

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 March 5, 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
Robert Waller, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor of Statutes
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Major General Gregory Gardner, Kansas Adjutant General

Others attending: See attached list

Bill Introduction

Senator Adkins moved, with a second by Senator Jordan, to introduce a bill concerning the University of Kansas Hospital Authority (1rs2287). Motion carried on a voice vote.

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

SB 638--Employment after retirement for certain school retirants

Subcommittee reports on:

Adjutant General (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 recommendations for FY 2003 with adjustments as listed in the subcommittee budget report.

Chairman Morris and Senator Feleciano commended the Adjutant General for the fantastic job in response to the recent ice storm in Kansas and thanked those men and women who participated in the response effort.

Senator Schodorf moved, with a second by Senator Downey, to adopt the subcommittee budget report on the Adjutant General for the FY 2002 and FY 2003 budget. Motion carried on a voice vote.

Kansas Highway Patrol (Attachment 2)

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 recommendations for FY 2003 with adjustments as listed in the subcommittee budget report.

CONTINUATION SHEET

Senator Downey moved, with a second by Senator Feleciano, to adopt the subcommittee budget report on the Kansas Highway Patrol for the FY 2002 and FY 2003 budget. Motion carried on a voice vote.

State Fire Marshal (Attachment 3)

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 recommendations for FY 2003 with adjustments as listed in the subcommittee budget report.

Senator Schodorf moved, with a second by Senator Jackson, to amend the subcommittee report to delete the transfer of \$750,000.00 from the Fire Marshal Fee Fund to the Hazardous Materials Emergency Fund for FY 2003 and direct Staff to create a flow chart relating to receipts, expenditures, the remaining balance and effect the passage of **SB 508** would have on the Fire Marshal Fee Fund. Motion carried by a voice vote.

Senator Jackson moved, with a second by Senator Downey, to adopt the subcommittee budget report on the State Fire Marshal for the FY 2002 and FY 2003 budget as amended. Motion carried on a voice vote.

Chairman Morris opened the public hearing on:

SB 627--Kansas national guard; reimbursement for costs of health insurance

Staff briefed the Committee on the bill.

Major General Greg Gardner, Kansas Adjutant General, testified in support of **SB 627 (Attachment 4)**. General Gardner explained that the bill amends KSA 48-225, the statute concerning pay and benefits for Kansas National Guard personnel called to active duty in times of need. He described a serious gap discovered in their State active duty statute in that state active duty tours over 30 days make Kansas Guard men and women vulnerable to losing medical coverage for themselves and their families (purchased through their civilian employment). General Gardner mentioned that conversely, if a guardsman serves on federal active duty, both the member and their family receive medical coverage, both during and after their tour and medical insurance coverage through their civilian employer is automatically restored. In his testimony, General Gardner recommended a state tax credit for employers for their portion of civilian family health care premiums for guardsmen on state active duty in excess of 30 days. General Gardner submitted a proposed balloon for these changes (Attachment 5). Committee questions and discussion followed.

Senator Barone moved, with a second by Senator Downey, a conceptual amendment to **SB 627** to put in a tax credit or if it is a non-taxpaying entity then direct reimbursement would be possible. Motion carried by a voice vote.

Senator Adkins expressed concern regarding covering insurance in effect at the time Guard personnel are called to state active duty. He mentioned that the bill, as written, now would allow someone to acquire insurance subsequent to being called for state active duty that would have to be paid for with pre-existing conditions or other factors that might not qualify for insurance coverage prior to state active service. Senator Adkins mentioned considering the possibility of limiting the state exposure to the equivalent of the state health insurance plan.

Senator Feleciano moved, with a second by Senator Schodorf, to amend **SB 627** to publish effective with the Kansas Register. Motion carried on a voice vote.

Chairman Morris suggested that when the Revisor completes work on the amendments to bring a balloon back for Committee consideration.

The meeting was adjourned at 11:50 a.m. The next meeting is scheduled for March 6, 2002.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE March 5, 2002

NAME	REPRESENTING
Julie Thomas	Dir. of Budget
Keith Bradshaw	Dir. of Budget
Mike Whit	KSTA - Kearney Law
Mylen Greg Gardner	Adjutant General
Janice Harper	Adjutant General
Don BROWNLEE	KANSAS HIGHWAY PATROL
WALT DARLING	KANSAS HIGHWAY PATROL
Dale Hang	State Fire marshal
Ed Rod mpr	Ka state Council of Justice
Bill Sneed	UKHA
Kevin BAZONE	Hemfuer

