

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:40 a.m. on February 19, 2002 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
Deb Hollon, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Audrey Nogle, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list

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

SB 530--Employment after retirement

Senator Adkins moved, with a second by Senator Jackson, to approve the minutes of January 31, 2002 and February 1, 2002 committee meetings. Motion carried on a voice vote.

Subcommittee report on:

Department of Social and Rehabilitation Services (Attachment 1)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendation for FY 2003 with comments and adjustments as listed in the subcommittee budget report.

Senator Feleciano presented the Minority Report to the Department of Social and Rehabilitation Services subcommittee budget report.

Senator Feleciano moved, with a second by Senator Downey, to encourage the Department of Social and Rehabilitation Services to work with the Inpatient Hospital Task Force created by the Mental Health Coalition and NAMI in development of a strategic plan for mental health services and that these plans be available and funded. Motion carried on a voice vote.

Senator Huelskamp requested information about the new contract for the Medicaid Management System and Joint Committee on Information Technology Review. Senator Barone requested information regarding contract negotiations for the Kansas Payment Center and costs.

Senator Schodorf moved, with a second by Senator Jordan, to adopt the subcommittee budget report on the Department of Social and Rehabilitation Services for the FY 2002 and FY 2003 budget as amended. Motion carried on a voice vote.

Chairman Morris called the Committee's attention to discussion of:

SB 499--Establishing the technology communication fee fund

CONTINUATION SHEET

Information was distributed from Janet Chubb, Assistant Secretary of State, in response to a request by Senator Barone regarding the Secretary of State's fee funds with a copy of a balloon in regard to authorizing a cap of \$5.00 for the technology communication fee fund (Attachment 2). Additional information was distributed regarding the Secretary of State Fee Funds (Attachment 3).

Senator Kerr moved, with a second by Senator Jackson to adopt the balloon amendment offered by the Secretary of State's office regarding charging a technology communication fee, established by rules and regulations but not exceeding \$5.00 (see Attachment 2). Motion carried on a voice vote.

Senator Jackson moved, with a second by Senator Schodorf, to recommend **SB 499** favorably for passage as amended. Motion carried on a roll call vote.

Chairman Morris called the Committee's attention to discussion of:

SB 509--State civil service; unclassified officers; SRS, physician's assistants and ARNPs

A letter was distributed from Janet Schalansky, Secretary, Department of Social and Rehabilitation Services, in response to a request by Senator Feleciano regarding how SRS would implement **SB 509** and the effect it would have on current employees (Attachment 4).

Senator Barone moved, with a second by Senator Huelskamp, to adopt a balloon amendment (Attachment 5). Motion carried on a voice vote.

Senator Barone moved, with a second by Senator Schodorf, to recommend **SB 509** favorably for passage as amended. Motion carried on a roll call vote.

The meeting was adjourned at 11:45 a.m. The next meeting is scheduled for February 20, 2002.

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST

DATE February 19, 2002

NAME	REPRESENTING
Denrell Schooker	USD 262
Janet Schalansky	SRS
Diane Duffy	SRS
George Vega	SRS
Gina McDonald	KAC/L
Pat Scott	Ks Funeral Directors Assn
Pat McNeill	Pharma
Mike Huthbs	Pharmacia Upjohn
Van Hints	Homicare + Hospice, Inc
Linda Rubensky	KS Home Care Assoc
J Chubb	SOS
Mike Bassel	KSOS
Nancy Bryant	SOS
Therese Barget	Archdiocese of KCK
Mary Ellen Orlee	Hospital Psychiatric Services Coalition
Paul M. Killy	Assoc. of DMHCs Ks, Inc.
Doug Bowman	Ks Coordinating Council on ^{Early} Childhood
Dale Huffman	Families Together Inc.
Sarah Adams	Keys for Networking, Inc
Maighan Farney	Keys for Networking, Inc
Walt Fuld	INTERHAB
Sue Scott	Children's Cabinet & Trust Fund


**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE February 19, 2002

NAME	REPRESENTING
Shannon Jones	SILCR
Jeff Arnold	COALITION FOR Independence
Leon Keala	KGP
Jason Moore	KU Pharmacy Student (KPHA)
Betsy Williams	KS Pharmacists Assoc
Knot Little	CMTA Partnership
Sandy Braden	Exec Council of KG
Andy Sanchez	KAPE
Meagan Skinner	KU Intern
Alice Burney	DPS
Lynara South	JJA
Liberty Carby	Intern, Senator Herb Kamp

SENATE SUBCOMMITTEE

Social and Rehabilitation Services



Senator Steve Morris, Chairman



Senator David Adkins



Senator Nick Jordan



Senator Jean Schodorf

Senator Paul Feleciano

Senate Ways and Means
2-19-02
Attachment 1

Senate Subcommittee on SRS Report

Agency: Department of Social
and Rehabilitation Services

Bill No.

Bill Sec.

