

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chair Melvin Neufeld at 9:00 a.m. on March 12, 2003, in Room 514-S of the Capitol.

All members were present except:

Representative Bob Bethell, Excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Amy Deckard, Legislative Research Department
Becky Krahl, Legislative Research Department
Melissa Calderwood, Legislative Research Department
Julian Efird, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Sue Fowler, Committee Secretary

Conferees appearing before the committee:

Others attending: See Attached

Representative Campbell moved for proposed legislation regarding exemptions of certain child care providers from KDHE regulations. Motion was seconded by Representative Landwehr. Motion carried.

Representative McCreary, Chair of the Tax, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Public Employees Retirement System for FY 2003 and moved for the adoption of the Budget Committee recommendations with observation for FY 2003 (Attachment 1). Motion was seconded by Representative Klein. Motion carried.

Representative McCreary, Chair of the Tax, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Public Employees Retirement System for FY 2004 and moved for the adoption of the Budget Committee recommendations with observation for FY 2004 (Attachment 1). Motion was seconded by Representative Klein. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Governmental Ethics Commission for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 2). Motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Governmental Ethics Commission for FY 2004 and moved for the adoption of the Budget Committee recommendations with notation for FY 2004 (Attachment 2). Motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Governmental Ethics Commission for FY 2005 and moved for the adoption of the Budget Committee recommendations with notations for FY 2005 (Attachment 2). Motion was seconded by Representative Shriver. Motion carried.

Representative Merrick, Member of the Legislative Branch Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Division of Post Audit, Revisor of Statutes, Legislative Research Department, Legislative Coordinating Council, and Legislature for FY 2003 and moved for the adoption of the Budget Committee recommendations with comments for FY 2003 (Attachment 3). Motion was seconded by Representative Light. Motion carried.

Representative Merrick, Member of the Legislative Branch Budget Committee, presented the Budget

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on March 12, 2003, in Room 514-S of the Capitol.

Committee report on the Governor's budget recommendations for the Division of Post Audit for FY 2004 and moved for the adoption of the Budget Committee recommendations with adjustments and comments for FY 2004 (Attachment 3). Motion was seconded by Representative Light. Motion carried.

Representative Merrick, Member of the Legislative Branch Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Revisor of Statutes for FY 2004 and moved for the adoption of the Budget Committee recommendations with adjustments and comments for FY 2004 (Attachment 3). Motion was seconded by Representative Light. Motion carried.

Representative Merrick, Member of the Legislative Branch Budget Committee presented the Budget Committee report on the Governor's budget recommendations for the Legislative Research Department for FY 2004 and moved for the adoption of the Budget Committee recommendations with adjustments and comments for FY 2004 (Attachment 3). Motion was seconded by Representative Light. Motion carried.

Representative Merrick, Member of the Legislative Branch Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Legislative Coordinating Council for FY 2004 and moved for the adoption of the Budget Committee recommendations with adjustments for FY 2004 (Attachment 3). Motion was seconded by Representative Light. Motion carried.

Representative Merrick, Member of the Legislative Branch Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Legislature for FY 2004 and moved for the adoption of the Budget Committee recommendations with adjustments for FY 2004 (Attachment 3). Motion was seconded by Representative Light.

Representative Pottorff moved to amend the FY 2004 report to add proviso requesting a comparative study of Kansas' and other state leadership pay in FY 2004. Motion was seconded by Representative Campbell. Motion carried.

Legislative Research reported that \$65,000 is allowed for all extra leadership pay for 14 people. Legislative Branch saving \$206,000 for SGF in FY 2004.

Representative Feuerborn moved for an amendment to strike the last three and one-half lines in Item 7 requesting a proviso authorizing the Legislative Coordinating Council to lower legislator's per diem salary to the statutory rate of \$74.98 per day if the FY 2003 legislative session lasts for more than 95 days. Motion was seconded by Representative Ballard. Motion carried.

Representative Merrick renewed his motion to adopt the Budget Committee recommendations with adjustments for FY 2004 as amended (Attachment 3). Motion was seconded by Representative Light. Motion carried.

Discussion and Action on SB 115-Reducing membership of board of tax appeals to three members
Representative Pottorff moved for the adoption of the balloon amendment which was presented by the Revisor of Statutes (Attachment 4). Motion was seconded by Representative Schwartz.

Representative Pottorff moved to amend new Section 2 of the balloon amendment by striking the word "tax" in Line 14 and inserting "valuation of the property that is the subject of the controversy." Motion was seconded by Representative Shriver. Motion carried.

The Committee discussed the stated qualifications of Board members as well as the proposed qualifications. It was noted that there is at least 90 clock hours of training in appraisal courses as well as three additional appraisal courses required for each Board member with Rules and Regulations setting a time frame to have the courses completed satisfactorily. The Committee questioned the necessity of Board members required to be attorneys when existing language in the bill states that individuals should have legal, accounting or appraisal training and experience. However, the bill does not disallow the Governor from appointing attorneys.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on March 12, 2003, in Room 514-S of the Capitol.

Representative Feuerborn moved to strike in Section 1 on line 25 all language beginning with "After" through line 32 ending with the word "thereof." Motion was seconded by Representative Howell. Motion carried.

Representative Shriver moved for the adoption of the balloon as amended. Motion was seconded by Representative Minor. Motion carried.

Representative Klein moved to strike language in Section 1, Line 3 on Page 2 beginning with the word "members" and ending in Line 6 with the word "court." Motion was seconded by Representative Newton. Motion carried.

Representative Shriver moved to report the bill favorably as amended. Motion was seconded by Representative Howell. Motion carried. Representatives Light, Newton, and Campbell asked to be recorded as "No" votes.

The Committee continued their discussion on the Social Services Budget Committee recommendations for State Hospitals for FY 2003 (Attachment 5).

Representative Nichols presented copies of a proposed amendment to the Budget Committee report which would eliminate the names of individual institutions in proposed discussions with the Department of Social and Rehabilitation Services regarding alternative models of service (Attachment 6).


Representative Nichols moved to amend the report by striking Items 1 and 2 of the Budget Committee's recommendations for State Hospitals for FY 2004 and inserting Items 1, 2, 3, and 4 of the presented amendment (Attachment 6) and change existing Item 3 to Item 5, existing Item 4 to Item 6, existing Item 5 to Item 7, and existing Item 6 to Item 8. Motion was seconded by Representative Gatewood.