SUBCOMMITTEE REPORT

Agency: Adjutant General

Bill No. -

Bill Sec. -

Analyst: Waller

Analysis Pg. No. Vol. 2 - pg. 917

Budget Page No. 1

<u>Expenditure Summary</u>	<u>Agency Request FY 2002</u>	<u>Gov. Rec. FY 2002</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 21,696,666	\$ 21,696,666	\$ 0
Aid to Local Units	13,113,060	13,113,060	0
Other Assistance	34,847	34,847	0
Subtotal - Operating	\$ 34,844,573	\$ 34,844,573	\$ 0
Capital Improvements	100,000	100,000	0
TOTAL	\$ 34,944,573	\$ 34,944,573	\$ 0
State General Fund:			
State Operations	\$ 4,702,616	\$ 4,702,616	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 4,702,616	\$ 4,702,616	0
Capital Improvements	100,000	100,000	0
TOTAL	\$ 4,802,616	\$ 4,802,616	0
FTE Positions	215.0	215.0	0.0
Unclassified Temp. Positions	90.0	90.0	0.0
TOTAL	305.0	305.0	0.0

Agency Request/Governor's Recommendation

The revised FY 2002 agency estimate totals \$34,844,573, which is \$10,692,620 or 44.3 percent above the FY 2002 approved amount. The FY 2002 estimate includes \$4,702,616 from the State General Fund, which is the same amount as approved. All other funds increase by \$10,692,620 over the approved amount. The increase can be attributed to additional funding needed to finance costs associated with the disasters that occurred in Parsons in 2000, and Barton County in 2001. Additionally, on May 31, 2001, the State Finance Council authorized the 2nd issuance of \$2,000,000 in bonds to continue the authorized renovation and repair of the agency's 58 statewide armories.

On December 13, 2001, the State Finance Council authorized expenditures in the amount of \$545,096 from the State Emergency Fund to finance costs associated with tornado related damage that occurred in Barton County. In providing a portion of the State matching funds necessary to access federal disaster related grants, the Adjutant General's Department is utilizing

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Attachment 1*

funds allocated for prior disaster related costs to meet the State match required for the Individual Family Grant Program. Doing so, lowered the amount the Department needed from the State Emergency Fund from \$562,193 to \$545,096. The table below details the different grant programs and the matching amounts necessary from federal, state, and local governments.

<u>Program</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Individual Family Grants (IFG)	\$ 281,250	\$ 93,750	--	\$ 375,000
Donation Management	--	12,000	--	12,000
FEMA Disaster Housing	121,960	--	--	121,960
Public Assistance (PA)	2,719,817	408,309	537,463	3,665,589
DR-1366 Mitigation	361,008	48,134	72,202	481,344
SUBTOTAL	<u>\$ 3,484,035</u>	<u>\$ 562,193</u>	<u>\$ 609,665</u>	<u>\$ 4,655,893</u>
Less previously Appropriated Funds		(17,097)		
TOTAL		<u><u>\$ 545,096</u></u>		

The Governor concurs with the agency's FY 2002 revised estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.



 Senator Stephen Morris, Chair



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Adjutant General

Bill No. -

Bill Sec. -

Analyst: Waller

Analysis Pg. No. Vol. 2 - pg. 917

Budget Page No. 1

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2003</u>	<u>Gov. Rec. FY 2003</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 23,822,622	\$ 21,409,644	\$ 0
Aid to Local Units	6,745,272	6,745,272	0
Other Assistance	4,519	4,519	0
Subtotal - Operating	<u>\$ 30,572,413</u>	<u>\$ 28,159,435</u>	<u>\$ 0</u>
Capital Improvements	105,000	105,000	0
TOTAL	<u><u>\$ 30,677,413</u></u>	<u><u>\$ 28,264,435</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 6,903,240	\$ 4,542,291	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 6,903,240</u>	<u>\$ 4,542,291</u>	<u>\$ 0</u>
Capital Improvements	105,000	105,000	0
TOTAL	<u><u>\$ 7,008,240</u></u>	<u><u>\$ 4,647,291</u></u>	<u><u>\$ 0</u></u>
FTE Positions	255.0	215.0	0.0
Unclassified Temp. Positions	90.0	90.0	0.0
TOTAL	<u><u>345.0</u></u>	<u><u>305.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency's FY 2003 operating budget request totals \$30,572,413, which is \$4,272,160 or 12.3 percent below the revised FY 2002 estimate. Requested State General Fund expenditures total \$6,903,240. This is an increase of \$2,200,624 or 46.8 percent above the estimated FY 2002 amount due mostly to the agency's requested enhancement package. Requested all other fund expenditures decrease by \$6,472,784 or 21.5 percent from the FY 2002 estimate due to federal disaster-related funding being expended during the current year. Aid to local units expenditures decrease from \$13,113,060 to \$6,745,272 (48.6 percent). The agency's operating enhancement package totals \$2,271,841 (including \$2,200,567 from the State General Fund).

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

- \$13,070,237 for salaries and wages

- 255.0 FTE positions requested
- \$9,280,941 for contractual services
- \$1,302,320 for commodities
- \$77,000 for capital outlay
- \$6,745,272 for aid to local units
- \$4,519 for other assistance
- \$92,124 in debt service payments

Absent requested FY 2003 enhancements, the agency's FY 2003 operating budget totals \$28,300,572 which is \$6,544,001 or 18.8 percent below the revised FY 2002 estimate, and the number of requested FTE positions would remain the same.

