The Subcommittee was informed the Kansas Soldiers Home will need \$18,000 in a supplemental appropriation to cover the pay increases recommended during the 2000 Session for the remainder of FY 2001 and recommends reviewing this issue during Omnibus. Also, the Subcommittee recommends adding 3.0 FTE at KSH, with no funding, for nursing positions needed to meet the new VA direct care staffing requirement of 2.5 hours per day, per patient.
4. **Add \$601,071** from the State Institutions Building Fund (SIBF) for the Soldier's Home Facilities Conservation Improvement Projects (FCIP), this is the amount lapsed in the Governor's recommendation. The Superintendent believes federal funds can be obtained at a rate of 65/35 state match for many of the projects. The funds being recommended by the Subcommittee would be used for the state match.
5. The Subcommittee notes the possibility of the Kansas Veterans Home at Winfield (KVH) changing 40 Domiciliary beds to Nursing beds. There is a greater need for the Nursing beds and these beds generate higher fees. This would have a slight impact on SGF, because of staffing requirements. However, this is only a consideration at this stage and must be approved by the VA first.

6. The Subcommittee notes the KCVA will need authority to spend the funds that will be sent from the VA as reimbursement for the Ft. Dodge Cemetery planning. The Subcommittee requests the State Finance Council release these funds when received, for planning at the next proposed cemetery site. The Subcommittee encourages the continued funding of these sites for upkeep and maintenance. The Federal Government paid for the land and approximately \$300,000 worth of equipment to construct the cemeteries (which the cemeteries will keep), with the expectation of the State funding the future maintenance.
7. The Subcommittee notes the Kansas Veterans Home has not yet received the VA per diem reimbursement, and recommends this item be flagged for Omnibus. If the reimbursement has not been received by May 2001, the Home indicates it will need additional funding via a supplemental appropriation to complete the year. Further, the Subcommittee requests the Chairman of the Ways and Means Committee to send a letter to the Kansas Congressional Delegation in Washington, D.C., requesting help in expediting the per diem reimbursement, if the funds have not been received by May 2001. The home has been caring for Veterans since May of 2000.
8. The Subcommittee requests the committee to consider at Omnibus adding 1.0 FTE for the requested Deputy Director position in the Veterans Service/Central Office if funds are available. The Subcommittee notes that the Kansas Commission on Veterans Affairs has reclassified 2.0 FTE positions from KVH for Veterans Services and has the ability to reclassify more if needed.
9. The breakdown of the veteran population in the State of Kansas is attached for reference. See attachment #1.

KANSAS

VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	WARTIME VETERANS									PEACETIME VETERANS			
		TOTAL	PERSIAN GULF		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WW I	TOTAL	POST-PERSIAN GULF	POST-VIETNAM ERA	OTHER PERIODS
			TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE						
SEX: BOTH SEXES														
TOTAL	241,300	187,500	21,200	18,000	83,000	78,700	39,600	34,200	56,400	**	53,800	700	27,200	1,200
ALLEN	1,630	1,340	80	60	480	450	300	250	580	0	290	*	120	10
ANDERSON	800	670	30	20	250	230	150	120	290	0	130	0	50	10
ATCHISON	1,630	1,320	100	80	540	510	270	230	500	*	310	10	120	10
BARBER	510	420	30	30	150	140	110	90	160	0	90	*	30	*
BARTON	2,830	2,270	150	120	940	880	540	460	800	0	560	10	230	20
BOURBON	1,360	1,070	110	90	460	430	260	220	320	0	290	*	130	10
BROWN	910	730	50	40	320	300	180	150	240	0	180	*	70	10
BUTLER	5,200	4,010	470	390	1,870	1,780	860	750	1,080	*	1,190	10	600	30
CHASE	310	260	20	10	90	80	50	40	130	0	40	*	10	*
CHAUTAUQUA	550	460	30	20	180	170	110	90	180	0	100	0	30	*
CHEROKEE	2,070	1,660	120	90	740	700	370	320	540	0	420	*	160	10
CHEYENNE	290	240	10	10	60	60	80	70	110	0	50	0	10	*
CLARK	170	130	10	10	60	60	40	30	40	0	40	0	20	*
CLAY	1,010	800	80	70	280	260	180	150	320	0	210	*	110	10
CLOUD	1,150	930	70	50	330	310	240	200	370	0	220	*	90	10
COFFEY	750	570	70	60	240	230	130	120	170	0	180	*	90	*
COMANCHE	220	180	10	10	70	70	40	30	80	0	40	0	20	*
COWLEY	3,360	2,550	270	230	1,150	1,090	600	530	700	*	810	10	390	20
CRAWFORD	3,310	2,670	240	200	1,050	980	600	510	980	0	640	10	280	20
DECATUR	460	380	20	20	140	120	100	80	160	0	80	0	30	*
DICKINSON	1,900	1,500	180	160	580	540	330	280	520	0	410	10	190	10
DONIPHAN	780	640	40	30	260	250	140	120	240	0	140	0	70	*
DOUGLAS	6,160	4,790	600	520	2,200	2,100	930	790	1,390	0	1,360	30	720	30
EDWARDS	340	270	20	20	120	120	60	50	90	0	70	0	20	*
ELK	420	350	20	10	100	90	90	80	160	0	70	*	20	*
ELLIS	2,010	1,600	120	90	650	610	370	310	590	0	410	10	180	10
ELLSWORTH	780	590	70	60	210	200	110	90	240	0	190	*	120	*

KANSAS

VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	WARTIME VETERANS									PEACETIME VETERANS			
		TOTAL	PERSIAN GULF		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WW I	TOTAL	POST-PERSIAN GULF	POST-VIETNAM ERA	OTHER PERIODS
			TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE						
SEX: BOTH SEXES (CONTINUE)														
FINNEY	2,070	1,560	250	220	840	810	300	270	260	0	510	10	310	10
FORD	2,330	1,770	210	190	720	670	460	410	500	0	560	10	270	20
FRANKLIN	1,910	1,480	160	140	710	680	330	290	380	0	430	*	190	10
GEARY	2,920	2,180	420	380	1,030	990	360	310	500	0	740	20	480	10
GOVE	290	240	10	10	100	90	70	60	80	0	60	0	20	*
GRAHAM	360	290	10	10	80	70	90	80	140	0	70	0	30	*
GRANT	480	360	30	20	200	190	60	50	100	0	110	0	60	*
GRAY	360	270	40	30	140	140	50	40	60	0	90	0	50	*
GREELEY	150	110	10	10	40	40	30	20	40	0	30	0	20	*
GREENWOOD	730	590	30	30	200	180	180	150	230	0	140	0	50	10
HAMILTON	170	130	10	10	80	80	30	20	30	0	40	0	10	*
HARPER	710	580	50	40	210	200	130	110	230	0	140	*	60	*
HARVEY	2,510	1,960	180	150	870	820	470	410	580	0	540	*	240	10
HASKELL	290	230	20	10	110	100	50	40	70	0	60	*	30	*
HODGEMAN	160	130	10	*	60	50	30	30	50	0	30	0	10	*
JACKSON	1,140	890	70	50	430	400	210	190	240	0	250	*	120	10
JEFFERSON	1,780	1,380	110	90	670	640	280	240	420	0	400	*	170	10
JEWELL	450	360	10	10	150	140	90	70	140	0	90	0	20	*
JOHNSON	37,190	28,710	3,110	2,530	14,370	13,770	5,700	4,980	7,430	*	8,480	70	4,330	180
KEARNY	270	200	20	20	90	90	50	40	50	0	70	0	40	*
KINGMAN	800	630	40	30	230	210	150	130	250	0	170	*	80	10
KIOWA	260	200	10	10	80	70	60	60	60	0	70	*	20	*
LABETTE	1,990	1,600	140	110	630	590	340	290	620	0	390	*	180	10
LANE	250	210	10	10	70	70	50	40	90	0	40	0	20	*
LEAVENWORTH	8,720	6,320	1,650	1,520	2,980	2,890	870	760	1,160	*	2,400	90	1,640	30
LINCOLN	460	370	20	20	140	130	90	70	150	0	90	*	40	*
LINN	910	710	50	40	290	260	200	180	230	0	190	0	70	10