Division of the question was requested with the breakdown as follows:

- A. Items 3 and 4 as presented on Attachment 6. Adopted.
- B. Item 1 as presented on Attachment 6. Adopted.
- C. Item 2 as presented on Attachment 6. Adopted.

Representative Henry renewed his motion to adopt the Budget Committee recommendations with notations and adjustments for FY 2004 as presented (Attachment 3). Motion was seconded by Representative Landwehr. Motion carried.

The meeting was adjourned at 10:55 a.m. The next meeting is scheduled for March 13, 2003.



Melvin Neufeld, Chair

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: March 12, 2003

NAME	REPRESENTING
Kym Rollenhagen	DPS
DAVID SCHAUER	KNEA
Michelle Helsel	Budget
Sin Liu	Budget
Jack Hawn	KPER5
Glenn Peik	KPER5
Susan Mahoney	SBC
Barb Hinton	Post Audit
JEFF RUSSELL	LAS
Lynn Howard	SKS
Amy Campbell	KMNIC


TAX, JUDICIAL, TRANSPORTATION AND RETIREMENT BUDGET COMMITTEE

Kansas Public Employees Retirement System (KPERs)

FY 2003 and FY 2004



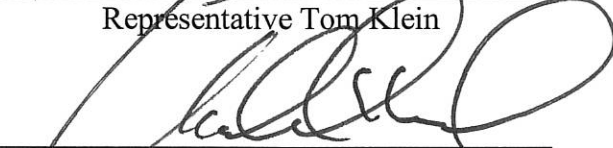
Representative Bill McCreary, Chairperson




Representative Larry Campbell



Representative Tom Klein



Representative Mike O'Neal



Representation Tom Sawyer

HOUSE APPROPRIATIONS

DATE 3-12-03
ATTACHMENT 1

Senate Subcommittee Report

Agency: Kansas Public Employees Retirement System

Bill No.

Bill Sec.

Analyst: Efird

Analysis Pg. No. 1351

Budget Page No. 287

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY03	Subcommittee Adjustments
State Operations	\$ 24,906,908	\$ 24,906,908	\$ 0
Aid to Local Units	0	0	0
Other Assistance*	661,795,826	661,795,826	0
Subtotal—Operating	\$ 686,702,734	\$ 686,702,734	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 686,702,734</u>	<u>\$ 686,702,734</u>	<u>\$ 0</u>
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	686,702,734	686,702,734	0
TOTAL	<u>\$ 686,702,734</u>	<u>\$ 686,702,734</u>	<u>\$ 0</u>
FTE Positions	85.0	85.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>85.0</u>	<u>85.0</u>	<u>0.0</u>

***Note:** Retirement benefits payments are treated as nonreportable expenditures in the Governor's Budget Report. Payments from the group life insurance and long-term disability benefits plan are off-budget and not reflected as nonreportable other assistance. KPERS lump-sum (\$4,000) death benefits are included as nonreportable other assistance.

Agency Est./Governor's Recommendation

The agency's revised request of \$24,906,908 in reportable expenditures includes reductions from the approved budget of \$852,141 for an imaging project and of \$3,901,143 for investment fees. The Governor concurs with the revised estimate of \$24,906,908 for reportable expenditures in FY 2003.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 2003 recommendation and makes the following comments:

1. In concurring with the Governor, one issue not addressed specifically in the Governor's Budget Report is the payment of a 13th check, otherwise known as an annual dividend payment. In FY 2003, there may be insufficient revenues accruing to this account and therefor the actual payment, which is based on a statutory formula, may contain less money than is needed in order to fund a full 13th check which in FY 2002 averaged \$475 for slightly more than 15,000 eligible

recipients. In the case of insufficient reserves and new revenue to the account, eligible retirees and their joint annuitants will receive a prorated check under current law. A minimum of \$1.0 million already is available in the account and will be paid out for the October 2003 payment. The Subcommittee discussed the issue and decided to let the current statutory formula determine how much will be paid in FY 2003 since the law has been governing the 13th check since 1987. This is the first time that less than a full check may be paid.

Senate Committee Recommendation

The Committee concurs and adds the following additional information received from the KPERS Executive Director regarding the 13th check issue:

1. The estimated amount of the 2003 maximum payment is approximately \$6.7 million. About \$5.7 million will need to be credited to the reserve along with the \$1.0 million carry over balance in order to make the maximum payment. With less than six months left in the fiscal year, it is difficult to predict whether sufficient revenue will be credited to the reserve. Continued poor market returns will create a problem with the 13th check and a full benefit probably will not be paid.
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House Budget Committee Report

Agency: Kansas Public Employees Retirement System

Bill No.

Bill Sec.

Analyst: Efirid

Analysis Pg. No. 1351

Budget Page No. 287

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY03	Budget Adjustments
State Operations	\$ 24,906,908	\$ 24,906,908	\$ 0
Aid to Local Units	0	0	0
Other Assistance*	661,795,826	661,795,826	0
Subtotal--Operating	\$ 686,702,734	\$ 686,702,734	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 686,702,734	\$ 686,702,734	\$ 0
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	686,702,734	686,702,734	0
TOTAL	\$ 686,702,734	\$ 686,702,734	\$ 0
FTE Positions	85.0	85.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	85.0	85.0	0.0

***Note:** Retirement benefits payments are treated as nonreportable expenditures in the Governor's Budget Report. Payments from the group life insurance and long-term disability benefits plan are off-budget and not reflected as nonreportable other assistance. KPERs lump-sum (\$4,000) death benefits are included as nonreportable other assistance.

Agency Est./Governor's Recommendation

The agency's revised request of \$24,906,908 in reportable expenditures includes reductions from the approved budget of \$852,141 for an imaging project and of \$3,901,143 for investment fees. The Governor concurs with the revised estimate of \$24,906,908 for reportable expenditures in FY 2003.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's FY 2003 recommendation, and makes the following observation:

1. The estimated amount of the 2003 maximum payment for the 13th check is approximately \$6.7 million. About \$5.7 million will need to be credited to the reserve along with the \$1.0 million carry over balance in order to make the maximum payment. With less than four months left in the fiscal year, it now appears that there will be insufficient revenue credited to the reserve, and a full

benefit probably will not be paid. HB 2325 was reviewed, and pending passage of this bill, the full amount would be paid. The Budget Committee recommends Omnibus review of this issue in case HB 2325 or similar legislation does not pass this year. In FY 2002, the 13th check averaged \$475 for slightly more than 15,000 eligible recipients. In the case of insufficient reserves and no new revenue to the account, eligible retirees and their joint annuitants will receive a prorated check under current law. This would be the first time since 1980 that the 13th check has been paid that a full payment might not be made in October 2003.