The Governor recommends operating expenditures which total \$28,159,435, which is \$6,685,138 or 19.2 percent below the revised FY 2002 recommendation. State General Fund expenditures decrease by \$160,325 or 3.4 percent due mostly to the Governor's recommended 4.0 percent reduction in State General Fund financing for agency operations. The decrease was partially offset by annualization of pay plan adjustments. All other funds decrease by \$6,524,813 or 21.6 percent due to federal disaster related funding being expended during FY 2002.

The Governor's operating budget recommendation includes:

- \$11,841,499 for salaries and wages
 - 215.0 FTE positions recommended
- \$8,270,701 for contractual services
- \$1,152,320 for commodities
- \$53,000 for capital outlay
- \$6,745,272 for aid to local units
- \$4,519 for other assistance
- \$92,124 in debt service payments

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee endorses the passage of SB 627 which would attempt to ensure family health insurance coverage for those members of the Kansas National Guard (who are called into active duty) and their families. Currently, members lose their civilian employer provided health insurance 30 days after leaving the job for state active duty. SB 627 would address this gap by reimbursing (or providing an "allowance") to the member. Additionally, the bill would provide tax credits to the civilian employer and the member during those periods of state active duty which exceed 30 days.
2. The Senate Subcommittee flags for Omnibus consideration the restoration of \$110,430 (from the State General Fund) which was eliminated within the Governor's FY 2003 recommendation. The agency stated that continued

reductions within the physical plant has reduced the Department's ability to maintain repair and rehabilitation of its facilities across the state.

3. The Senate Subcommittee draws attention to the recent Ice Storm that caused major damage throughout the state. The Adjutant General stated that preliminary estimates place the Ice Storm disaster as the most expensive disaster in the history of Kansas, with costs at more than \$50,000,000 as of February 20, 2002. A Presidential disaster was declared on February 26, 2002, which makes the state eligible for federal disaster relief funding. However, in accessing that funding, the state must provide 10 percent of state matching dollars along with 15 percent for local entities to access the 75 percent provided by the federal government. Therefore, by current estimates, the state would have to provide at least \$5,000,000 from the State Emergency Fund to provide state matching dollars to finance disaster related costs.

Staff Note: KSAs 75-3712 through 75-3713d authorize the State Finance Council to make allocations to state agencies from the State Emergency Fund for specific purposes outlined in the statutes. During the 2000 Legislative Session, Senate Bill 100 was passed which authorizes the transfer of funds from the State General Fund to the State Emergency Fund when the balance in the latter is insufficient for expenditures approved by the State Finance Council for state financial response to natural disasters or emergencies. Such transfers are limited to \$10 million per year. As of February 26, 2002, the unencumbered cash balance in the State Emergency Fund totals \$50,000.

4. The Subcommittee draws attention to Homeland Security measures proposed by the Adjutant General's department. The Subcommittee flags the following items for Omnibus consideration in the event that additional funding becomes available to finance the proposals.
 - SB 629. Add \$110,000 (\$55,000 from the State General Fund) and 1.5 FTE positions based on recommendations by the Commission on Emergency Planning and Response and the Governor's Terrorism Threat and Vulnerability Assessment. The agency proposes to make use of the Incident Management System (IMS) mandatory by all government agencies in Kansas. IMS provides a common organizational structure and system for managing crises that integrates the response of all level of government.

Add \$350,000 (\$175,000 from the State General Fund) and 6.0 FTE positions based on recommendations by the Commission on Emergency Planning and Response and the Governor's Terrorism Threat and Vulnerability Assessment to create a regional planning system for emergency management in Kansas. Six regional emergency coordinators would help counties develop county plans, provide training for

emergency responders, and develop and run emergency response exercises.

- SB 541. Add \$240,000 for the first year (with \$90,000 in recurring costs) to provide a Terrorism preparedness program and Regional Emergency Medical Response Teams. The Kansas Division of Emergency Management (DEM) would teach terrorism preparedness classes, and DEM would work with the Board of Emergency Medical Services (EMS) and the Department of Health and Environment (KDHE) to create, equip, and train six Regional Emergency Medical Response Teams to decontaminate and stabilize patients after chemical, biological, radiological or high explosive incidents.
5. The Senate Subcommittee flags for Omnibus consideration restoring the Kansas National Guard Educational assistance program to the FY 2002 amount. During the 2001 session, \$250,000 from the Economic Development Initiative Fund (EDIF) was appropriated which provided \$497,218 to provide tuition assistance to eligible Kansas National Guard members. The Governor's FY 2003 recommendation funds the program at \$229,620 from the State General Fund.
 6. The Senate Subcommittee endorses the issuance of a Governor's Budget Amendment (GBA) to provide funding for debt service principal and interest payments on the 2nd issuance of bonds to finance the renovation and repair of the 58 statewide armories. Within the Governor's FY 2003 Budget Report, \$197,124 was appropriated to finance debt service principal and interest payments on the 1st issuance. However, financing for the 2nd issuance was inadvertently omitted.
 7. The Senate Subcommittee endorses the passage of SB 511 which would provide 1.0 FTE Deputy Adjutant General position (with **no** funding). The agency stated that a similar position was eliminated by a former department head, but due to additional responsibilities, the agency requests the "reinstatement" of the position.