Analyst: Nogle

Analysis Pg. No. 731

Budget Page No. 399

Expenditure Summary	Agency Est FY 02	Governor's Recommendation FY 02	Senate Subcommittee on SRS Adjustments
State Operations	\$ 285,441,059	\$ 280,340,854	\$ 0
Aid to Local Units	84,138,033	83,738,033	0
Other Assistance	1,490,465,268	1,498,810,370	0
TOTAL	<u>\$ 1,860,044,360</u>	<u>\$ 1,862,889,257</u>	<u>\$ 0</u>
State General Fund	\$ 614,361,566	\$ 618,778,900	\$ 0
Other Funds	1,245,682,794	1,244,110,357	0
TOTAL	<u>\$ 1,860,044,360</u>	<u>\$ 1,862,889,257</u>	<u>\$ 0</u>
FTE Positions	4,050.6	4,050.6	0.0
Non FTE Uncl. Perm. Pos.	37.7	37.7	0.0
TOTAL	<u>4,088.3</u>	<u>4,088.3</u>	<u>0.0</u>

Agency Est/Governor's Recommendation

For FY 2002 the agency requests \$1.86 billion all funds, \$614.4 million State General Fund. The revised estimate is an increase of \$91.9 million (5.2 percent) all funds and \$31.1 million (5.3 percent) State General Fund. The estimate includes supplemental requests of \$2.8 million all funds (\$.8 million SGF) for cash assistance, \$39.3 million all funds (\$10.5 million SGF) for Medicaid caseload increases, \$1.5 million all funds (\$1,042,629 SGF) for Nursing Facilities for Mental Health caseload increases, \$9.2 million all funds (\$2.6 million SGF) for HealthWave, \$7.5 million all funds (\$5.2 million SGF) for Foster Care caseload increases, and \$5.8 million all funds (\$3.95 million SGF) for Adoption caseload increases.

The Governor recommends \$1.86 billion all funds, \$618.8 million State General fund for FY 2002. The Governor's recommendation is an increase of \$94.7 million (5.4 percent) all funds and \$35.5 million (6.1 percent) State General Fund. The increase reflects increases for consensus caseload estimates.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee on SRS Report

Agency: Department of Social
and Rehabilitation Services

Bill No.

Bill Sec.

Analyst: Nogle

Analysis Pg. No. 731

Budget Page No. 399

Expenditure Summary	Agency Est FY 03	Governor's Recommendation FY 03	Senate Subcommittee on SRS Adjustments
State Operations	\$ 303,984,424	\$ 293,113,064	\$ 0
Aid to Local Units	83,987,425	79,017,425	0
Other Assistance	1,642,367,249	1,591,947,706	0
TOTAL	<u>\$ 2,030,339,098</u>	<u>\$ 1,964,078,195</u>	<u>\$ 0</u>
State General Fund	\$ 741,934,599	\$ 639,692,952	\$ (1,300,000)
Other Funds	1,288,404,499	1,324,385,243	1,300,000
TOTAL	<u>\$ 2,030,339,098</u>	<u>\$ 1,964,078,195</u>	<u>\$ 0*</u>
FTE Positions	4,077.6	4,050.6	0.0
Non FTE Uncl. Perm. Pos.	44.7	44.7	0.0
TOTAL	<u>4,122.3</u>	<u>4,095.3</u>	<u>0.0</u>

*The SGF is replaced with additional funding from the pharmacy co-pay increase.

Agency Est/Governor's Recommendation

For FY 2003 the agency requests \$2.03 billion all funds, \$741.9 million State General Fund. The request is an increase of \$170.3 million (9.2 percent) all funds and \$127.6 million (20.8 percent) State General fund from the FY 2002 estimate. The request includes enhancements totaling \$150.2 million all funds.

The Governor recommends \$1.96 billion all funds, \$639.7 million State General fund for FY 2003. The request is an increase of \$101.2 million all funds (5.4 percent) and \$20.9 million (3.4 percent) from the FY 2002 recommendation, and a decrease of \$66.3 million (3.3 percent) all funds and \$102.2 million (13.8 percent) State General fund from the agency request.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes that the Medical Consensus Caseload is projected to be \$885 million (\$301.5 million SGF) in FY 2003. Recognizing the state budget constraints, SRS submitted numerous proposals to minimize the caseload

increase for FY 2003. These proposals targeted the caseload drivers in the Medicaid program and reduced the FY 2003 estimate by \$29.8 million for a net decrease of \$22.4 million. Without the policy changes, the regular medical expenditures would have grown by 12% compared to the 9.2%. This limits the growth to the lowest level in the past four years. The following are the policy changes included in the Governor's budget:

- \$3.2 million (\$1.3 million SGF) by changing prescription ingredient cost calculations
- \$1.0 million (\$0.4 million SGF) by beginning a voluntary, preferred formulary
- \$3.3 million (\$1.3 million SGF) by increasing the co-pay for pharmaceuticals
- \$11.9 million (\$4.7 million SGF) by improving the administration and management of Home Health Services
- \$1.2 million (\$0.5 million SGF) by eliminating the enhanced transportation for those on PD and FE waivers and non-emergency medical transportation
- \$0.4 million (\$0.2 million SGF) by limiting terminally ill patients to services provided through the PD waiver
- \$0.3 million (\$0.1 million SGF) by improving billing practices for therapy services
- \$3.1 million (all SGF) by limiting the length of time a person is eligible for MediKan to 24 months
- \$3.1 million (all SGF) by reducing state-only payments for mental health services
- \$0.5 million SGF savings by requiring parental financial participation for children using the SED waiver (Parental financial participation is required with other waivers and they are included in SB421, this is the only waiver reflected in the regular medical budget)
- \$1.8 million (\$0.7 million SGF) by decreasing pharmacy dispensing fees

2. The Subcommittee recommends review of the following items at Omnibus:

a. Pharmacy Dispensing Fee Reduction

The Subcommittee does not feel that the reduction of the pharmacy dispensing fee from \$4.50 to \$4.00 recommended by the Governor is warranted, given the reduction in fees in FY 2001 from an average of \$4.95 to \$4.50. The Subcommittee recommends review of this item for additional funding to maintain pharmacy fees at the current level if resources are available.

b. Family Preservation

Family Preservation Services are intensive in-home services offered to families to prevent having a child come into the custody of SRS and removed from their home. For the last few years, the use of Family Preservation Services has been consistently expanding. To stay within the current appropriation of \$10.2 million, the maximum allocation of referrals would be 2,686 referrals.

The subcommittee notes that the Governor targets Family Preservation in his restoration package for \$2.0 million SGF/\$2.1 million AF. This is a high

priority item with the subcommittee and believes it should receive consideration if additional resources are available.

c. Development Disability Community Grants

Developmental Disability Grants are discretionary grants to fund services to persons who are developmentally disabled, but do not qualify for institutional placement.

The Subcommittee notes that the Governor reduced Developmental Disability Community Grants by 25.0 percent, a reduction of \$1.5 million State General Fund. This reduction will mean that approximately 80 persons with developmental disabilities will lose community services, according to the agency. The Subcommittee recognizes the importance of these services and recommends review of this item at omnibus for additional funding if resources are available.

d. Community Mental Health Grants

Community Mental Health grants support community mental health services for persons who are uninsured, with no coverage from state benefits like Medicaid. The grants are discretionary, and the Governor has recommended a reduction of 30.0 percent, or \$3,070,000 State General fund.

The Subcommittee notes that this cut reduces mental health services to those with no other resources. Community Mental Health Centers (CMHC's) are statutorily required to serve persons regardless of their ability to pay for services. The reduction in funding makes it difficult for the CMHC's to provide those services. Recognizing this difficulty, the Subcommittee recommends review of this item at Omnibus for additional funding if resources are available.

e. Funeral Assistance

The Funeral Assistance program provides limited assistance to families receiving TAF, GA, Food Stamps or Medicaid for a modest funeral and cemetery expenses when there is a death in the family. For FY 2001 the total cost of the program was \$466,454 State General fund for 881 burials with an average cost of \$545 per burial. As of April, 2002, this program is eliminated from the agency's budget.

The Subcommittee notes the importance of this assistance to families and recommends review of this item at Omnibus for additional funding if resources are available.

f. Home and Community Based Services (HCBS) Waiver Waiting Lists

HCBS Waivers allow persons who are capable, with assistance, to live in their own home and community, rather than in an institutional setting. Access to waiver services is limited by funding for those services.

The Subcommittee notes the agency estimate that the HCBS/DD Waiver waiting list will increase to 680 persons by the end of FY 2003 and the HCBS/PD Waiver waiting list will increase to 682 during the same time period. The Governor's enhanced budget includes an additional \$5.0 million State General Fund and \$12.5 million all funds which would decrease the HCBS/DD waiting list by 250 persons and the HCBS/PD waiting list by 300 persons. The Subcommittee recommends review of this item at Omnibus for additional funding if resources are available.

3. The Subcommittee notes the rapid increase in prescription drug costs in the Regular Medical program. The cost of prescriptions was 27.5 percent of the Regular Medical budget for FY 2001, an expenditure of \$66.2 million SGF and \$192.0 million all funds. In recognition of these high costs, the Subcommittee recommends the following:
 - a. Increase the co-pay for prescription drugs for Medicaid recipients from \$2.00 to \$3.00. Medicaid recipients are currently asked to pay the pharmacist a co-pay of \$2.00 per prescription. However, the pharmacist cannot deny the client the prescription if they cannot pay. Instead, the pharmacist bears the cost of the unpaid amount. Approximately half of the Medicaid recipients currently pay the co-pay amount. This increase would save the state approximately \$1.3 million State General fund, \$3.3 million all funds.
 - b. The Subcommittee supports the mandatory use of generic drugs, unless the generic form is more expensive or the physician overrides the mandate, as recommended in SB 422.
 - c. The Subcommittee recommends the creation of an interdisciplinary council to review issue of maximizing drug rebates, disease management, and alternatives to the use of step therapy as cost saving measures for the state.