KANSAS

VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	WARTIME VETERANS									PEACETIME VETERANS			
		TOTAL	PERSIAN GULF		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WW I	TOTAL	POST-PERSIAN GULF	POST-VIETNAM ERA	OTHER PERIODS
			TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE						
SEX: BOTH SEXES (CONTINUE)														
LOGAN	280	230	10	10	90	80	80	70	70	0	60	0	20	*
LYON	2,980	2,350	250	210	1,100	1,060	440	370	710	*	630	20	330	20
MC PHERSON	2,230	1,750	160	130	760	720	360	300	590	0	480	*	220	10
MARION	910	700	70	60	320	300	160	140	200	0	210	*	110	10
MARSHALL	1,120	880	60	50	380	360	190	160	310	0	250	*	100	10
MEADE	350	280	20	20	100	100	70	60	100	0	70	0	30	*
MIAMI	2,400	1,860	170	130	930	890	350	310	540	0	530	*	260	10
MITCHELL	640	540	30	20	230	220	120	100	200	0	100	0	30	*
MONTGOMERY	3,880	3,120	230	190	1,160	1,070	760	650	1,210	*	770	10	310	20
MORRIS	790	620	60	50	260	240	140	120	200	0	170	*	80	*
MORTON	260	210	20	20	100	90	50	40	50	0	60	*	20	*
NEMAHA	850	680	50	30	290	270	180	160	220	0	170	*	70	10
NEOSHO	1,870	1,510	100	80	610	580	330	280	580	0	360	*	140	10
NESS	350	280	20	10	110	110	80	70	90	0	70	*	20	*
NORTON	610	480	50	40	190	180	100	90	170	0	130	*	60	*
OSAGE	1,640	1,260	100	80	530	500	290	250	420	0	380	*	190	10
OSBORNE	500	410	10	10	120	100	120	100	200	0	90	0	30	10
OTTAWA	560	430	40	30	220	210	110	100	100	0	120	*	40	*
PAWNEE	570	450	50	50	180	170	110	90	140	0	130	0	70	*
PHILLIPS	550	430	30	20	180	170	130	120	120	0	120	0	40	*
POTTAWATOMIE	1,790	1,370	200	180	590	560	280	240	390	0	420	10	230	10
PRATT	1,030	830	60	50	330	310	180	150	330	0	200	*	90	10
RAWLINS	290	230	10	10	110	100	70	60	60	0	70	0	20	*
RENO	6,310	5,040	470	380	2,100	1,980	1,100	940	1,730	*	1,280	20	580	40
REPUBLIC	700	570	40	30	200	180	130	100	260	0	130	0	60	*
RICE	1,070	830	70	50	340	310	190	160	300	*	230	*	110	10
RILEY	4,650	3,490	820	760	1,530	1,470	580	510	760	*	1,160	40	710	20

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VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	W A R T I M E V E T E R A N S									P E A C E T I M E V E T E R A N S			
		TOTAL	P E R S I A N G U L F		V I E T N A M E R A		K O R E A N C O N F L I C T		WORLD WAR II	W W I	TOTAL	P O S T - P E R S I A N G U L F	P O S T - V I E T N A M E R A	O T H E R P E R I O D S
			TOTAL	N O P R I O R W A R T I M E S E R V I C E	TOTAL	N O P R I O R W A R T I M E S E R V I C E	TOTAL	N O P R I O R W A R T I M E S E R V I C E						
SEX: BOTH SEXES (CONTINUE)														
ROOKS	570	460	30	20	220	210	110	90	130	0	110	*	50	*
RUSH	370	290	20	10	120	110	80	70	100	0	70	0	30	*
RUSSELL	970	770	40	30	260	240	210	190	320	0	200	*	90	10
SALINE	5,310	4,220	370	300	1,880	1,780	860	730	1,400	*	1,090	10	490	30
SCOTT	390	290	40	30	110	110	70	60	100	0	100	*	40	*
SEDGWICK	40,520	30,890	4,130	3,560	14,060	13,380	6,310	5,480	8,470	*	9,620	150	5,240	200
SEWARD	1,260	940	110	100	440	410	210	180	250	0	330	10	180	10
SHAWNEE	18,010	14,110	1,570	1,330	6,070	5,750	2,970	2,540	4,480	*	3,900	50	1,920	90
SHERIDAN	330	270	10	10	120	120	60	60	90	0	60	0	20	*
SHERMAN	620	480	20	20	190	170	140	130	160	0	140	0	50	*
SMITH	600	500	20	20	150	130	140	120	240	0	90	0	30	*
STAFFORD	470	370	20	20	150	140	90	80	130	0	100	0	30	*
STANTON	150	110	20	10	60	60	20	20	20	0	40	0	20	*
STEVENS	490	390	30	20	160	150	80	70	150	0	110	*	50	*
SUMNER	2,400	1,850	200	170	840	800	410	350	540	0	550	*	280	10
THOMAS	810	660	50	40	260	240	160	140	250	0	150	10	60	10
TREGO	380	330	10	10	120	110	80	60	150	0	60	0	20	*
WABAUNSEE	630	480	50	40	190	180	120	100	160	0	150	*	70	10
WALLACE	150	120	10	10	50	50	30	30	40	0	30	0	10	*
WASHINGTON	740	600	20	20	200	190	160	140	260	0	140	*	40	10
WICHITA	200	170	10	10	60	60	40	30	70	0	30	*	10	*
WILSON	1,020	830	60	50	350	320	220	190	280	0	180	0	80	10
WOODSON	460	380	20	10	140	130	100	90	150	0	80	*	30	*
WYANDOTTE	14,730	11,330	1,550	1,360	4,760	4,500	2,350	2,020	3,440	*	3,410	30	1,930	70