Senator Stephen Morris, Chair



Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Kansas Highway Patrol

Bill No. -

Bill Sec. -

Analyst: Waller

Analysis Pg. No. Vol 2 - pg. 939 **Budget Page No.** 209

<u>Expenditure Summary</u>	<u>Agency Request FY 2002</u>	<u>Gov. Rec. FY 2002</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 52,591,411	\$ 52,590,985	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 52,591,411	\$ 52,590,985	\$ 0
Capital Improvements	<u>608,701</u>	<u>608,701</u>	<u>0</u>
TOTAL	<u><u>\$ 53,200,112</u></u>	<u><u>\$ 53,199,686</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 26,049,475	\$ 26,049,049	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 26,049,475	\$ 26,049,049	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 26,049,475</u></u>	<u><u>\$ 26,049,049</u></u>	<u><u>\$ 0</u></u>
FTE Positions	823.8	823.8	0.0
Unclassified Temp. Positions	<u>61.3</u>	<u>61.3</u>	<u>0.0</u>
TOTAL	<u><u>885.1</u></u>	<u><u>885.1</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The agency's revised current year estimate for operating expenditures totals \$52,591,411, which is \$1,151,536 or 2.2 percent above the approved FY 2002 amount. The State General Fund estimate increases by \$426 due to the use of reappropriated funds (with limited expenditure authority) being utilized by the agency in the current year. All other funds are estimated to increase by \$1,151,110. The change is due to the use additional special revenue funds to finance expenses in various subprograms of the agency. The number of FTE positions within the agency's estimated FY 2002 budget remain the same as those approved by the 2001 Legislature.

Staff Note: Within the *FY 2003 Governor's Budget Report*, Capitol Area Security Guard (CASP) expenses (under contracts with the Department of Administration and State Historical Society) were inadvertently included within the operational budget of the agency in FY 2002. Historically, CASP expenditures have been designated as nonexpense items. Therefore, the figures

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in the above table have been recalculated by the Kansas Legislative Research Department and CASP expenditures have been taken off budget.

The Governor recommends an estimated FY 2002 amount of \$52,590,985. State General Fund expenditures remain the same as those approved by the 2001 Legislature, while all other funds increase by \$1,151,110 or 4.5 percent due to the use of additional special revenue funds to finance operating expenses incurred by the agency. Additionally, the Governor recommends reappropriating \$426 (from the State General Fund) to FY 2003, rather than concurring with the agency's request to expend those funds in FY 2002.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.



Senator Stephen Morris, Chair



Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Kansas Highway Patrol

Bill No. -

Bill Sec. -

Analyst: Waller

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Budget Page No. 209

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2003</u>	<u>Gov. Rec. FY 2003</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 55,347,358	\$ 52,827,566	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 55,347,358	\$ 52,827,566	\$ 0
Capital Improvements	<u>746,121</u>	<u>746,121</u>	<u>0</u>
TOTAL	<u><u>\$ 56,093,479</u></u>	<u><u>\$ 53,573,687</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 28,497,205	\$ 26,028,159	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 28,497,205	\$ 26,028,159	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 28,497,205</u></u>	<u><u>\$ 26,028,159</u></u>	<u><u>\$ 0</u></u>
FTE Positions	823.8	823.8	0.0
Unclassified Temp. Positions	<u>61.3</u>	<u>61.3</u>	<u>0.0</u>
TOTAL	<u><u>885.1</u></u>	<u><u>885.1</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The **agency's operating budget request** totals \$55,347,358, which is \$2,755,947 or 5.2 percent greater than the FY 2002 revised estimate. Requested State General Fund expenditures total \$28,497,205 or 9.4 percent above the FY 2002 amount due mostly to the agency's enhancement package, and the annualization of pay plan adjustments. Requested expenditures from special revenue funds increase by \$308,217 or 1.2 percent from the FY 2002 amount of \$26,541,936. The change is due to the increased use of special revenue funds to finance the current level of services. Also, the agency requests additional funds be transferred from the State Highway Fund (\$260,000) to finance operating expenditures. The agency's operating enhancement package totals \$2,472,763 (\$2,242,934 from the State General Fund).

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

- \$40,480,568 for salaries and wages
 - 823.8 FTE positions requested
- \$4,617,533 for contractual services

- \$3,248,397 for commodities
- \$6,811,895 for capital outlay
- \$188,965 for debt service interest payments

Absent requested FY 2002 enhancements, the agency's FY 2003 operating budget totals \$52,874,595 which is \$283,184 or 0.5 percent above the revised FY 2002 estimate.

The Governor recommends operating expenditures which total \$52,827,566, which is \$236,581 or 0.4 percent above the FY 2002 revised recommendation. State General fund expenditures decrease by \$20,890 or 0.1 percent due to increased shrinkage savings, which is offset by the annualization of pay plan adjustments and additional health insurance premium expenses. All other funds increase by \$257,471 or 1.0 percent. This increase is due to additional special revenue financing of agency operations.