MINORITY REPORT
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

I wish to register my disagreement with the majority on a number of key issues in the budget of the Department of Social and Rehabilitation Services. My overriding objection is that the majority attempts to balance the budget on the backs of the elderly, the disabled, and the children of Kansas. As Governor Graves said in the State of the State Address, this is “a budget that does more than simply cut dollars, it cuts critical resources to our highest priorities, including our children, our seniors, and our citizens with mental and physical challenges.” I have outlined several concerns with this budget.

- Secretary Schalansky has addressed the Senate Ways and Means Committee and reminded us that state budget cuts also lead to the **loss of federal matching funds**, creating much deeper cuts in the SRS budget, and that any cut is likely to eliminate individuals from services they are accustomed to receiving.
- **Support for Family Preservation Services** is essential to keeping Kansas children in their homes, while reducing agency costs. The average Family Preservation case costs the Department \$3,800 per family, while the average foster care case costs the state \$26,000 per child served. As of September, there were 5,792 open foster care cases. During this same period of time there were 946 Family Preservation cases, 90% of which were maintained in their homes after one year. For every 225 children diverted from custody by Family Preservation the state will save \$5 million. With the current level of cuts, there will be over 1600 families without services.
- As Governor Graves stated, “We have an obligation to Kansans to ensure their dignity even at their deaths.” I agree with this sentiment and feel that the **funeral assistance program** is essential, for without state support, the obligation to pay for burial of those on assistance will fall on local county governments pursuant to K.S.A. 22a-215.
- Serious concern about increased **co-pays for pharmaceuticals**. While a \$1 increase doesn’t sound like much, many customers have between 10 to 20

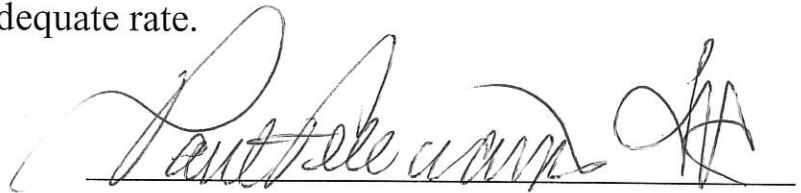
medications a month. Living on a fixed income of \$500 a month, these kinds of revenue enhancements have enormous impact on the poorest of the poor. In addition, if pharmacists are expected to cover this cost, it is highly likely that these providers will no longer accept Medicaid customers.

- The number of uninsured in Kansas is growing. Numbers from the Hunter Health Clinic point to a 31% increase over last year. In addition, Hunter is currently opening 25 to 50 new charts a day, indicating 25 to 50 patients who have never before visited Hunter.

These concerns lead me to urge the committee to consider other alternatives for the SRS budget, including Governor Graves recommendations.

- Restoration of \$3 million to mental health grants, \$1.5 million for grants for developmentally disabled, an additional \$2 million to meet the growing demand for Family Preservation Services, and restoration of the funeral assistance program.
- \$5 million to reduce waiting lists. Currently there are 325 people who are unserved by HCBS Physical Disabilities and 382 under HCBS-DD. These numbers will increase to over 600, respectively without this enhancement. Additionally, \$5 million to increase Medicaid rates. Our rates are among the lowest in the country, and for the professionals who provide those services, we should pay a more adequate rate.

Senator Paul Feleciano, Jr.

A handwritten signature in cursive script, appearing to read "Paul Feleciano, Jr.", written over a horizontal line.

Ron Thornburgh
Secretary of State



First Floor, Memorial Hall
120 SW 10th Ave.
Topeka, KS 66612-1594
(785) 296-4564

STATE OF KANSAS

February 13, 2002

Honorable Steve Morris
Chair, Senate Ways and Means
Capitol
Topeka, KS

Dear Senator Morris:

At the hearing on SB 499, Senator Barone asked for information concerning our fee funds. Enclosed are the budget pages which reflect the activity of our fee funds, including balances, as requested.

At the committee's suggestion, the secretary and I discussed what might be an appropriate cap for the technology communication fee fund. Secretary Thornburgh and I talked about that this morning, and he authorized a cap of \$5. Therefore, I have enclosed a mark-up of the bill with suggested language for a cap in this amount.

We appreciate your scheduling a hearing on this bill and allowing us the opportunity to discuss developments in technology for business and government and suggested funding for it.

Respectfully,

A handwritten signature in cursive script that reads "Janet Chubb".

Janet Chubb
Assistant Secretary of State

Senate Ways and Means
2-19-02
Attachment 2

SENATE BILL No. 499

By Committee on Ways and Means

2-4

9 AN ACT establishing the technology communication fee fund.

10

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

12 Section 1. (a) The secretary of state shall ~~prescribe by rules and reg-~~
13 ~~ulations a technology communication fee~~ in addition to any filing fees to
14 cover the cost of technology systems that will support services provided
15 pursuant to the uniform electronic transactions act and amendments
16 thereto.

17 (b) There is hereby created in the state treasury the technology com-
18 munication fee fund.