Senate Subcommittee Report

Agency: Kansas Public Employees Retirement System

Bill No.

Bill Sec.

Analyst: Efird

Analysis Pg. No. 1351

Budget Page No. 287

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	Subcommittee Adjustments
State Operations	\$ 26,487,509	\$ 26,487,509	\$ 0
Aid to Local Units	0	0	0
Other Assistance*	<u>697,672,912</u>	<u>697,672,912</u>	<u>0</u>
Subtotal—Operating	\$ 724,160,425	\$ 724,160,425	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 724,160,425</u>	<u>\$ 724,160,425</u>	<u>\$ 0</u>
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	<u>724,160,425</u>	<u>724,160,425</u>	<u>0</u>
TOTAL	<u>\$ 724,160,425</u>	<u>\$ 724,160,425</u>	<u>\$ 0</u>
FTE Positions	85.0	85.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>85.0</u>	<u>85.0</u>	<u>0.0</u>

***Note:** Retirement benefits payments are treated as nonreportable expenditures in the Governor's Budget Report. Payments from the group life insurance and long-term disability benefits plan are off-budget and not reflected as nonreportable other assistance. KPERS lump-sum (\$4,000) death benefits are included as nonreportable other assistance.

Agency Request/Governor's Recommendation

The agency requests an increase in reportable operating expenses of slightly more than \$1.58 million over the current fiscal year for total reportable expenditures of \$26,487,509. Included in the increase is \$817,680 for investment manager fees, \$742,595 for the imaging project, and \$20,326 for net adjustments to administrative expenses, primarily higher employee benefits including health insurance. The Governor concurs with the agency's FY 2004 requested budget.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 2004 recommendation and makes the following additional comments:

1. Expenditures of \$742,595 in the FY 2004 recommended budget for continuing the imaging project will be insufficient to complete and implement this project. The current development has been delayed while a reassessment is conducted. It is anticipated that the revised project will cost an estimated \$8.0 million to complete and implement. A revised proposal will be reviewed next year when the FY 2005 budget is submitted.

2. No recommendation is made in this Subcommittee Report regarding the issue of a moratorium on death and disability payments in FY 2004. The Governor has recommended a four quarter moratorium and the Senate Ways and Means Committee introduced SB 47 to implement the Governor's recommendations regarding death and disability. However, the Subcommittee was alerted by the agency that if the proposed moratorium were be implemented, the program would have to become a pay-as-you-go plan by FY 2006 or FY 2007, that employer contribution rates would increase to at least 1.0 percent (from the current statutory 0.6 percent), and that the plan would become a budget item in FY 2005. Currently, it is off-budget and nonreportable.

Senate Committee Recommendation

The Senate Committee concurs.

House Budget Committee Report

Agency: Kansas Public Employees Retirement System

Bill No.

Bill Sec.

Analyst: Efird

Analysis Pg. No. 1351

Budget Page No. 287

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY04	Budget Adjustments
State Operations	\$ 26,487,509	\$ 26,487,509	\$ 0
Aid to Local Units	0	0	0
Other Assistance*	697,672,912	697,672,912	0
Subtotal—Operating	\$ 724,160,425	\$ 724,160,425	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 724,160,425	\$ 724,160,425	\$ 0
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	724,160,425	724,160,425	0
TOTAL	\$ 724,160,425	\$ 724,160,425	\$ 0
FTE Positions	85.0	85.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	85.0	85.0	0.0

***Note:** Retirement benefits payments are treated as nonreportable expenditures in the Governor's Budget Report. Payments from the group life insurance and long-term disability benefits plan are off-budget and not reflected as nonreportable other assistance. KPERS lump-sum (\$4,000) death benefits are included as nonreportable other assistance.

Agency Request/Governor's Recommendation

The agency requests an increase in reportable operating expenses of slightly more than \$1.58 million over the current fiscal year for total reportable expenditures of \$26,487,509. Included in the increase is \$817,680 for investment manager fees, \$742,595 for the imaging project, and \$20,326 for net adjustments to administrative expenses, primarily higher employee benefits including health insurance. The Governor concurs with the agency's FY 2004 requested budget.

Budget Committee Recommendation


The Committee concurs with the Governor's FY 2004 recommendation and makes the following observation:

1. The Governor recommended a five quarter moratorium on death and disability contributions beginning the last quarter of FY 2003 and continuing for four quarters in FY 2004. The Budget Committee reviewed SB 47 that implements the Governor's recommendations regarding death and disability. If the proposed moratorium were implemented, the program would have to become a pay-as-you-go plan by FY 2006 or FY 2007, and employer contribution rates would increase to at least 1.0 percent (from the current statutory 0.6 percent). The Budget Committee recommends Omnibus review of this issue in case SB 47 or similar legislation does not pass this year. Pending passage of legislation, the state and local units of government would save an estimated \$7.37 million in FY 2003 for one quarter and \$30.67 million in FY 2004 for four quarters of no employer contributions. The Budget Committee would focus on \$24.07 million of FY 2004 state savings during the Omnibus period as a possible alternative financing source for programs that need additional funding, if the moratorium is enacted by the Legislature.

FY 2003, FY 2004, and FY 2005

General Government and Commerce Budget Committee

Governmental Ethics Commission



Representative Jo Ann Pottorff, Chair




Representative Patricia Barbieri-Lightner



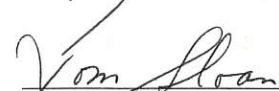
Representative Andrew Howell



Representative Annie Kuether



Representative Joe Shriver



Representative Tom Sloan



Representative Dan Thimesch

HOUSE APPROPRIATIONS

DATE 3-12-03
ATTACHMENT 2

Senate Subcommittee Report

Agency: Governmental Ethics Commission **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1652

Budget Page No. 487

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
State General Fund	\$ 456,158	\$ 438,295	\$ 0
Special Revenue Funds	117,125	117,125	0
TOTAL	\$ 573,283	\$ 555,420	\$ 0
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	9.5	9.5	0.0

Agency Estimate/Governor's Recommendation

The agency estimates FY 2003 expenditures of \$573,283, of which \$456,158 is State General Fund. The request includes: \$455,075 for salaries and wages; \$98,770 for contractual services; \$4,425 for commodities; and \$15,013 for capital outlay.