The Governor's operating budget request recommendation includes:

- \$37,960,776 for salaries and wages
 - 823.8 FTE positions recommended
- \$4,617,533 for contractual services
- \$3,248,397 for commodities
- \$6,811,895 for capital outlay
- \$188,965 for debt service interest payments

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee commends the agency on receiving the first place award from the International Association of Chiefs of Police for its highway safety program. Additionally, the Committee commends the agency for being recognized by the Federal Motor Carrier Safety Administration (FMCSA) for its role in assessing the safety and security of hazardous material carriers in Kansas. In conjunction within FMCSA, Kansas was the first state in the nation to complete those statewide reviews.
2. The Senate Committee notes its concern relating to the Governor's recommended increase in shrinkage savings in FY 2003. During testimony, the agency stated that if the current recommendation is adopted the Highway Patrol would not have adequate funding to finance the salaries and wages of 36 troopers positions (which is equal to the amount of trainees currently in a class at the Training Center in Salina). The agency informed the Committee that any reduction in State General Fund financing impacts the number of troopers directly due to a majority of trooper salaries being funded by the State General Fund. The agency stated that Kansas ranks 4th in the nation in the number of road miles, yet ranks 38th in the size of its state police/highway patrol law enforcement department. The Senate Committee includes the following chart detailing salaries and wages and recommended shrinkage amounts.

Governor's Recommended Shrinkage Savings

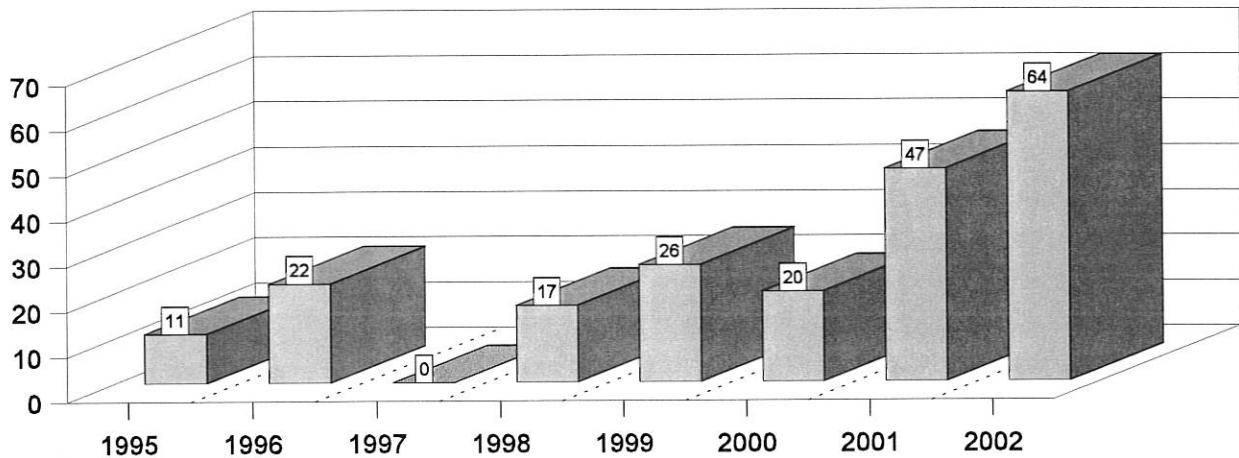
	<u>Salaries</u>	<u>FY 2002 Shrinkage</u>	<u>Percent</u>	<u>Salaries</u>	<u>FY 2003 Shrinkage</u>	<u>Percent</u>
CASP	\$ 589,849	\$ 92,057	13.5%	\$ 611,689	\$ 93,469	13.3%
Operations	25,640,277	2,316,656	8.3	25,320,863	3,322,542	11.6
MCSAP	2,327,298	0	0.0	2,373,858	0	0.0
Data Pro.	807,077	20,694	2.5	826,365	20,943	2.5
MCI	5,800,605	559,707	8.8	6,174,176	372,748	5.7
TOTAL	<u>\$ 35,165,106</u>	<u>2,989,114</u>	<u>7.8%</u>	<u>35,306,951</u>	<u>3,809,702</u>	<u>9.7%</u>
Off Budget	1,762,591	0	0.0%	1,802,740	0	0.0%
COMP. TOTAL	<u>\$ 36,927,697</u>	<u>\$ 2,989,114</u>	<u>7.5%</u>	<u>\$ 37,109,691</u>	<u>\$ 3,809,702</u>	<u>9.3%</u>

Staff Note: Within the *FY 2003 Governor's Budget Report*, Capitol Area Security Guard (CASP) expenses (under contracts with the Department of Administration and State Historical Society) were inadvertently included within the operational budget of the agency in FY 2001, FY 2002, and FY 2003. Historically, CASP expenditures have been designated as nonexpense items. Therefore, the figures in the above table have been recalculated by the Kansas Legislative Research Department and CASP expenditures have been taken off budget.