19 (c) The secretary of state shall remit to the state treasurer at least
20 monthly all technology communication fees received by the secretary of
21 state. Upon receipt of any such remittance, the state treasurer shall de-
22 posit the amount in the state treasury to the credit of the technology
23 communication fee fund.

24 (d) All expenditures from the technology communication fee fund
25 shall be made in accordance with appropriation acts upon warrants of the
26 director of accounts and reports issued pursuant to vouchers approved
27 by the secretary of state or a person or persons designated by the secretary
28 of state.

29 Sec. 2. This act shall take effect and be in force from and after its
30 publication in the statute book.

charge a technology communication fee, established by
rules and regulations but not exceeding \$5,

RESOURCE ESTIMATE BY ALL OTHER FUNDS--DA 404B

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME Secretary of State
AGENCY-SUBAGENCY CODE 62200 FUNCTION NO. 01

FUND/ACCOUNT NAME & NUMBER		FY 2001 ACTUAL	FY 2002 ESTIMATE	DOB USE ONLY	FY 2003 REDUCED RESOURCE	FY 2003 CURRENT SERVICE	FY 2003 ENHANCEMENT PACKAGE
Information and Copy Service Fee Fund 2430 2300							
ADD:							
BALANCE FORWARD	20	90,194	69,830			846	
RECEIPTS NAME AND NUMBER							
2040 - Charges-Clerical serv. issue certs.		722,437	710,334				
SUBTOTAL - RECEIPTS		722,437	710,334			897,632	
EQUAL TOTAL AVAILABLE		812,631	780,164			897,632	
SUBTRACT:						898,478	
TRANSFER OUT	70						
BALANCE FORWARD	90	69,830	846				
NONREPORTABLE EXPENDITURES	100					25,081	
EQUAL TOTAL EXPENDITURE		742,801	779,318			873,397	
EXPENDITURE LIMITATION		NO LIMIT	NO LIMIT			NO LIMIT	

FUND/ACCOUNT NAME & NUMBER		FY 2001 ACTUAL	FY 2002 ESTIMATE	DOB USE ONLY	FY 2003 REDUCED RESOURCE	FY 2003 CURRENT SERVICE	FY 2003 ENHANCEMENT PACKAGE
Cemetery and Funeral Audit Fee Fund 2225							
ADD:							
BALANCE FORWARD	20	791	687				
Charges-Inspect, supervise,examine, audit	50	3,356	3,500			973	
SUBTOTAL - RECEIPTS		3,356	3,500			3,356	
EQUAL TOTAL AVAILABLE		4,147	4,187			3,356	
SUBTRACT:						4,329	
TRANSFER OUT	70						
BALANCE FORWARD	90	687	973				
NONREPORTABLE EXPENDITURES	100					1,082	
EQUAL TOTAL EXPENDITURE		3,460	3,214			3,247	
EXPENDITURE LIMITATION		NO LIMIT	NO LIMIT			NO LIMIT	

RESOURCE ESTIMATE BY ALL OTHER FUNDS--DA 404B

**DIVISION OF THE BUDGET
STATE OF KANSAS**

AGENCY NAME Secretary of State
AGENCY-SUBAGENCY CODE 62200 FUNCTION NO. 01

FUND/ACCOUNT NAME & NUMBER		FY 2001 ACTUAL	FY 2002 ESTIMATE	DOB USE ONLY	FY 2003 REDUCED RESOURCE	FY 2003 CURRENT SERVICE	FY 2003 ENHANCEMENT PACKAGE
State Flag and Banner Fund 5130 4600							
ADD:							
BALANCE FORWARD	20	4,318	5,089			8,391	
RECEIPTS NAME AND NUMBER							
Recovery of Current FY Exp	2220 50	0					
Other Sundry Articles	2290 50	26,449	32,203				
SUBTOTAL - RECEIPTS		26,449	32,203			26,449	
EQUAL TOTAL AVAILABLE		30,767	37,292			26,449	
SUBTRACT:							
TRANSFER OUT	70					34,840	
BALANCE FORWARD	90	5,089	8,391				
NONREPORTABLE EXPENDITURES	100					5,125	
EQUAL TOTAL EXPENDITURE		25,678	28,901			29,715	
EXPENDITURE LIMITATION		NO LIMIT	NO LIMIT			NO LIMIT	
FUND/ACCOUNT NAME & NUMBER							
Athlete Agent Fee Fund 2674 2700							
ADD:							
BALANCE FORWARD	20	12,678	524				
RECEIPTS NAME AND NUMBER	50	7,000	2,000			2,524	
SUBTOTAL - RECEIPTS		0				2,000	
EQUAL TOTAL AVAILABLE		7,000	2,000			2,000	
SUBTRACT:							
TRANSFER OUT	70	19,678	2,524			4,524	
BALANCE FORWARD	90	524	2,524				
NONREPORTABLE EXPENDITURES	100					4,524	
EQUAL TOTAL EXPENDITURE		19,154	0			0	
EXPENDITURE LIMITATION		NO LIMIT	NO LIMIT			NO LIMIT	