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VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	WARTIME VETERANS									PEACETIME VETERANS			
		TOTAL	PERSIAN GULF		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WW I	TOTAL	POST-PERSIAN GULF	POST-VIETNAM ERA	OTHER PERIODS
			TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE						
SEX: MALE														
TOTAL	231,000	180,800	19,000	15,900	80,800	76,600	39,000	33,700	54,700	**	50,200	600	24,200	1,200
ALLEN	1,620	1,330	80	60	480	440	300	250	580	0	290	*	110	10
ANDERSON	800	670	30	20	250	230	150	120	290	0	130	0	50	10
ATCHISON	1,590	1,290	100	80	530	500	270	230	480	*	300	10	110	10
BARBER	480	400	30	20	150	140	110	90	150	0	80	*	30	*
BARTON	2,780	2,240	140	110	930	870	530	450	800	0	540	10	220	20
BOURBON	1,310	1,030	100	90	460	430	250	220	300	0	280	*	120	10
BROWN	900	730	50	40	320	300	170	150	240	0	180	*	70	10
BUTLER	4,980	3,870	420	350	1,810	1,710	840	740	1,070	*	1,120	10	540	30
CHASE	300	260	20	10	90	80	50	40	120	0	40	*	10	*
CHAUTAUQUA	550	450	20	20	180	170	110	90	180	0	100	0	30	*
CHEROKEE	2,000	1,600	120	90	730	690	370	320	510	0	390	*	150	10
CHEYENNE	290	240	10	10	60	60	80	70	110	0	50	0	10	*
CLARK	160	130	10	10	60	50	40	30	40	0	40	0	20	*
CLAY	970	780	60	50	280	260	180	150	320	0	190	*	90	10
CLOUD	1,090	880	60	50	320	300	230	200	340	0	200	*	70	10
COFFEY	730	550	70	60	230	220	130	110	160	0	180	*	90	*
COMANCHE	220	180	10	10	70	70	40	30	80	0	40	0	20	*
COWLEY	3,290	2,510	260	220	1,140	1,070	600	520	700	*	770	10	360	20
CRAWFORD	3,170	2,560	220	180	1,020	960	590	500	930	0	600	10	250	20
DECATUR	440	360	20	10	130	120	100	80	150	0	80	0	30	*
DICKINSON	1,770	1,410	130	110	560	520	330	280	500	0	360	10	150	10
DONIPHAN	750	610	40	30	260	240	140	120	220	0	140	0	60	*
DOUGLAS	5,860	4,580	530	450	2,130	2,030	920	780	1,320	0	1,280	30	640	30
EDWARDS	330	270	20	10	120	120	60	50	80	0	70	0	20	*
ELK	370	310	10	10	90	80	90	80	140	0	60	*	20	*
ELLIS	1,970	1,560	110	90	640	600	360	310	570	0	400	10	180	10
ELLSWORTH	740	570	60	50	200	190	110	90	240	0	170	*	100	*

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VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	WARTIME VETERANS									PEACETIME VETERANS			
		TOTAL	PERSIAN GULF		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WW I	TOTAL	POST-PERSIAN GULF	POST-VIETNAM ERA	OTHER PERIODS
			TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE						
SEX: MALE (CONTINUED)														
FINNEY	1,940	1,470	230	200	800	770	290	270	240	0	470	10	270	10
FORD	2,180	1,660	200	170	670	620	460	410	460	0	520	10	230	10
FRANKLIN	1,840	1,430	150	120	700	670	320	290	350	0	410	*	180	10
GEARY	2,570	1,980	290	250	960	920	360	300	500	0	590	10	340	10
GOVE	290	240	10	10	100	90	70	60	80	0	60	0	20	*
GRAHAM	340	280	10	10	80	70	90	80	130	0	70	0	20	*
GRANT	470	360	30	20	200	190	60	50	100	0	110	0	60	*
GRAY	350	270	30	30	140	140	50	40	60	0	90	0	50	*
GREELEY	140	110	10	10	40	40	30	20	40	0	30	0	20	*
GREENWOOD	710	580	30	20	200	180	180	150	230	0	130	0	50	10
HAMILTON	170	130	10	10	80	70	30	20	30	0	40	0	10	*
HARPER	690	550	50	40	200	180	130	110	220	0	140	*	50	*
HARVEY	2,460	1,930	170	140	860	810	470	410	570	0	530	*	230	10
HASKELL	270	220	10	10	110	100	50	40	70	0	50	*	20	*
HODGEMAN	160	130	10	*	50	50	30	30	50	0	30	0	10	*
JACKSON	1,090	840	60	50	400	370	210	180	240	0	240	*	110	10
JEFFERSON	1,700	1,330	90	70	660	630	270	230	400	0	370	*	160	10
JEWELL	440	360	10	10	150	140	90	70	140	0	80	0	20	*
JOHNSON	35,810	27,820	2,840	2,280	14,140	13,530	5,580	4,860	7,150	*	7,990	70	3,930	160
KEARNY	260	190	20	20	90	80	50	40	40	0	70	0	40	*
KINGMAN	770	600	40	30	210	190	150	130	250	0	160	*	80	10
KIOWA	260	200	10	10	70	70	60	60	60	0	60	*	20	*
LABETTE	1,900	1,550	130	100	620	580	340	280	590	0	350	*	150	10
LANE	250	200	10	10	70	70	50	40	90	0	40	0	20	*
LEAVENWORTH	7,980	5,920	1,420	1,300	2,880	2,790	850	740	1,100	*	2,060	80	1,340	30
LINCOLN	450	360	20	20	130	120	90	70	140	0	90	*	30	*
LINN	870	680	50	40	270	250	200	180	220	0	190	0	70	10

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VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	WARTIME VETERANS									PEACETIME VETERANS			
		TOTAL	PERSIAN GULF		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WW I	TOTAL	POST-PERSIAN GULF	POST-VIETNAM ERA	OTHER PERIODS
			TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE						
SEX: MALE (CONTINUED)														
LOGAN	280	220	10	10	80	70	70	70	70	0	60	0	20	*
LYON	2,880	2,290	220	190	1,080	1,030	430	360	700	*	590	10	290	10
MC PHERSON	2,140	1,680	150	120	730	690	350	300	570	0	460	*	210	10
MARION	860	670	60	50	310	290	160	140	190	0	200	*	100	10
MARSHALL	1,080	840	60	40	360	340	190	160	300	0	230	*	90	10
MEADE	340	270	20	20	100	90	70	60	100	0	70	0	30	*
MIAMI	2,320	1,810	150	120	920	880	350	300	520	0	510	*	240	10
MITCHELL	630	530	30	20	230	210	120	100	200	0	100	0	30	*
MONTGOMERY	3,800	3,060	220	180	1,140	1,060	750	640	1,180	*	740	10	290	20
MORRIS	730	580	50	40	240	230	140	120	200	0	150	*	60	*
MORTON	260	210	20	20	100	90	50	40	50	0	60	*	20	*
NEMAHA	850	670	40	30	290	270	180	160	210	0	170	*	70	10
NEOSHO	1,860	1,500	100	80	610	570	330	280	580	0	360	*	140	10
NESS	350	280	20	10	110	100	80	70	90	0	70	*	20	*
NORTON	610	480	50	40	190	180	100	90	170	0	130	*	60	*
OSAGE	1,590	1,240	100	80	530	490	290	240	420	0	360	*	170	10
OSBORNE	480	400	10	10	110	100	120	100	190	0	80	0	30	*
OTTAWA	530	420	30	20	210	200	110	100	100	0	120	*	40	*
PAWNEE	560	440	50	50	170	160	110	90	140	0	130	0	70	*
PHILLIPS	530	420	30	20	180	160	130	120	120	0	110	0	40	*
POTTAWATOMIE	1,700	1,330	180	150	570	540	270	240	390	0	380	10	200	10
PRATT	980	810	50	40	320	300	180	150	320	0	180	*	60	10
RAWLINS	280	220	10	10	110	100	70	60	50	0	60	0	20	*
RENO	5,980	4,760	430	350	2,030	1,910	1,080	930	1,570	*	1,220	20	540	30
REPUBLIC	680	560	30	30	200	180	130	100	260	0	120	0	50	*
RICE	1,010	800	60	50	320	300	190	160	290	*	210	*	90	10
RILEY	4,160	3,180	580	520	1,470	1,410	570	490	750	*	980	30	550	20