3. The Senate Subcommittee was informed that due to cuts incurred in previous fiscal years, the Highway Patrol has become more reliant on its special revenue funds to finance many of its operational duties. However, within FY 2003 budget recommendation and beyond, the agency estimates that it will not have sufficient special revenue fund financing available to meet additional reductions in State General Fund financing.
4. The Senate Subcommittee notes its concern regarding funding for operational costs incurred by the Kansas Highway Patrol during Kansas Speedway events. The Committee was informed that the agency expended \$120,000 from its budget to finance those costs, without reimbursement from the Speedway. The Committee flags this item for Omnibus consideration to obtain further information from the agency and the Speedway.
5. The Senate Subcommittee would like to draw attention to the activities and additional responsibilities undertaken by the agency post September 11, 2001. The agency informed the Committee of increased security posts and patrols throughout the capitol complex through the use of Capitol Police officers (CASP). The agency stated that the increased workload "annualized" would equate to financing 13.0 FTE positions. The agency stated that if the current trends continue and additional CASP personnel are needed, the agency would reassign troopers to perform those duties. Additionally, the agency provided information on other Homeland Security measures undertaken by the agency. Those include:
 - increased motor carrier enforcement in conducting safety/security audits on hazardous materials carriers;
 - additional Task Force representation requests;
 - increase in requests for KHP explosive detection dogs;

- additional responsibilities undertaken by the agency's Emergency Management section.
6. The Subcommittee would like to draw attention to the agency's efforts in recruiting troopers. The Subcommittee commends the agency on its ability to increase its recruiting classes, which now stand at two a year (January and July). The Committee provides the following chart detailing those increases.

Trooper Academy Graduates by Fiscal Year




*Chart provided by the Kansas Highway Patrol

7. The Senate Subcommittee draws attention to services provided by the agency to local department. The agency informed the Committee of various services it provides, including:
- aircraft support for various law enforcement related activities;
 - accident support;
 - Special Operation response; and
 - computer aided mapping and crime scene analysis.

The Committee notes the above information to draw attention to the agency's increasing importance to local law enforcement departments.

8. The Senate Subcommittee draws attention to PrePass. The agency informed the Committee of the implementation of the nationally utilized system. Along I-35 and I-70, devices have been installed that look like video cameras mounted on long arms over the roadway. The device is not a camera, nor does it gauge drivers' speeds. Through the use of radio frequency technology (similar to the Kansas Turnpike's K-TAG electronic toll collection system) motor carriers are permitted to bypass inspection stations by having their safety ratings and credentials read electronically.



Senator Stephen Morris, Chair



Senator Christine Downey

Senate Subcommittee Report

Agency: State Fire Marshal

Bill No. --

Bill Sec. --

Analyst: Waller

Analysis Pg. No. Vol. 2 - 987 Budget Page No. 169

<u>Expenditure Summary</u>	<u>Agency Request FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Subcommittee Report Adjustments</u>
All Funds:			
State Operations	\$ 3,359,433	\$ 3,230,121	\$ 0
Aid to Local Units	0	0	0
Other Assistance	275,000	275,000	0
Subtotal - Operating	\$ 3,634,433	\$ 3,505,121	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 3,634,433	\$ 3,505,121	\$ 0
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0
FTE Positions	48.0	46.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	49.0	47.0	0.0

Agency Request/Governor's Recommendation

The agency's estimated FY 2002 operating budget totals \$3,634,433, which is \$129,312 or 3.7 percent above the Legislature's approved funding. The change can be attributed to the agency's supplemental package, which includes an additional 2.0 FTE positions above the approved amount. Additionally, the agency has budgeted the expenditure of \$250,000 from the newly created Hazardous Materials Emergency Fund. However, the State Fire Marshal's Office has not determined how those funds will be spent.

FY 2002 Supplemental Requests. The current year estimated financing reflects supplemental appropriation requests totaling \$129,312.

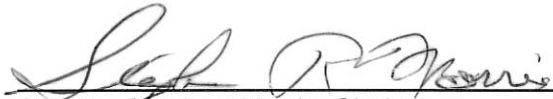
The agency requests \$129,312 be transferred from the Fire Marshal Fee Fund to the Hazardous Materials Program Fund to finance 2.0 FTE positions (1.0 training/responder position and 1.0 support position). The supplemental positions would provide training classes, operational and technical level support, notify responders, and issue certificates relating to hazardous materials response.

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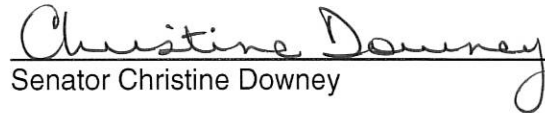
The Governor recommends an FY 2002 budget total of \$3,505,121. This is the same as the amount approved by the 2001 Legislature. Salaries and wages total \$2,251,344, and other operating expenses total \$978,777 respectively. Additionally, the Governor accounts for \$250,000 (from the newly created Hazardous Materials Emergency Fund). However, the Governor makes no specific recommendation as to how those funds will be spent in the current year. **The Governor** does not recommend the agency's request for supplemental funding of \$129,312.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.