RESOURCE ESTIMATE BY ALL OTHER FUNDS--DA 404B

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME Secretary of State
AGENCY-SUBAGENCY CODE 62200 FUNCTION NO. 01

FUND/ACCOUNT NAME & NUMBER		FY 2001 ACTUAL	FY 2002 ESTIMATE	DOB USE ONLY	FY 2003 REDUCED RESOURCE	FY 2003 CURRENT SERVICE	FY 2003 ENHANCEMENT PACKAGE
State Register Fee Fund 2619 2500							
ADD:							
BALANCE FORWARD	20	31,164	16,006				
RECEIPTS		226,509	238,221			30,197	
SUBTOTAL - RECEIPTS		226,509	238,221			226,509	
EQUAL		226,509	238,221			226,509	
TOTAL AVAILABLE		257,673	254,227			256,706	
SUBTRACT:							
TRANSFER OUT	70						
BALANCE FORWARD	90	16,006	30,197				
NONREPORTABLE EXPENDITURES	100					33,544	
EQUAL		241,667	224,030			223,162	
TOTAL EXPENDITURE		241,667	224,030			223,162	
EXPENDITURE LIMITATION		NO LIMIT	NO LIMIT			NO LIMIT	

FUND/ACCOUNT NAME & NUMBER		FY 2001 ACTUAL	FY 2002 ESTIMATE	DOB USE ONLY	FY 2003 REDUCED RESOURCE	FY 2003 CURRENT SERVICE	FY 2003 ENHANCEMENT PACKAGE
Uniform Commercial Code Fee Fund 2664 2600							
ADD:							
BALANCE FORWARD	20	59,871	59,032				
EQUAL		59,871	59,032			15,640	
TOTAL EXPENDITURE		59,871	59,032			15,640	
RECEIPTS NAME AND NUMBER							
Charges -clerical serv. Issue	2040	443,301	578,457				
SUBTOTAL - RECEIPTS		443,301	578,457			384,620	
EQUAL		443,301	578,457			384,620	
TOTAL AVAILABLE		503,172	637,489			400,260	
SUBTRACT:							
TRANSFER OUT	70						
BALANCE FORWARD	90	59,032	15,640				
NONREPORTABLE EXPENDITURES	100					3,161	
EQUAL		444,140	621,849			397,099	
TOTAL EXPENDITURE		444,140	621,849			397,099	
EXPENDITURE LIMITATION		NO LIMIT	NO LIMIT				

RESOURCE ESTIMATE BY STATE GENERAL FUND--DA 404A

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME Secretary of State
AGENCY-SUBAGENCY CODE 62200 FUNCTION NO. 01

FUND/ACCOUNT NAME & NUMBER		FY 2001 ACTUAL	FY 2002 ESTIMATE	DOB USE ONLY	FY 2003 REDUCED RESOURCE	FY 2003 CURRENT SERVICE	FY 2003 ENHANCEMENT PACKAGE
Official Hospitality 1000 04							
ADD:							
REQUESTED SUPPLEMENTAL APPROPRIATION	5	0					
LEGISLATIVE APPROPRIATION	10	2,500	2,306			2,500	
REAPPROPRIATION	20	0					
LIMITED REAPPROPRIATION	30						
TRANSFER IN	60						
EQUAL TOTAL AVAILABLE		2,500	2,306			2,500	
SUBTRACT:							
TRANSFER OUT	70						
BALANCE LAPSED	80	0	0			0	
REAPPROPRIATED BALANCE	90						
NONREPORTABLE EXPENDITURES	100						
EQUAL TOTAL EXPENDITURE		2,500	2,306			2,500	
FUND/ACCOUNT NAME & NUMBER		FY 2001 ACTUAL	FY 2002 ESTIMATE	DOB USE ONLY	FY 2003 REDUCED RESOURCE	FY 2003 CURRENT SERVICE	FY 2002 ENHANCEMENT PACKAGE
Other Operating expenses 1000 05							
ADD:							
SUPPLEMENTAL APPROPRIATION	5		0			0	
LEGISLATIVE APPROPRIATION	10	2,077,125	1,784,963			1,797,305	70,000
REAPPROPRIATION	20		0				
LIMITED REAPPROPRIATION	30						
TRANSFER IN	60	0					
EQUAL TOTAL AVAILABLE		2,077,125	1,784,963		0	1,797,305	
SUBTRACT:							
TRANSFER OUT	70						
BALANCE LAPSED	80	21,312	0			64	
REAPPROPRIATED BALANCE	90						
NONREPORTABLE EXPENDITURES	100						
EQUAL TOTAL EXPENDITURE		2,055,813	1,784,963			1,797,241	70,000