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VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	WARTIME VETERANS									PEACETIME VETERANS			
		TOTAL	PERSIAN GULF		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WW I	TOTAL	POST-PERSIAN GULF	POST-VIETNAM ERA	OTHER PERIODS
			TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE						
SEX: MALE (CONTINUED)														
ROOKS	560	460	30	20	220	210	100	90	130	0	110	*	50	*
RUSH	350	280	10	10	120	110	70	60	100	0	70	0	20	*
RUSSELL	930	750	30	20	250	230	210	190	320	0	180	*	60	10
SALINE	5,190	4,140	350	280	1,830	1,740	850	720	1,400	*	1,050	10	460	30
SCOTT	370	280	30	30	110	100	70	60	100	0	90	*	30	*
SEDGWICK	38,540	29,620	3,660	3,120	13,610	12,940	6,210	5,390	8,170	*	8,910	130	4,630	190
SEWARD	1,200	890	100	90	420	390	200	180	230	0	310	10	160	10
SHAWNEE	17,290	13,620	1,420	1,190	5,920	5,600	2,910	2,490	4,340	*	3,670	50	1,740	90
SHERIDAN	330	260	10	10	120	120	60	50	90	0	60	0	20	*
SHERMAN	590	470	20	10	190	170	140	120	160	0	120	0	40	*
SMITH	590	500	20	20	140	130	140	120	240	0	90	0	30	*
STAFFORD	450	350	20	20	150	140	90	80	120	0	100	0	30	*
STANTON	150	110	10	10	60	50	20	20	20	0	40	0	20	*
STEVENS	440	350	20	20	150	150	80	70	120	0	90	*	40	*
SUMNER	2,290	1,770	180	150	810	770	400	350	510	0	520	*	260	10
THOMAS	810	660	50	40	260	240	160	140	250	0	150	10	60	10
TREGO	370	310	10	10	120	110	70	60	140	0	50	0	20	*
WABAUNSEE	600	460	40	40	190	180	110	100	150	0	140	*	70	*
WALLACE	150	120	10	10	50	50	30	30	40	0	30	0	10	*
WASHINGTON	730	590	20	10	200	180	160	140	260	0	130	*	40	10
WICHITA	200	160	10	10	60	60	40	30	70	0	30	*	10	*
WILSON	1,010	820	60	50	340	320	210	180	270	0	180	0	80	10
WOODSON	440	360	10	10	140	130	100	90	140	0	80	*	30	*
WYANDOTTE	14,180	10,990	1,450	1,260	4,590	4,340	2,310	1,980	3,410	*	3,190	30	1,740	70

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VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	WARTIME VETERANS									PEACETIME VETERANS			
		TOTAL	PERSIAN GULF		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WW I	TOTAL	POST-PERSIAN GULF	POST-VIETNAM ERA	OTHER PERIODS
			TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE						
SEX: FEMALE														
TOTAL	10,400	6,700	2,300	2,200	2,200	2,200	600	600	1,800	0	3,600	100	3,000	100
ALLEN	20	10	*	*	*	*	0	0	0	0	10	0	10	0
ANDERSON	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ATCHISON	40	30	*	*	10	10	*	*	20	0	10	0	10	0
BARBER	20	20	*	*	0	0	*	*	10	0	10	0	10	0
BARTON	50	30	10	10	10	10	10	10	*	0	30	0	20	0
BOURBON	50	40	10	10	*	*	*	*	20	0	20	0	10	*
BROWN	10	10	*	*	*	*	*	*	0	0	*	0	*	0
BUTLER	220	140	50	50	70	70	20	20	10	0	80	*	60	*
CHASE	10	10	*	*	0	0	*	*	10	0	*	0	*	0
CHAUTAUQUA	*	*	*	*	0	0	0	0	0	0	*	0	*	0
CHEROKEE	80	50	*	*	10	10	10	10	40	0	20	0	10	*
CHEYENNE	*	*	*	*	0	0	*	*	0	0	*	0	*	0
CLARK	10	10	0	0	10	10	*	*	0	0	*	0	*	0
CLAY	40	20	20	20	*	*	*	*	0	0	20	0	20	0
CLOUD	60	40	10	10	10	10	*	*	20	0	20	0	20	*
COFFEY	20	20	*	*	10	10	*	*	10	0	*	0	*	0
COMANCHE	*	*	0	0	0	0	*	*	0	0	0	0	0	0
COWLEY	70	40	10	10	20	20	10	10	*	0	40	0	30	0
CRAWFORD	140	110	20	20	30	30	10	*	60	0	40	0	30	*
DECATUR	20	10	*	*	*	*	0	0	10	0	*	0	*	*
DICKINSON	130	80	40	40	20	20	*	*	20	0	50	*	40	0
DONIPHAN	30	30	*	*	*	*	*	*	20	0	*	0	*	0
DOUGLAS	300	220	70	70	80	80	10	10	60	0	90	*	80	*
EDWARDS	10	*	*	*	0	0	*	*	*	0	*	0	0	0
ELK	50	40	10	*	20	20	*	*	20	0	10	0	10	0
ELLIS	40	40	*	*	10	10	10	10	20	0	10	0	*	0
ELLSWORTH	40	20	10	10	10	10	0	0	*	0	20	0	20	0

KANSAS

VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	WARTIME VETERANS									PEACETIME VETERANS			
		TOTAL	PERSIAN GULF		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WW I	TOTAL	POST-PERSIAN GULF	POST-VIETNAM ERA	OTHER PERIODS
			TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE						
SEX: FEMALE (CONTINUED)														
FINNEY	130	90	20	20	50	50	*	*	20	0	40	0	40	0
FORD	150	100	20	10	50	50	*	*	40	0	40	0	30	*
FRANKLIN	60	50	10	10	10	10	*	*	30	0	20	*	10	*
GEARY	350	200	130	120	70	70	*	*	*	0	150	10	130	0
GOVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GRAHAM	20	10	*	*	*	*	0	0	10	0	*	0	*	0
GRANT	10	*	*	*	0	0	0	0	0	0	10	0	10	0
GRAY	10	10	*	*	*	*	*	*	*	0	*	0	*	0
GREELEY	*	0	0	0	0	0	0	0	0	0	0	0	0	0
GREENWOOD	20	10	*	*	10	10	0	0	0	0	10	0	10	0
HAMILTON	10	*	0	0	*	*	0	0	0	0	*	0	*	0
HARPER	30	20	*	*	20	20	*	*	10	0	*	0	*	0
HARVEY	50	30	10	10	20	20	*	*	10	0	20	0	10	0
HASKELL	10	10	10	10	0	0	*	*	0	0	10	0	10	0
HODGEMAN	*	*	0	0	*	*	0	0	0	0	0	0	0	0
JACKSON	50	40	10	*	30	30	10	10	*	0	10	0	10	0
JEFFERSON	80	50	20	20	10	10	*	*	20	0	30	0	10	0
JEWELL	10	10	*	*	*	*	*	*	0	0	*	0	*	0
JOHNSON	1,390	890	270	260	230	230	120	110	290	0	500	*	390	10
KEARNY	20	10	*	*	10	10	*	*	*	0	*	0	*	0
KINGMAN	30	20	*	*	20	20	*	*	0	0	10	0	10	0
KIOWA	10	*	*	*	*	*	0	0	0	0	10	0	10	0
LABETTE	90	50	10	10	10	10	10	10	30	0	40	0	30	*
LANE	10	10	*	*	*	*	*	*	0	0	*	0	*	0
LEAVENWORTH	740	400	230	220	100	100	30	20	60	0	340	10	300	*
LINCOLN	20	10	*	*	*	*	0	0	10	0	*	0	*	0
LINN	40	30	10	*	20	20	*	*	10	0	10	0	*	*