Senator Stephen Morris, Chair



Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: State Fire Marshal

Bill No. -

Bill Sec. -

Analyst: Waller

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Budget Page No. 169

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2003</u>	<u>Gov. Rec. FY 2003</u>	<u>Senate Sub- committee Adjustments</u>
All Funds:			
State Operations	\$ 3,471,764	\$ 3,252,137	\$ 0
Aid to Local Units	0	0	0
Other Assistance	275,000	275,000	0
Subtotal - Operating	\$ 3,746,764	\$ 3,527,137	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 3,746,764</u>	<u>\$ 3,527,137</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FTE Positions	51.0	46.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	<u>52.0</u>	<u>47.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency requests funding for FY 2003 operating expenditures of \$3,746,764 which is \$112,331 or 3.1 percent above the FY 2002 revised estimate. Funding for agency requests in FY 2003 is from the Fire Marshal Fee Fund (\$2,902,126), the Hazardous Material Program Fund (\$569,638), funding to reimburse local entities for hazardous material emergency response activities (\$250,000), and moneys distributed to local units to finance the purchase of carbon monoxide equipment (\$25,000 from the Fire Marshal Fee Fund). The increase between FY 2002 and FY 2003 can be mainly attributed to the agency's enhancement package. The agency's FY 2003 enhancement package totals \$253,598. The total is comprised of \$100,139 (Fire Marshal Fee Fund), and \$153,459 from the Hazardous Materials Program Fund (a transfer from the Fire Marshal Fee Fund) with 5.0 FTE positions.

During the 2001 Legislative session, 2.0 other unclassified positions assigned to the Juvenile Firesetter Intervention Program were reclassified as FTE (full time equivalent) positions. Although the positions were financed by federal funds during the previous fiscal year, the agency was unable to acquire additional federal dollars in FY 2003. Therefore, the positions are being funded by the Fire Marshal Fee fund in the budget year.

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

- \$2,479,669 for salaries and wages
 - 51.0 FTE positions
- \$702,091 for contractual services
- \$150,004 for commodities
- \$140,000 for capital outlay
- \$275,000 in other assistance

Absent requested FY 2003 enhancements, the agency's request totals \$3,493,166. This represents a decrease of \$11,956 or 0.3 percent below the FY 2002 approved amount, and the number of FTE positions would remain unchanged.

The Governor recommends an operating budget of \$3,527,137, which is \$22,016 or 0.6 percent above the FY 2002 revised recommendation. The Governor funds expenditures for FY 2003 from the Fire Marshal Fee Fund (\$2,835,355), the Hazardous Material Fund (\$416,782), funding to reimburse local entities for hazardous material emergency response activities (\$250,000), and moneys distributed to local units to finance the purchase of carbon monoxide equipment (\$25,000 from the Fire Marshal Fee Fund). Salaries and wages increase by \$64,794 or 2.9 percent with the annualization of pay plan adjustments and additional employee health insurance expenses. Other operating expenses decrease by \$42,778 or 4.4 percent due to reductions in commodities and capital outlay expenditures.

The Governor's operating budget recommendation includes:

- \$2,316,138 for salaries and wages
 - 46.0 FTE positions
- \$657,495 for contractual services
- \$138,504 for commodities
- \$140,000 for capital outlay
- \$275,000 in other assistance

Senate Subcommittee Recommendation

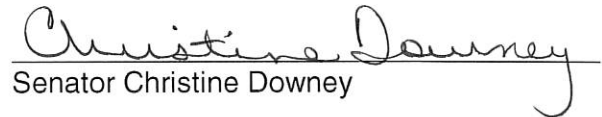
The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. The Senate Subcommittee flags for Omnibus consideration the addition of the following:

- Add \$38,966 (from the State Fire Marshall Fee Fund) and 1.0 FTE to assist in preventing harm or accidental death due to the mishandling of propane or fireworks.
- Transfer \$153,459 from the Fire Marshall Fee Fund to the Hazardous Materials Program Fund to finance 3.0 positions (2.0 training/responder positions and 1.0 support position) to provide training classes, operating and technical level support, notify responders, and issue certificates relating to hazardous materials response.



Senator Stephen Morris, Chair



Senator Christine Downey

**Major General Greg Gardner
Adjutant General's Testimony
Senate Bill 627, Pay & Allowances (State Active Duty)
Senate Ways & Means Committee
March 5, 2002**

Mr. Chairman, thank you for the opportunity to testify today in support of Senate Bill 627. This bill amends KSA 48-225, the statute used to call Kansas National Guard personnel to state active duty in times of need in Kansas.