RESOURCE ESTIMATE BY ALL OTHER FUNDS--DA 404B

**DIVISION OF THE BUDGET
STATE OF KANSAS**

AGENCY NAME Secretary of State
AGENCY-SUBAGENCY CODE 62200 FUNCTION NO. 01

FUND/ACCOUNT NAME & NUMBER		FY 2001 ACTUAL	FY 2002 ESTIMATE	DOB USE ONLY	FY 2003 REDUCED RESOURCE	FY 2003 CURRENT SERVICE	FY 2003 ENHANCEMENT PACKAGE
Franchise Fee recovery Fund	2675						
ADD:							
BALANCE FORWARD	20	8,993	6,168			9,682	
RECEIPTS NAME AND NUMBER	50	82,808	86,752			82808	
TRANSFERED IN		0					
EQUAL		82,808	86,752			82,808	
TOTAL AVAILABLE		91,801	92,920			92,490	
SUBTRACT:							
TRANSFER OUT	70						
BALANCE FORWARD	90	6,168	9,682			473	
NONREPORTABLE EXPENDITURES	100						
EQUAL		85,633	83,238			92,017	
TOTAL EXPENDITURE						NO LIMIT	
EXPENDITURE LIMITATION			NO LIMIT			NO LIMIT	

**Secretary of State
Fee Funds**

FY 2001 Actual

Fund	Beginning Balance	Receipts	Total Available	Expenditures	Ending Balance	End. Bal. as % of Exp.
Cemetary and Funeral Audit Fee Fund	\$ 791	\$ 3,355	\$ 4,146	\$ 3,460	\$ 686	19.8%
Conversion of Materials	0	2,368	2,368	2,368	0	0.0%
Information & Copy Service Fee Fund	106,066	722,436	828,502	758,673	69,829	9.2%
State Register Fee Fund	33,423	226,509	259,932	243,926	16,006	6.6%
UCC Fee Fund	59,871	443,301	503,172	444,140	59,032	13.3%
Athlete Agent Fee Fund	12,678	7,000	19,678	19,154	524	2.7%
Franchise Fee Fund	68,993	82,807	151,800	145,632	6,168	4.2%
State Flag & Banner Fee Fund	4,318	26,450	30,768	25,679	5,089	19.8%
TOTAL	\$ 286,140	\$ 1,514,226	\$ 1,800,366	\$ 1,643,032	\$ 157,334	9.6%

FY 2002 - Agency Request

Fund	Beginning Balance	Receipts	Total Available	Expenditures	Ending Balance	End. Bal. as % of Exp.
Cemetary and Funeral Audit Fee Fund	\$ 686	\$ 3,500	\$ 4,186	\$ 3,214	\$ 972	30.2%
Conversion of Materials	0	0	0	0	0	---
Information & Copy Service Fee Fund	69,829	710,334	780,163	779,280	883	0.1%
State Register Fee Fund	16,006	238,221	254,227	224,030	30,197	13.5%
UCC Fee Fund	59,032	578,457	637,489	621,849	15,640	2.5%
Athlete Agent Fee Fund	524	2,000	2,524	0	2,524	---
Franchise Fee Fund	6,168	86,752	92,920	83,238	9,682	11.6%
State Flag & Banner Fee Fund	5,089	32,203	37,292	28,947	8,345	28.8%
TOTAL	\$ 157,334	\$ 1,651,467	\$ 1,808,801	\$ 1,740,558	\$ 68,243	3.9%

FY 2002 - Governor's Recommendation

Fund	Beginning Balance	Receipts	Total Available	Expenditures	Ending Balance	End. Bal. as % of Exp.
Cemetary and Funeral Audit Fee Fund	\$ 686	\$ 3,501	\$ 4,187	\$ 3,214	\$ 973	30.3%
Conversion of Materials	0	0	0	0	0	---
Information & Copy Service Fee Fund	69,829	710,335	780,164	779,280	884	0.1%
State Register Fee Fund	16,006	238,221	254,227	224,457	29,770	13.3%
UCC Fee Fund	59,032	578,457	637,489	621,849	15,640	2.5%
Athlete Agent Fee Fund	524	2,000	2,524	0	2,524	---
Franchise Fee Fund	6,168	86,752	92,920	83,238	9,682	11.6%
State Flag & Banner Fee Fund	5,089	32,203	37,292	28,947	8,345	28.8%
TOTAL	\$ 157,334	\$ 1,651,469	\$ 1,808,803	\$ 1,740,985	\$ 67,818	3.9%

FY 2003 - Agency Request

Fund	Beginning Balance	Receipts	Total Available	Expenditures	Ending Balance	End. Bal. as % of Exp.
Cemetery and Funeral Audit Fee Fund	\$ 972	\$ 3,356	\$ 4,328	\$ 3,247	\$ 1,081	33.3%
Conversion of Materials	0	0	0	0	0	---
Information & Copy Service Fee Fund	883	897,632	898,515	873,395	25,120	2.9%
State Register Fee Fund	30,197	226,509	256,706	223,162	33,544	15.0%
UCC Fee Fund	15,640	384,620	400,260	397,099	3,161	0.8%
Athlete Agent Fee Fund	2,524	2,000	4,524	0	4,524	---
Franchise Fee Fund	9,682	82,808	92,490	92,017	473	0.5%
State Flag & Banner Fee Fund	8,345	26,449	34,794	29,715	5,079	17.1%
TOTAL	\$ 68,243	\$ 1,623,374	\$ 1,691,617	\$ 1,618,635	\$ 72,982	4.5%