KANSAS

VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	WARTIME VETERANS								PEACETIME VETERANS				
		TOTAL	PERSIAN GULF		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WW I	TOTAL	POST-PERSIAN GULF	POST-VIETNAM ERA	OTHER PERIODS
			TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE						
SEX: FEMALE (CONTINUED)														
LOGAN	10	10	0	0	10	10	*	*	*	0	*	0	*	0
LYON	100	60	30	30	20	20	10	10	*	0	40	*	40	*
MC PHERSON	90	60	10	10	30	30	10	10	20	0	20	0	20	*
MARION	50	30	10	10	10	10	*	*	10	0	20	0	10	0
MARSHALL	50	30	*	*	20	20	*	*	10	0	10	0	10	0
MEADE	10	10	*	*	*	*	0	0	0	0	*	0	*	0
MIAMI	80	50	10	10	10	10	*	*	20	0	30	*	30	0
MITCHELL	10	10	0	0	*	*	*	*	*	0	*	0	0	0
MONTGOMERY	80	60	10	10	20	20	10	10	20	0	20	0	20	*
MORRIS	60	30	10	10	20	20	*	*	10	0	20	0	20	0
MORTON	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEMAHA	10	10	*	*	0	0	0	0	*	0	*	*	*	0
NEQSHO	20	10	0	0	10	10	*	*	*	0	*	0	*	0
NESS	*	*	0	0	*	*	0	0	0	0	0	0	0	0
NORTON	*	*	0	0	*	*	*	*	0	0	*	0	0	0
OSAGE	50	20	10	10	10	10	10	10	*	0	20	0	10	0
OSBORNE	20	20	*	*	*	*	*	*	10	0	10	0	10	*
OTTAWA	30	20	10	10	10	10	0	0	0	0	10	0	10	0
PAWNEE	10	10	*	*	10	10	*	*	*	0	*	0	*	0
PHILLIPS	20	10	*	*	10	10	0	0	0	0	10	0	10	0
POTTAWATOMIE	90	50	30	30	20	20	10	10	*	0	50	*	40	0
PRATT	40	20	10	10	*	*	0	0	10	0	20	0	20	*
RAWLINS	20	10	*	*	*	*	*	*	10	0	10	0	*	0
RENO	330	280	40	30	70	70	20	20	160	0	60	*	30	10
REPUBLIC	10	*	*	*	*	*	0	0	0	0	10	0	10	0
RICE	50	30	10	10	10	10	*	*	10	0	30	0	20	0
RILEY	490	310	240	230	60	60	10	10	*	0	180	10	160	*

YOUNG
 1000 # 1111
 NEW: 1111

KANSAS

VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

COUNTY	TOTAL VETERANS	WARTIME VETERANS									PEACETIME VETERANS			
		TOTAL	PERSIAN GULF		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WW I	TOTAL	POST-PERSIAN GULF	POST-VIETNAM ERA	OTHER PERIODS
			TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE	TOTAL	NO PRIOR WARTIME SERVICE						
SEX: FEMALE (CONTINUED)														
ROOKS	10	10	0	0	0	0	*	*	10	0	*	0	0	0
RUSH	20	10	*	*	*	*	*	*	0	0	10	0	10	0
RUSSELL	40	20	10	10	10	10	0	0	0	0	20	0	20	0
SALINE	120	80	20	20	50	50	10	10	*	0	50	0	30	0
SCOTT	20	10	10	10	*	*	*	*	*	0	10	0	*	0
SEDGWICK	1,980	1,270	470	440	440	440	100	90	300	0	710	20	610	10
SEWARD	70	50	10	10	20	20	*	*	20	0	20	0	20	0
SHAWNEE	720	480	150	140	150	150	60	50	140	0	230	*	180	10
SHERIDAN	10	*	0	0	0	0	*	*	*	0	0	0	0	0
SHERMAN	30	10	*	*	*	*	*	*	0	0	20	0	20	0
SMITH	10	10	*	*	*	*	0	0	0	0	10	0	*	0
STAFFORD	20	20	*	*	*	*	*	*	10	0	*	0	*	0
STANTON	10	*	*	*	*	*	0	0	0	0	*	0	*	0
STEVENS	50	40	*	*	*	*	*	0	30	0	10	0	10	*
SUMNER	120	80	20	20	30	30	*	*	30	0	30	0	30	*
THOMAS	*	*	0	0	*	*	0	0	0	0	*	0	0	0
TREGO	10	10	0	0	*	*	*	*	10	0	*	0	*	0
WABAUNSEE	30	20	10	10	0	0	*	*	10	0	10	0	*	*
WALLACE	*	*	*	*	0	0	0	0	0	0	0	0	0	0
WASHINGTON	10	10	*	*	*	*	*	*	0	0	10	0	10	0
WICHITA	10	10	*	*	0	0	0	0	10	0	0	0	0	0
WILSON	10	10	0	0	*	*	*	*	10	0	*	0	*	0
WOODSON	30	20	*	*	*	*	*	*	10	0	10	0	10	0
WYANDOTTE	550	330	110	100	170	170	40	40	30	0	220	*	190	*

NOTES:

- "Total Wartime" equals the sum of Persian Gulf Era (no prior wartime service), Vietnam Era (no prior wartime service), Korean Conflict (no prior wartime service), World War II, and World War I. "Other Peacetime" includes those veterans who served only between World War I and World War II, and those who served only between World War II and the Korean Conflict.
- There is currently no official date marking the end of the Persian Gulf War. For demonstration purposes only, a year was arbitrarily chosen to begin Post-Persian Gulf peacetime separations. The year selected was based on the average length of past American wars and military conflicts. No information from the Department of Defense or the U.S. Congress was used.

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KANSAS

VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF JULY 1, 2000

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COUNTY	TOTAL VETERANS	W A R T I M E V E T E R A N S									P E A C E T I M E V E T E R A N S				
		TOTAL	P E R S I A N G U L F		V I E T N A M E R A		K O R E A N C O N F L I C T		WORLD WAR II	W W I	TOTAL	P O S T - P E R S I A N G U L F	P O S T - V I E T N A M E R A	O T H E R P E R I O D S	
			TOTAL	S E R V I C E	N O P R I O R W A R T I M E	S E R V I C E	N O P R I O R W A R T I M E	S E R V I C E							N O P R I O R W A R T I M E

SEX: FEMALE (CONTINUED)

Senate Subcommittee Report

Agency: Kansas Commission on
Veterans Affairs

Bill No.

Bill Sec.