Traditionally, state active duty used in response to natural disasters like blizzards, floods, and tornadoes requires 15 days or less per member. Since 9-11, Kansas Guardsmen have been on continuous duty protecting facilities in the state and at our commercial airports (i.e., October to present). While we might have had to perform these missions in State Active Duty status, we were fortunate both missions are being performed under Title 32 "other duty." This was the first such interpretation of Title 32 by the Department of Defense (DOD) which allowed federal funds to pay for Guardsmen to perform duty (other than for training) in the state under control of the Governor. It is questionable whether DOD will continue this precedent. They have not chosen to do so in follow-on Homeland Security missions (e.g., border patrol). Bottom line, we need to be prepared in Kansas to respond to disaster for more than 30 days if required. Last year the Legislature amended disaster statutes extending the Governor's Disaster Declaration Authority in 30-day increments past the existing 45 day authority for the purpose of responding to a foreign animal disease. Bio-terrorism disasters, like smallpox, might also require state active duty in excess of 30 days.

Post 9-11 we discovered a serious gap in our state active duty statute. State active duty tours over 30 days make Kansas Guard men and women vulnerable to losing medical coverage for themselves and their families (purchased through their civilian employment). This places the Kansas Guard members we call to guard our state and communities in a "Catch 22" position. The "catch" is, we ask them to protect us, while placing their families and themselves at risk over the loss of medical coverage or make them unable to secure new civilian medical coverage at the end of the state active duty tour due to a pre-existing condition. (To clarify, the member is covered by the state for sickness or injury received in the line of duty only). Conversely, if a guardsman serves on federal active duty, both the member and their family receive medical coverage, both during and after their tour and medical coverage through their civilian employer is automatically restored. Since 9-11 several states have enacted the legislation we now present for your approval.

Fiscally, the impact of the proposal is approximately \$26 per day per soldier or airman on state active duty in excess of 30 days to reimburse them for their civilian medical coverage. However, we have no way of forecasting what the cumulative costs might be. We can say it would take an extremely serious disaster or emergency before we would anticipate expending funds under this provision. The intent of the proposal is to take a proactive approach on behalf of our guardsmen and women to ensure the gap is closed if or when the need arises. It would be irresponsible of me to do anything less for our agency's responsiveness to disaster.

Finally, we recommend a state tax credit for employers for their portion of civilian family health care premiums for guardsmen on state active duty in excess of 30 days. Your approval of the two proposals included in SB 627 will give our guardsmen and women confidence that we stand ready to protect them as we count on them to protect us. Are there any questions?

SENATE BILL No. 627

By Committee on Federal and State Affairs

2-19

9 AN ACT concerning the Kansas national guard; relating to pay and al-
10 lowances; amending K.S.A. 2001 Supp. 48-225 and repealing the ex-
11 isting section.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2001 Supp. 48-225 is hereby amended to read as
15 follows: 48-225. (a) When an officer or enlisted person of the Kansas
16 national guard is ordered by the governor to perform active state service,
17 such person shall receive from the state, pay and allowances as may be
18 authorized by the adjutant general at the rate now or hereafter paid or
19 allowed by law to officers and enlisted persons of the same rank and
20 length of service in the armed forces of the United States. The minimum
21 amount of such pay and allowances shall not be less than the amount
22 received by an individual in the pay grade of E-6 with six years of military
23 service credited for pay purposes *during any period or consecutive per-*
24 *iods of state active duty in excess of 30 days, an officer or enlisted member*
25 *of Kansas national guard shall be entitled to reimbursement of the cost of*
26 *their privately-purchased or employer-provided health insurance for such*
27 *officer or member and such officer's or member's family. The reimburse-*
28 *ment shall be treated as an allowance and paid by the state and shall be*
29 *considered as a cost of state active duty. If any part of the compensation*
30 *of such persons for the above service is paid by the United States, then*
31 *there shall be paid from state funds, only that part thereof not paid by*
32 *the United States.*

33 (b) The governor shall have authority to detail any member of the
34 governor's staff or any other officer or enlisted person of the Kansas
35 national guard upon any tour of military duty or to attend any military or
36 civil ceremony, within or without the state, as the governor may deem for
37 the best interest of the service.

38 ~~New Sec. 2. (a) For taxable years commencing after December 31,~~
39 ~~2001, any officer or enlisted member of the Kansas national guard shall~~
40 ~~be allowed a credit against the income tax imposed by the Kansas income~~
41 ~~tax in an amount equal to amounts paid by such officer or member for~~
2 ~~health insurance for such officer or member and such officer's or mem-~~
3 ~~ber's family during any period or consecutive periods of state active duty~~

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~~excess of 30 days.~~

~~(b) The credit allowed by this section shall not exceed the amount of tax imposed under the Kansas income tax act reduced by the sum of any other credits allowable pursuant to law.~~

New Sec. 3. (a) For taxable years commencing after December 31, 2001, the employer of any officer or enlisted member of the Kansas national guard shall be allowed a credit against the income tax imposed by the Kansas income tax in an amount equal to amounts paid by such employer for health insurance for such officer or member and such officer's or member's family during any period or consecutive periods of state active duty in excess of 30 days if such employer is not otherwise required to pay for such insurance.

(b) The credit allowed by this section shall not exceed the amount of tax imposed under the Kansas income tax act reduced by the sum of any other credits allowable pursuant to law.

Sec. 4. K.S.A. 2001 Supp. 48-225 is hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

Renumber sections, accordingly