FY 2003 - Governor's Recommendation

Fund	Beginning Balance	Receipts	Total Available	Expenditures	Ending Balance	End. Bal. as % of Exp.
Cemetery and Funeral Audit Fee Fund	\$ 973	\$ 3,356	\$ 4,329	\$ 3,292	\$ 1,037	31.5%
Conversion of Materials	0	0	0	0	0	---
Information & Copy Service Fee Fund	884	897,632	898,516	880,982	17,534	2.0%
State Register Fee Fund	29,770	226,509	256,279	224,434	31,845	14.2%
UCC Fee Fund	15,640	392,620	408,260	404,875	3,385	0.8%
Athlete Agent Fee Fund	2,524	2,000	4,524	0	4,524	---
Franchise Fee Fund	9,682	82,808	92,490	92,017	473	0.5%
State Flag & Banner Fee Fund	8,345	26,449	34,794	30,077	4,717	15.7%
TOTAL	\$ 67,818	\$ 1,631,374	\$ 1,699,192	\$ 1,635,677	\$ 63,515	3.9%



KANSAS DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

915 SW HARRISON STREET, TOPEKA, KANSAS 66612

JANET SCHALANSKY, SECRETARY

February 20, 2002

The Honorable Stephen Morris
Kansas Senate
Statehouse, Room 120-S
Topeka, KS 66612

Dear Chairman Morris:

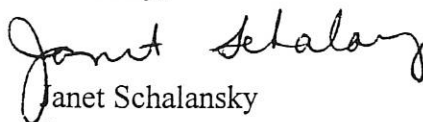
The attached materials are in response to Senator Feleciano's February 19 request for additional information about how SRS would implement Senate Bill No. 509, and the effect it would have on current employees.

The first document is the draft of a memo I would send to all occupational therapists, physical therapists, and registered nurses in our MHDD facilities if the bill passes. The second document is an "Information Sheet" that would accompany my memo. The third document is the draft of a letter employees would be required to submit if they choose to move to the unclassified service.

It is not my intent to have a large unclassified workforce. I would use the capability offered by Senate Bill No. 509 sparingly, and only on an as needed basis.

Should you or the Committee have questions about the attached materials, or prefer other actions, please let me know.

Sincerely,


Janet Schalansky
Secretary

JKS/mrd

Senate Ways and Means
2-19-02
Attachment 4

Proposed Amendment for Consideration
by Senate Ways and Means Committee

Senate Ways and Means
2-19-02
Attachment 5

1 es performing duties in connection with the business operations of any
2 such institution, except administrative officers and directors; as used in
3 this subsection (1)(f), "health care employees" means employees of the
4 university of Kansas medical center who provide health care services at
5 the university of Kansas medical center and who are medical technicians
6 or technologists or respiratory therapists, who are licensed professional
7 nurses or licensed practical nurses, or who are in job classes which are
8 designated for this purpose by the chancellor of the university of Kansas
9 upon a finding by the chancellor that such designation is required for the
10 university of Kansas medical center to recruit or retain personnel for
11 positions in the designated job classes; and employees of any institution
12 under the state board of regents who are medical technologists;

13 (g) operations, maintenance and security personnel employed to im-
14 plement agreements entered into by the adjutant general and the federal
15 national guard bureau, and officers and enlisted persons in the national
16 guard and the naval militia;

17 (h) persons engaged in public work for the state but employed by
18 contractors when the performance of such contract is authorized by the
19 legislature or other competent authority;

20 (i) persons temporarily employed or designated by the legislature or
21 by a legislative committee or commission or other competent authority
22 to make or conduct a special inquiry, investigation, examination or
23 installation;

24 (j) officers and employees in the office of the attorney general and
25 special counsel to state departments appointed by the attorney general,
26 except that officers and employees of the division of the Kansas bureau
27 of investigation shall be in the classified or unclassified service as provided
28 in K.S.A. 75-711, and amendments thereto;

29 (k) all employees of courts;

30 (l) client, patient and inmate help in any state facility or institution;

31 (m) all attorneys for boards, commissions and departments;

32 (n) the secretary and assistant secretary of the Kansas state historical
33 society;

34 (o) physician specialists, *physician assistants*, dentists, dental hygien-
35 ists, pharmacists, *advanced registered nurse practitioners*, medical tech-
36 nologists and ~~long term care workers~~ employed by the department of
37 social and rehabilitation services and ~~other health care professionals~~ at
38 *social and rehabilitation services facilities as designated by the secretary*
39 *of social and rehabilitation services*;

40 (p) physician specialists, dentists and medical technologists employed
by any board, commission or department or by any institution under the
jurisdiction thereof;

43 (q) student employees enrolled in public institutions of higher

registered nurse, physical therapist and
occupational therapist positions

except that, nothing in this section shall
affect the classified status of any employee
who is employed on the date immediately
preceding the effective date of this act and
the unclassified service status prescribed by
this subsection shall apply only to any such
positions on and after the effective date of
this act