Analyst: Lovin

Analysis Pg. No. 407

Budget Page No. 447

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Subcommittee Adjustments
All Funds:			
State Operations	\$ 19,131,792	\$ 13,797,507	\$ (300,686) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 19,131,792</u>	<u>\$ 13,797,507</u>	<u>\$ (300,686)</u>
Capital Improvements	8,750,424	8,023,587	0
TOTAL	<u><u>\$ 27,882,216</u></u>	<u><u>\$ 21,821,094</u></u>	<u><u>\$ (300,686)</u></u>
State General Fund:			
State Operations	\$ 9,506,141	\$ 4,620,810	\$ (251,702)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 9,506,141</u>	<u>\$ 4,620,810</u>	<u>\$ (251,702)</u>
Capital Improvements	18,587	0	0
TOTAL	<u><u>\$ 9,524,728</u></u>	<u><u>\$ 4,620,810</u></u>	<u><u>\$ (251,702)</u></u>
Other Funds:			
State Operations	\$ 9,625,651	\$ 9,176,697	\$ (48,984)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 9,625,651</u>	<u>\$ 9,176,697</u>	<u>\$ (48,984)</u>
Capital Improvements	8,731,837	8,023,587	0
TOTAL	<u><u>\$ 18,357,488</u></u>	<u><u>\$ 17,200,284</u></u>	<u><u>\$ (48,984)</u></u>
FTE Positions	564.8	552.8	3.0
Other Unclassified Positions	4.4	4.4	0.0
TOTAL	<u><u>569.2</u></u>	<u><u>557.2</u></u>	<u><u>3.0</u></u>

* Removal of the Governor's employee pay plan adjustments; a reduction of \$300,686, including \$251,702 from the State General Fund.

Agency Req./Governor's Recommendation

The agency's FY 2002 operating expenditures request of \$19,131,792 is an increase of \$5,157,303 or 36.9 percent over FY 2001. The request includes:

- **State General Fund**
 - \$9,506,141 or 49.7 percent of the total FY 2002 operating request
- **Special Revenue Funds**
 - \$9,625,651 or 50.3 percent of the total FY 2002 operating request
- **Salaries and Wages**
 - \$15,329,728 (including fringe benefits) for 564.8 FTE positions and 4.4 Other Unclassified Positions, an increase of \$4,774,728 (45.2 percent) and 110.4 FTE positions over the FY 2001 estimate

The agency included in the enhancement amounts funds which would be used to reclassify existing positions.

- **Operating Expenditures for the Kansas Veterans Home** of \$10,961,949
 - including \$5,500,078 from the **State General Fund** (50.2 percent of the total Kansas Veterans Home (KVH) operating request)
 - \$5,461,871 from the KVH Fee Fund (49.8 percent of total KVH operating request)
 - including \$8,924,104 for salaries and wages for 356.0 FTE positions, an increase of 92.0 FTE positions

The Governor recommends total operating expenditures of \$13,797,507, an increase of \$2.8 million or (25.1 percent) from the FY 2001 recommendation. The Governor's recommendation is a decrease of \$5.3 million (27.9 percent) from the agency's request. The recommendation includes:

- **State General Fund**
 - \$4,620,810 or 33.5 percent of the total FY 2002 operating recommendation
- **Special Revenue Funds**
 - \$9,176,697 or 66.5 percent of the total FY 2002 operating recommendation
- **Salaries and Wages**
 - \$11,436,332 (including fringe benefits) for 552.8 FTE and 4.4 other unclassified positions
- **Kansas Veterans Home** total operating expenditures of \$6,536,000
 - \$1,586,566 from the State General Fund (24.3 percent of the total KVH operating request)
 - \$4,949,434 from the Veterans Home Fee Fund (75.7 percent of the total KVH operating request)
 - including \$5,703,600 for salaries and wages for 356.0 FTE positions

Senate Subcommittee Recommendation

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

1. Delete \$300,686 (including \$251,702 from the SGF) for the Governor's recommended pay plan adjustments; including (\$206,566) for classified base merit increase, (\$13,021) for unclassified merit increase, (\$81,099) for longevity bonus payments.
2. The Subcommittee notes the nurses salaries at the Kansas Soldiers Home cannot be increased without a study by the Division of Personnel Services, as requested

by the agency. However, the Subcommittee notes that in order for KSH to be able to recruit and retain RN's, LPN's, and Healthcare workers the Division of Personnel Services has stated that they have the ability to increase the steps at which the nurses and healthcare workers are hired in at.

3. The Subcommittee recommends adding 3.0 FTE positions (as in FY 2001) at the Kansas Soldiers Home and shifting \$85,000 from the agency's contractual services request for FY 2002 to salaries and wages to fund three nursing positions. These funds have been budgeted for Contract Nurses through an agency and the Subcommittee as well as the Home's Superintendent feel the above recommendation will be the most efficient use of these funds, because of the high cost of agency nurses and the inherent unreliability of contractual positions. The Subcommittee notes the VA now requires 2.5 hours of direct care staff per patient, per 24 hour period, 7 days per week and if the facility has more than 60 beds (KSH has over 60) the Nursing Supervisor may not be counted as staff providing direct care. In order to provisionally meet the requirements KSH assured inspectors they were requesting 3.0 additional FTE in direct care staff. If these positions are not obtained it will threaten the continued receipt of the VA reimbursement which accounts for 50 percent of the Home's budget.

Testimony of Tom Day
State Corporation Commission
Before the Senate Ways and Means Committee
February 28, 2001
Senate Bill 321

Good morning, Chairman Morris and members of the committee. I am Tom Day, with the State Corporation Commission. I am appearing here today to testify in support of SB 321.

During the 1996 legislative session House Substitute for SB 755 created the Abandoned Well / Site Remediation Fund. The purpose of the fund was to provide additional funding to the Kansas Corporation Commission Conservation Division with which to address the problem of both abandoned oil and gas wells and exploration and production related contamination sites. In addition to the creation of the fund the legislation also established very specific financial assurance requirements for oil and gas operators within the State of Kansas.

Prior to the start of the 1996 legislative session the Division estimated that there were some 48,700 abandoned oil and gas wells located in the State for which there was no potentially responsible party available to plug the wells. A very large number of these wells dated back to a time prior to the development of comprehensive regulation or to the pre-regulatory era of the very early oil and gas industry in Kansas. Early analysis of this well data suggested that some 14,750 of these wells could ultimately be ranked as Priority I wells. These Priority I wells would be further subdivided by the level of threat that they posed to either water or environmental resources of the State. The Conservation Division's 2001 annual report on this fund and its activity with regard to this fund shows that the current inventory of abandoned oil and gas wells in Kansas now stands at 12,629 wells. Of those 11,879 wells are ranked as Priority I wells. A total of 9,319 wells from the total inventory still require plugging operations. 8,605 of those wells left to be plugged are Priority I wells. The distribution of remaining Priority I wells requiring plugging operations by action level is: Level A - 424 wells, Level B - 2,005, and Level C - 6,176. The Division is currently plugging approximately 550 or more abandoned oil and gas wells per year under this program (Figure 1). A priority schedule developed by the Division gives the highest priority to wells in the Priority I, Level A class of wells.

The physical process of locating and plugging these wells can in some cases be fairly daunting. KCC field staff locates the wells through lease inspections which generally follow a review of historical data or requests for inspections by landowners. Once courthouse records and Commission files have been checked to verify that no viable person or entity is available to plug the well the staff prepares a recommendation for plugging with State funds based on a priority ranking system. The documents prepared by staff include actual well locations as determined by global positioning system (GIS) surveys, as well as specifications for plugging operations, and specifications for equipment to be utilized by licensed plugging contractors. The Conservation Division works through the Division of Purchasing of the Department of Administration who in turn notices plugging projects for competitive bid.