The Governor recommends \$555,420 for FY 2003. The Governor's recommendation reflects the August 2002 allotment which reduced State General Fund expenditures for this agency by \$9,377, and the November 2002 allotment which reduced State General Fund expenditures by an additional \$17,863.

Senate Subcommittee Recommendation

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

1. The cyclical nature of this agency creates unique budgetary requirements. The Subcommittee wishes to note that this agency has an unusual revenue cycle where it has a large amount of income in one year and minimal in the following. The nature of this agency requires that it maintain a large fee fund carryover balance from year to year to maintain its viability.
2. The Subcommittee expresses concern about the agency being forced to push back the scheduled replacement of its computer hardware. Much of the hardware and software is becoming outdated and could be potentially damaging to this agency's productivity during the 2004 election cycle.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Governmental Ethics Commission **Bill No.** _____ **Bill Sec.** _____

Analyst: Deckard **Analysis Pg. No.** Vol 3-1652 **Budget Page No.** 487

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
State General Fund	\$ 456,158	\$ 438,295	\$ 0
Special Revenue Funds	117,125	117,125	0
TOTAL	\$ 573,283	\$ 555,420	\$ 0
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	9.5	9.5	0.0

Agency Estimate/Governor's Recommendation

The agency estimates FY 2003 expenditures of \$573,283, of which \$456,158 is State General Fund. The request includes: \$455,075 for salaries and wages; \$98,770 for contractual services; \$4,425 for commodities; and \$15,013 for capital outlay.

The Governor recommends \$555,420 for FY 2003. The Governor's recommendation reflects the August 2002 allotment which reduced State General Fund expenditures for this agency by \$9,377, and the November 2002 allotment which reduced State General Fund expenditures by an additional \$17,863.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Governmental Ethics Commission **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1652

Budget Page No. 487

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
State General Fund	\$ 459,124	\$ 435,699	\$ 0
Special Revenue Funds	119,389	122,961	33,369
TOTAL	<u>\$ 578,513</u>	<u>\$ 558,660</u>	<u>\$ 33,369</u>
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 2004 operating expenditures of \$578,513, of which \$459,124 is from the State General Fund.

The Governor recommends \$558,660 for FY 2004 operating expenditures, of which \$435,699 is from the State General Fund.

Senate Subcommittee Recommendation

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

1. The cyclical nature of this agency creates unique budgetary requirements. The Subcommittee wishes to note that this agency has an unusual revenue cycle where it has a large amount of income in one year and minimal in the following. The nature of this agency requires that it maintain a large fee fund carryover balance from year to year to maintain its viability.
2. The Subcommittee expresses concern about the agency being forced to push back the scheduled replacement of its computer hardware. Much of the hardware and software is becoming outdated and could be potentially damaging to this agency's productivity during the 2004 election cycle.
3. The Subcommittee recommends restoring the \$33,369 operating reduction that the Governor applied to biennial agencies. While the Subcommittee recognizes that the Governor was attempting to be uniform while applying the 5.9 percent operating adjustment to biennial agencies, this agency is unique in that it receives

SGF funding and had already been required to absorb the two allotments to State General Fund agencies, (\$9,377 in August 2002, and \$17,863 in November 2002). The sum of the allotments was \$27,240.

The agency indicates that they will have to drastically cut salaries and wages for their investigator during FY 2004. The agency believes it is critical that investigations and inquiries occur when information comes to the Commission concerning possible violations of the campaign finance, lobbying, or conflict of interest laws. In addition the agency noted that FY 2004 would see a candidate population of approximately 1,700 state and county candidates.

Therefore, the Subcommittee recommends a fee fund expenditure limitation increase of \$33,369 which will restore the 5.9 percent expenditure reduction reflected in the Governor's recommendation. However, the Subcommittee concurs with the Governor's recommendation to transfer \$33,369 from the agency's fee fund to the State General Fund.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Governmental Ethics Commission **Bill No.** **Bill Sec.**

Analyst: Deckard **Analysis Pg. No.** Vol 3-1652 **Budget Page No.** 487

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
State General Fund	\$ 459,124	\$ 435,699	\$ 0
Special Revenue Funds	119,389	122,961	0
TOTAL	\$ 578,513	\$ 558,660	\$ 0
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	9.5	9.5	0.0

Agency Request/Governor's Recommendation

The agency requests FY 2004 operating expenditures of \$578,513, of which \$459,124 is from the State General Fund.

The Governor recommends \$558,660 for FY 2004 operating expenditures, of which \$435,699 is from the State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notation:

1. The Budget Committee notes that access to the Westlaw database is very important to this agency. If the contract has to be terminated, as is proposed to allow the agency to meet its 5.9 percent operating reduction, the attorney for this agency would be consistently out of the office to obtain the information required. The Budget Committee notes that this is not an efficient use of this employee's time.

Senate Subcommittee Report

Agency: Governmental Ethics Commission **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1652

Budget Page No. 487

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
State General Fund	\$ 459,124	\$ 459,124	\$ 0
Special Revenue Funds	130,892	130,892	0
TOTAL	\$ 590,016	\$ 590,016	\$ 0
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	9.5	9.5	0.0

Agency Request/Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$590,016, of which \$459,124 is from the State General Fund.

The Governor concurs with the agency's request.

Senate Subcommittee Recommendation

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

1. The cyclical nature of this agency creates unique budgetary requirements. The Subcommittee wishes to note that this agency has an unusual revenue cycle where it has a large amount of income in one year and minimal in the following. The nature of this agency requires that it maintain a large fee fund carryover balance from year to year to maintain its viability.

2. The Subcommittee expresses concern about the agency being forced to push back the scheduled replacement of its computer hardware. Much of the hardware and software is becoming outdated and could be potentially damaging to this agency's productivity during the 2004 election cycle.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Governmental Ethics Commission **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol 3-1652

Budget Page No. 487

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
State General Fund	\$ 459,124	\$ 459,124	\$ 0
Special Revenue Funds	130,892	130,892	0
TOTAL	<u>\$ 590,016</u>	<u>\$ 590,016</u>	<u>\$ 0</u>
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$590,016, of which \$459,124 is from the State General Fund.

The Governor concurs with the agency's request.

House Budget Committee Recommendation

The House Budget committee concurs with the Governor's recommendation.

FY 2003 and FY 2003

House Committee Report

Legislative Branch Budget Committee

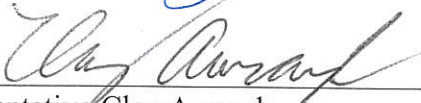
Legislative Division of Post Audit, Revisor of Statutes, Kansas Legislative
Research Department, Legislative Coordinating Council, Legislature



Representative Melvin Neufeld, Committee Chair



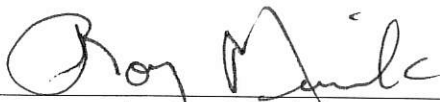
Representative Doug Mays



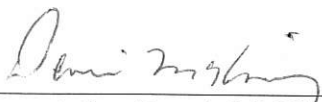
Representative Clay Aurand



Representative John Ballou



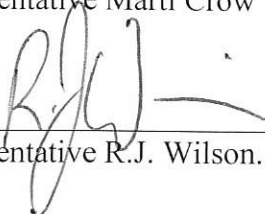
Representative Ray Merrick



Representative Dennis McKinney



Representative Marti Crow



Representative R.J. Wilson

HOUSE APPROPRIATIONS

DATE 3-12-03

ATTACHMENT 3

Senate Subcommittee Report

Agency: Legislative Division of Post
Audit

Bill No. HB 2026

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1131

Budget Page No. 313

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,821,099	\$ 1,821,099	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 1,821,099	\$ 1,821,099	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 1,821,099	\$ 1,821,099	\$ 0
State General Funds:			
State Operations	\$ 1,821,099	\$ 1,821,099	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 1,821,099	\$ 1,821,099	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 1,821,099	\$ 1,821,099	\$ 0
FTE Positions	21.0	21.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	21.0	21.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimates \$1,821,099 in operating expenditures for FY 2003. The request is entirely funded from the State General Fund. The amount requested is the same as the FY 2003 approved, adjusted for a reappropriation. It includes 21.0 FTE, also the same as the FY 2003 approved. In FY 2003, the Governor imposed a State General Fund allotment (reduction) against executive branch agencies. As a companion to the Governor's action, a 2.0 percent reduction of available State General Fund resources for the Legislative Branch agencies was taken, all from the Legislature's budget.

The Governor recommends \$1,821,099 in operating expenditures for FY 2003. The recommendation is entirely funded from the State General Fund. The Governor concurs with the 21.0 FTE in the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following comments:

1. The Subcommittee was informed that the 2.0 percent State General Fund reduction for the Legislative Branch, equivalent to the first allotment was all taken in the Legislature's budget by the Legislative Coordinating Council. It is the Subcommittee recommendation that the remaining 3.9 percent reduction for the Legislative Branch , equivalent to the second allotment, also be taken entirely from the Legislature's budget.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation with the following comments.

1. The Committee expressed concerns that the agency has the flexibility it needs to meet a budgeted reappropriation. In order to create this flexibility, the Committee recommends the elimination of the proviso from SB 517 Sec. 166(n) which limits the use of any salary savings by an agency.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Legislative Division of Post
Audit

Bill No. HB 2026

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol 2-1131

Budget Page No. 313

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 1,821,099	\$ 1,821,099	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 1,821,099</u>	<u>\$ 1,821,099</u>	<u>\$ 0</u>
Capital improvements	0	0	0
TOTAL	<u><u>\$ 1,821,099</u></u>	<u><u>\$ 1,821,099</u></u>	<u><u>\$ 0</u></u>
State General Funds:			
State Operations	\$ 1,821,099	\$ 1,821,099	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 1,821,099</u>	<u>\$ 1,821,099</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,821,099</u></u>	<u><u>\$ 1,821,099</u></u>	<u><u>\$ 0</u></u>
FTE Positions	21.0	21.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>21.0</u></u>	<u><u>21.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$1,821,099 in operating expenditures for FY 2003. The request is entirely funded from the State General Fund. The amount requested is the same as the FY 2003 approved, adjusted for a reappropriation. It includes 21.0 FTE, also the same as the FY 2003 approved. In FY 2003, the Governor imposed a State General Fund allotment (reduction) against executive branch agencies. As a companion to the Governor's action, a 2.0 percent reduction of available State General Fund resources for the Legislative Branch agencies was taken, all from the Legislature's budget.

The Governor recommends \$1,821,099 in operating expenditures for FY 2003. The recommendation is entirely funded from the State General Fund. The Governor concurs with the 21.0 FTE in the agency estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Governor with the following comment:

1. The Budget Committee was informed that the 2.0 percent State General Fund reduction for the Legislative Branch, equivalent to the first allotment was all taken in the Legislature's budget.

Senate Subcommittee Report

Agency: Legislative Division of Post
Audit

Bill No. -

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1131 **Budget Page No.** 313

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,815,944	\$ 1,752,139	\$ 62,576
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 1,815,944</u>	<u>\$ 1,752,139</u>	<u>\$ 62,576</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,815,944</u></u>	<u><u>\$ 1,752,139</u></u>	<u><u>\$ 62,576</u></u>
State General Funds:			
State Operations	\$ 1,815,944	\$ 1,752,139	\$ 62,576
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 1,815,944</u>	<u>\$ 1,752,139</u>	<u>\$ 62,576</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,815,944</u></u>	<u><u>\$ 1,752,139</u></u>	<u><u>\$ 62,576</u></u>
FTE Positions	21.0	21.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>21.0</u></u>	<u><u>21.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$1,815,944 in operating expenditures for FY 2004. This request is entirely funded from the State General Fund. The amount requested is a decrease of \$5,155 or 0.3 percent from the FY 2003 agency estimate. It includes 21.0 FTE, also the same as the FY 2003 estimate.