The actual process of capping wells involves a number of different kinds of specialized equipment including truck mounted rigs for removing old casing and high pressure pumping equipment used to place cement plugs in the well. The downturn in the oil and gas industry during 1998 and 1999 resulted in the loss of some critical service vendors in the oil and gas industry and has made it difficult in some cases to locate qualified vendors. Most of the wells in the abandoned well inventory are located in the eastern part of the state where the oil and gas

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Attachment 5*

industry first began exploration and development. Wells in those areas are generally shallow and less expensive to plug. The Conservation Division's most recent data indicates plugging costs for eastern Kansas wells to average approximately \$2400 / well. Western Kansas wells, which are deeper and require more complex plugging procedures, average approximately \$7,200 / well to plug. Very complex downhole conditions in any area can of course drive these costs to much higher per well sums.

I would note here that the problem of abandoned and orphaned oil and gas wells is not a problem just in Kansas. Most of the mature oil and gas producing states have significant numbers of abandoned oil and gas wells with which to deal with. Some examples from other states with inventories of abandoned oil and gas wells which requiring plugging are : Texas - 17,000 wells; Kentucky - 12,000 wells; Pennsylvania - 7,600 wells; and Illinois - 4,940 wells just to list a few (Figure 2). Because of the action taken by the Kansas legislature in 1996 in addressing this issue with the creation of this well plugging program Kansas ranks second only to Texas in the number of abandoned oil and gas wells being plugged per year under a state regulatory program. (Figure 3).

During the debate on this issue during the 1996 legislative session there were projections provided that suggested that the most serious wells (Priority I, Level A wells) could be eliminated or reduced to a manageable number within an approximate six year time frame. The analysis included assumptions as to the number of wells added to the inventory each year, the effect of increased regulatory oversight, increased costs of plugging over time and depth of wells plugged, as well as other factors. While the Conservation Division is on trend to reach the goal of eliminating or controlling the number of those most serious wells in the inventory by the date of the current sunset of this program (July 1, 2002), much remains to be done in dealing with the remainder of the wells left to be plugged. Many of these wells, while not as serious a threat as the Priority I Level A wells, still pose an ongoing or potential threat to water resources.

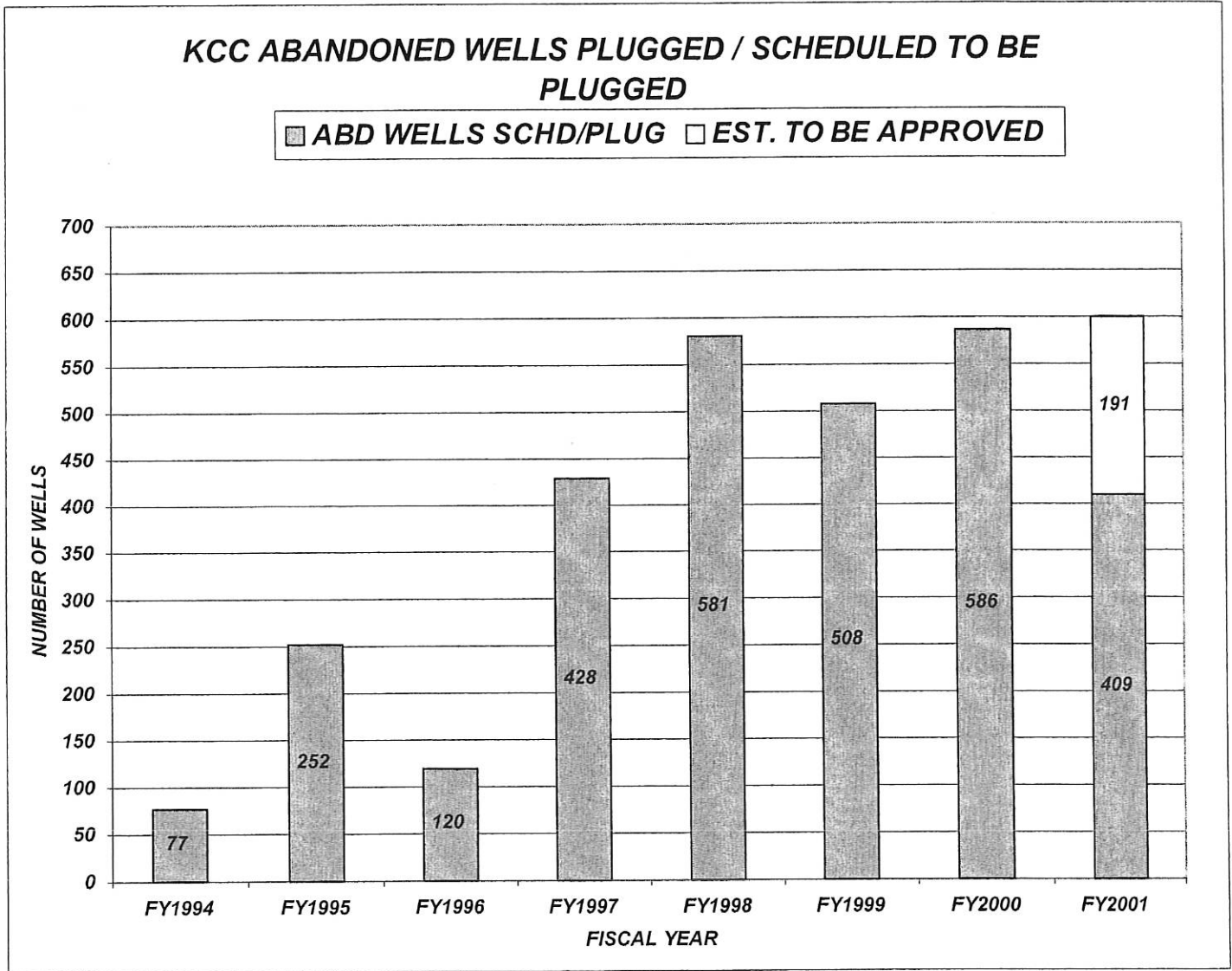
As none of the monies in the fund are to be used to hire additional personnel the Conservation Division has attempted to respond to this increase in regulatory activity and plugging oversight without any corresponding increases in the number of FTE's allocated to the Division. The Division has met that commitment during the first four years of the program. In July of this year we did hire a project coordinator to assist our field staff with processing plugging requests and coordinating bidding procedures with the Division of Purchasing of the Department of Administration. That position has allowed us to increase the number of plugging requests being processed and the current Division goal is to plug or schedule plugging operations on approximately 600 wells during FY 2001. As the current sunset date is set at July 1, 2002 we have filled the position as a temporary unclassified position. If the sunset date is extended we would contemplate asking that the position be made a permanent classified position.

In summary the Abandoned Oil and Gas Well / Site Remediation program has been successful in plugging more than 2100 wells during FY 1997 through FY 2000. The Division is on track to plug or schedule plugging operations on approximately 600 abandoned oil and gas wells in FY 2001. Authorization for continuation of this program beyond the current sunset date of July 1, 2002 as proposed by SB 321 will allow the Conservation Division to continue to address the ongoing and potential threats to the water and natural resources of the State of Kansas from these types of abandoned wells.

Should the members of the Committee have any questions I would be glad to address them.

Kansas Corporation Commission
Conservation Division
Exhibits SB 321

Figure 1



(Source: KCC Conservation Division)

Figure 2

(From: KCC, IOGCC, TRRC)

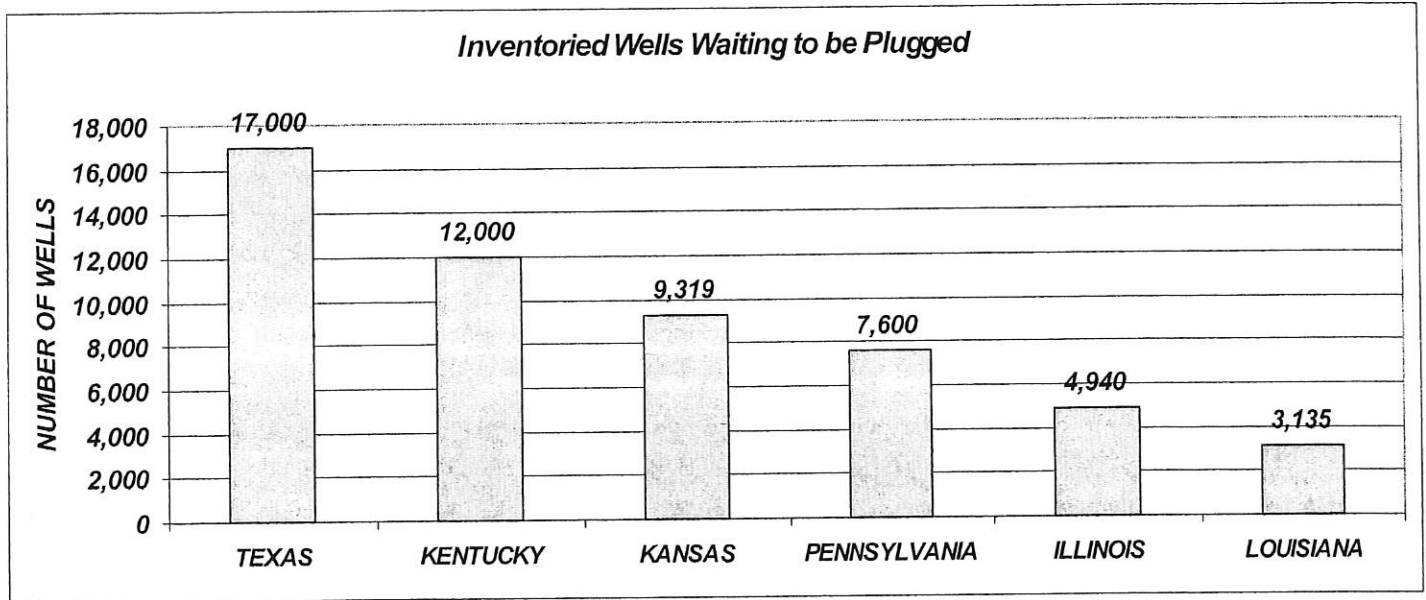
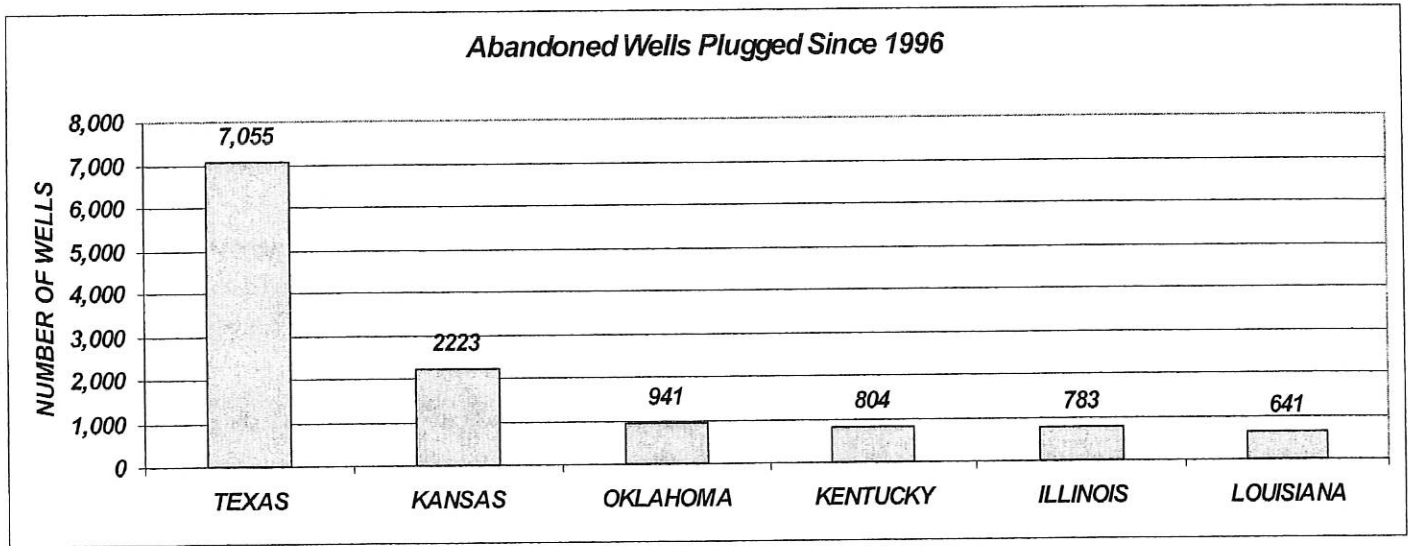


Figure 3

(From: KCC, IOGCC, TRRC)



(*Kansas Plugged well totals FY96-FY2000)

Joint Statement by the Kansas Petroleum Council,
the Kansas Independent Oil and Gas Association,
and the Eastern Kansas Oil and Gas Association

In Support of Senate Bill 321

Presented to the Senate Ways and Means Committee

February 28, 2001

Mr. Chairman and Members of the Committee, thank you for allowing us to offer these brief comments in support of Senate Bill 321, a seven-year extension of the state's abandoned well-plugging program.

The 1996 Kansas Legislature created the well-plugging fund, a landmark piece of legislation that addressed not only the decades-old problem of abandoned oil and gas wells, but also established an unprecedented requirement that operators meet specific financial assurance requirements. The financial assurance requirements are meant to prove that operators have the resources necessary to plug any wells they drill.

Enactment of the plugging fund, House Substitute for Senate Bill 755, was not an easy task. With a sharp nudge from Gov. Graves, however, the bill passed after considerable negotiations involving several dedicated legislators, the leaders of industry trade associations and administration officials.

The successful program should be extended. Senate Bill 321 ensures that the Conservation Division of the Kansas Corporation Commission can continue to address abandoned wells that threaten groundwater. Many of these wells were drilled in the pre-regulatory days of the oil and gas industry. The state did not get into the situation overnight, and it will take some time to adequately address the problem. Senate Bill 321 is the proper answer.

Thank you for your consideration.

Ken Peterson
Kansas Petroleum Council

Jim Allen
EKOGA

Robert E. Krehbiel
KIOGA

*Senate Ways and Means
2-28-01
Attachment 6*