The Governor recommends \$1,752,139 in operating expenditures for FY 2004 entirely funded from the State General Fund. The recommendation is a reduction of \$68,960, or 3.8 percent less than the FY 2003 recommendation and is \$63,805 or 3.5 percent less than the FY 2004 agency request. The Governor does concur with the 21.0 FTE in the agency request. The Governor for all Legislative branch agencies and the Judicial branch recommends for FY 2004 the exact amount originally approved for FY 2003 by the 2002 Legislature. Under the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$368,857.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following adjustments:

1. The Subcommittee recommends adding \$14,184 from the State General Fund to finance fringe benefit increases. The Subcommittee was informed the Governor's recommendation is the exact amount approved for FY 2003 by the 2002 Legislature and is currently used only as a "place holder". This new recommended process would leave the budget decisions to be made by the Legislature during the session. In reverting to the Legislative FY 2003 approved budget, the funding for increases in employee health insurance and longevity bonus payments were eliminated. The Subcommittee believes that increases for fringe benefits, and longevity bonus payments should be funded whether the employees are in the Executive Branch or the Legislative Branch.
2. The Subcommittee recommends adding \$28,859 from the State General Fund to reduce shrinkage. The Subcommittee believe it is in the best interest of the legislative process to fill any position that becomes vacant. The Governor's new process to use a "place holder" in FY 2004 reduces salaries from the FY 2003 agency request and Governor's recommendation by \$28,859 or 2.5 percent.
3. The Subcommittee recommends adding \$19,533 (State General Fund) for the 1.5 percent salary increase for all legislative staff agencies. Once again the Subcommittee believes that Legislative Branch employees should receive the same salary increase as Executive Branch employees.

Senate Committee Recommendation

The Committee concurs with the Subcommittee with the following adjustments:

1. The Committee recommends deleting item three. The committee believes that the 1.5 percent increase for Legislative Branch employees should be considered at the same time that the 1.5 percent increase for executive branch employees are considered. This would allow a more complete and thorough discussion of the merits of a pay increase.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Legislative Division of Post
Audit

Bill No. -

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol 2-1131

Budget Page No. 313

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 1,815,944	\$ 1,752,139	\$ 28,859
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 1,815,944</u>	<u>\$ 1,752,139</u>	<u>\$ 28,859</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,815,944</u></u>	<u><u>\$ 1,752,139</u></u>	<u><u>\$ 28,859</u></u>
State General Funds:			
State Operations	\$ 1,815,944	\$ 1,752,139	\$ 28,859
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 1,815,944</u>	<u>\$ 1,752,139</u>	<u>\$ 28,859</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,815,944</u></u>	<u><u>\$ 1,752,139</u></u>	<u><u>\$ 28,859</u></u>
FTE Positions	21.0	21.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>21.0</u></u>	<u><u>21.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$1,815,944 in operating expenditures for FY 2004. This request is entirely funded from the State General Fund. The amount requested is a decrease of \$5,155 or 0.3 percent from the FY 2003 agency estimate. It includes 21.0 FTE, also the same as the FY 2003 estimate.

The Governor recommends \$1,752,139 in operating expenditures for FY 2004 entirely funded from the State General Fund. The recommendation is a reduction of \$68,960, or 3.8 percent less than the FY 2003 recommendation and is \$63,805 or 3.5 percent less than the FY 2004 agency request. The Governor does concur with the 21.0 FTE in the agency request. The Governor for all Legislative branch agencies and the Judicial branch recommends for FY 2004 the exact amount originally approved for FY 2003 by the 2002 Legislature. Under the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$368,857.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Governor with the following adjustments and comments:

1. The Budget Committee understands that \$13,021 from the State General Fund is needed to finance fringe benefit changes and longevity bonus increases. The Budget Committee was informed the Governor's recommendation is the exact amount approved for FY 2003 by the 2002 Legislature and is currently used only as a "place holder". This new recommended process would leave the budget decisions to be made by the Legislature during the session. In reverting to the Legislative FY 2003 approved budget, the funding for increases in employee health insurance, KPERS employer contribution, and longevity bonus payments were eliminated while the KPERS death and disability reduction was not taken. The Budget Committee believes that the fringe benefits, and longevity bonus payments should have a comprehensive review and discussion, and include all branches of government. The budget Committee believes that funding for all fringe benefit and longevity bonus increases should be treated as a more global issue and addressed prior to passing the FY 2004 budget out of Committee.
2. The Budget Committee recommends adding \$28,859 from the State General Fund to reduce salary and wage shrinkage. The Budget Committee believes it is in the best interest of the legislative process to fill any position that becomes vacant. The Governor's new process to use a "place holder" in FY 2004 reduces salaries from the FY 2004 agency request by \$28,859 or 2.5 percent.
3. The Budget Committee understands that by using the Governor's "place holder" budget process, the 1.5 percent salary and wage increase that was recommended for Executive Branch employees was not recommended for Legislative Branch or Judicial Branch employees in the Governor's budget recommendation. Once again the Budget Committee believes that any salary and wage increase should include all branches of government, be treated as a global issue, and addressed prior to passing the FY 2004 budget out of Committee.

Senate Subcommittee Report

Agency: Revisor of Statutes

Bill No. -

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1121

Budget Page No. 363

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,474,748	\$ 2,474,748	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,474,748</u>	<u>\$ 2,474,748</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,474,748</u></u>	<u><u>\$ 2,474,748</u></u>	<u><u>\$ 0</u></u>
State General Funds:			
State Operations	\$ 2,474,748	\$ 2,474,748	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,474,748</u>	<u>\$ 2,474,748</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,474,748</u></u>	<u><u>\$ 2,474,748</u></u>	<u><u>\$ 0</u></u>
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>26.0</u></u>	<u><u>26.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$2,474,748 in operating expenditures for FY 2003. The request is entirely funded from the State General Fund. The amount requested is the same as the FY 2003 approved, adjusted for a reappropriation. It includes 26.0 FTE, also the same as the FY 2003 approved. In FY 2003, the Governor imposed a State General Fund allotment (reduction) against executive branch agencies. As a companion to the Governor's action, a 2.0 percent reduction of available State General Fund resources for the Legislative Branch agencies was taken, all from the Legislature's budget.

The Governor recommends \$2,474,748 in operating expenditures for FY 2003. The recommendation is entirely funded from the State General Fund. The Governor concurs with the 26.0 FTE in the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following comments:

1. The Subcommittee was informed that the 2.0 percent State General Fund reduction for the Legislative Branch, equivalent to the first allotment was all taken in the Legislature's budget by the Legislative Coordinating Council. It is the Subcommittee recommendation that the remaining 3.9 percent reduction for the Legislative Branch, equivalent to the second allotment, also be taken entirely from the Legislature's budget.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation .

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Revisor of Statutes

Bill No. HB 2026

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol 2-1121

Budget Page No. 363

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 2,474,748	\$ 2,474,748	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,474,748</u>	<u>\$ 2,474,748</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,474,748</u></u>	<u><u>\$ 2,474,748</u></u>	<u><u>\$ 0</u></u>
State General Funds:			
State Operations	\$ 2,474,748	\$ 2,474,748	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,474,748</u>	<u>\$ 2,474,748</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,474,748</u></u>	<u><u>\$ 2,474,748</u></u>	<u><u>\$ 0</u></u>
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>26.0</u></u>	<u><u>26.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$2,474,748 in operating expenditures for FY 2003. The request is entirely funded from the State General Fund. The amount requested is the same as the FY 2003 approved, adjusted for a reappropriation. It includes 26.0 FTE, also the same as the FY 2003 approved. In FY 2003, the Governor imposed a State General Fund allotment (reduction) against executive branch agencies. As a companion to the Governor's action, a 2.0 percent reduction of available State General Fund resources for the Legislative Branch agencies was taken, all from the Legislature's budget.

The Governor recommends \$2,474,748 in operating expenditures for FY 2003. The recommendation is entirely funded from the State General Fund. The Governor concurs with the 26.0 FTE in the agency estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Governor with the following comment:

1. The Budget Committee was informed that the 2.0 percent State General Fund reduction for the Legislative Branch, equivalent to the first allotment was all taken in the Legislature's budget.

Senate Subcommittee Report

Agency: Revisor of Statutes

Bill No. -

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1121 **Budget Page No.** 363

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,448,345	\$ 2,385,856	\$ 38,955
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,448,345</u>	<u>\$ 2,385,856</u>	<u>\$ 38,955</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,448,345</u></u>	<u><u>\$ 2,385,856</u></u>	<u><u>\$ 38,955</u></u>
State General Funds:			
State Operations	\$ 2,448,345	\$ 2,385,856	\$ 38,955
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,448,345</u>	<u>\$ 2,385,856</u>	<u>\$ 38,955</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,448,345</u></u>	<u><u>\$ 2,385,856</u></u>	<u><u>\$ 38,955</u></u>
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>26.0</u></u>	<u><u>26.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$2,448,345 in operating expenditures for FY 2004. This request is entirely funded from the State General Fund. The amount requested is a decrease of \$5,155 or 0.3 percent from the FY 2003 agency estimate. It includes 26.0 FTE, also the same as the FY 2003 estimate.

The Governor recommends \$2,385,856 in operating expenditures for FY 2004 entirely funded from the State General Fund. The recommendation is a reduction of \$88,892, or 3.6 percent less than the FY 2003 recommendation and is \$62,489 or 2.6 percent less than the FY 2004 agency request. The Governor does concur with the 26.0 FTE in the agency request. The Governor for all Legislative branch agencies and the Judicial branch recommends for FY 2004 the exact amount originally approved for FY 2003 by the 2002 Legislature. Under the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$502,266.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following adjustments:

1. The Subcommittee recommends adding \$18,029 from the State General Fund to finance fringe benefit increases. The Subcommittee was informed the Governor's recommendation is the exact amount approved for FY 2003 by the 2002 Legislature and is currently used only as a "place holder". This new recommended process would leave the budget decisions to be made by the Legislature during the session. In reverting to the Legislative FY 2003 approved budget, the funding for increases in employee health insurance and longevity bonus payments were eliminated. The Subcommittee believes that increases for fringe benefits, and longevity bonus payments should be funded whether the employees are in the Executive Branch or the Legislative Branch.
2. The Subcommittee recommends adding \$20,926 for the 1.5 percent salary increase for all legislative staff agencies. Once again the Subcommittee believes that Legislative Branch employees should receive the same salary increase as Executive Branch employees.

Senate Committee Recommendation

The Committee concurs with the Subcommittee with the following adjustments:

1. The Committee recommends deleting item two. The committee believes that the 1.5 percent increase for Legislative Branch employees should be considered at the same time that the 1.5 percent increase for executive branch employees are considered. This would allow a more complete and thorough discussion of the merits of a pay increase.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Revisor of Statutes

Bill No. -

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol 2-1121

Budget Page No. 363

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 2,448,345	\$ 2,385,856	\$ 43,343
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,448,345</u>	<u>\$ 2,385,856</u>	<u>\$ 43,343</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,448,345</u></u>	<u><u>\$ 2,385,856</u></u>	<u><u>\$ 43,343</u></u>
State General Funds:			
State Operations	\$ 2,448,345	\$ 2,385,856	\$ 43,343
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,448,345</u>	<u>\$ 2,385,856</u>	<u>\$ 43,343</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,448,345</u></u>	<u><u>\$ 2,385,856</u></u>	<u><u>\$ 43,343</u></u>
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>26.0</u></u>	<u><u>26.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$2,448,345 in operating expenditures for FY 2004. This request is entirely funded from the State General Fund. The amount requested is a decrease of \$5,155 or 0.3 percent from the FY 2003 agency estimate. It includes 26.0 FTE, also the same as the FY 2003 estimate.

The Governor recommends \$2,385,856 in operating expenditures for FY 2004 entirely funded from the State General Fund. The recommendation is a reduction of \$88,892, or 3.6 percent less than the FY 2003 recommendation and is \$62,489 or 2.6 percent less than the FY 2004 agency request. The Governor does concur with the 26.0 FTE in the agency request. The Governor for all Legislative Branch agencies and the Judicial Branch recommends for FY 2004 the exact amount originally approved for FY 2003 by the 2002 Legislature. Under the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$502,266.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Governor with the following adjustments and comments:

1. The Budget Committee understands that \$16,538 from the State General Fund is needed to finance fringe benefit changes and longevity bonus increases. The Budget Committee was informed the Governor's recommendation is the exact amount approved for FY 2003 by the 2002 Legislature and is currently used only as a "place holder". This new recommended process would leave the budget decisions to be made by the Legislature during the session. In reverting to the Legislative FY 2003 approved budget, the funding for increases in employee health insurance, KPERs employer contribution, and longevity bonus payments were eliminated while the KPERs death and disability reduction was not taken. The Budget Committee believes that the fringe benefits, and longevity bonus payments should have a comprehensive review and discussion, and include all branches of government. The budget Committee believes that funding for all fringe benefit and longevity bonus increases should be treated as a more global issue and addressed prior to passing the FY 2004 budget out of Committee.
2. The Budget Committee recommends adding \$43,343 from the State General Fund to reduce salary and wage shrinkage. This agency currently has two positions vacant. The Budget Committee believes that the agency is able to maintain the current work load because of a lighter than normal amount of bill introductions this year. The agency testified that it takes approximately two years to train a revisor. The Budget Committee recommends that the two vacant positions be filled to better prepare this agency for increased bill introductions in the future. The Governor's new process to use a "place holder" in FY 2004 reduces salaries from the FY 2004 agency request by \$43,343 or 3.2 percent.
3. The Budget Committee understands that by using the Governor's "place holder" budget process, the 1.5 percent salary and wage increase that was recommended for Executive Branch employees was not recommended for Legislative Branch or Judicial Branch employees in the Governor's budget recommendation. Once again the Budget Committee believes that any salary and wage increase should include all branches of government, be treated as a global issue, and addressed prior to passing the FY 2004 budget out of Committee.

Senate Subcommittee Report

Agency: Kansas Legislative Research
Department

Bill No. HB 2026

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1111 **Budget Page No.** 315

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,605,575	\$ 2,605,575	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,605,575</u>	<u>\$ 2,605,575</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,605,575</u></u>	<u><u>\$ 2,605,575</u></u>	<u><u>\$ 0</u></u>
State General Funds:			
State Operations	\$ 2,605,575	\$ 2,605,575	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,605,575</u>	<u>\$ 2,605,575</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,605,575</u></u>	<u><u>\$ 2,605,575</u></u>	<u><u>\$ 0</u></u>
FTE Positions	37.0	37.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>37.0</u></u>	<u><u>37.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$2,605,575 in operating expenditures for FY 2003. The request is entirely funded from the State General Fund. The amount requested is the same as the FY 2003 approved, adjusted for a reappropriation. It includes 37.0 FTE, also the same as the FY 2003 approved. In FY 2003, the Governor imposed a State General Fund allotment (reduction) against executive branch agencies. As a companion to the Governor's action, a 2.0 percent reduction of available State General Fund resources for the Legislative Branch agencies was taken, all from the Legislature's budget

The Governor recommends \$2,605,575 in operating expenditures for FY 2003. The recommendation is entirely funded from the State General Fund. The Governor concurs with the 37.0 FTE in the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following comments:

1. The Subcommittee was informed that the 2.0 percent State General Fund reduction for the Legislative Branch, equivalent to the first allotment was all taken in the Legislature's budget by the Legislative Coordinating Council. It is the Subcommittee recommendation that the remaining 3.9 percent reduction for the Legislative Branch, equivalent to the second allotment, also be taken entirely from the Legislature's budget.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation .

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Kansas Legislative Research Department **Bill No.** HB 2026 **Bill Sec.** -

Analyst: Scott **Analysis Pg. No.** Vol. 2, pg. 1111 **Budget Page No.** 315

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 2,605,575	\$ 2,605,575	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,605,575</u>	<u>\$ 2,605,575</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,605,575</u></u>	<u><u>\$ 2,605,575</u></u>	<u><u>\$ 0</u></u>
State General Funds:			
State Operations	\$ 2,605,575	\$ 2,605,575	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,605,575</u>	<u>\$ 2,605,575</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,605,575</u></u>	<u><u>\$ 2,605,575</u></u>	<u><u>\$ 0</u></u>
FTE Positions	37.0	37.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>37.0</u></u>	<u><u>37.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$2,605,575 in operating expenditures for FY 2003. The request is entirely funded from the State General Fund. The amount requested is the same as the FY 2003 approved, adjusted for a reappropriation. It includes 37.0 FTE, also the same as the FY 2003 approved. In FY 2003, the Governor imposed a State General Fund allotment (reduction) against executive branch agencies. As a companion to the Governor's action, a 2.0 percent reduction of available State General Fund resources for the Legislative Branch agencies was taken, all from the Legislature's budget

The Governor recommends \$2,605,575 in operating expenditures for FY 2003. The recommendation is entirely funded from the State General Fund. The Governor concurs with the 37.0 FTE in the agency estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Governor with the following comment:

1. The Budget Committee was informed that the 2.0 percent State General Fund reduction for the Legislative Branch, equivalent to the first allotment was all taken in the Legislature's budget.

Senate Subcommittee Report

Agency: Kansas Legislative Research
Department

Bill No. -

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1111 **Budget Page No.** 315

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,626,778	\$ 2,440,921	\$ 211,910
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,626,778</u>	<u>\$ 2,440,921</u>	<u>\$ 211,910</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,626,778</u></u>	<u><u>\$ 2,440,921</u></u>	<u><u>\$ 211,910</u></u>
State General Funds:			
State Operations	\$ 2,626,778	\$ 2,440,921	\$ 211,910
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 2,626,778</u>	<u>\$ 2,440,921</u>	<u>\$ 211,910</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,626,778</u></u>	<u><u>\$ 2,440,921</u></u>	<u><u>\$ 211,910</u></u>
FTE Positions	37.0	37.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>37.0</u></u>	<u><u>37.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$2,626,778 in operating expenditures for FY 2004. This request is entirely funded from the State General Fund. The amount requested is an increase of \$21,203 or 0.8 percent from the FY 2003 agency estimate. It includes 37.0 FTE, also the same as the FY 2003 estimate.

The Governor recommends \$2,440,921 in operating expenditures for FY 2004 entirely funded from the State General Fund. The recommendation is a reduction of \$164,654, or 6.3 percent less than the FY 2003 recommendation and is \$185,857 or 7.1 percent less than the FY 2004 agency request. The Governor does concur with the 37.0 FTE in the agency request. The Governor for all Legislative branch agencies and the Judicial branch recommends for FY 2004 the exact amount originally approved for FY 2003 by the 2002 Legislature. Under the Governor's FY 2004 statutory budget recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$513,858.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following adjustments:

1. The Subcommittee recommends adding \$43,770 from the State General Fund to finance fringe benefit increases. The Subcommittee was informed the Governor's recommendation is the exact amount approved for FY 2003 by the 2002 Legislature and is currently used only as a "place holder". This new recommended process would leave the budget decisions to be made by the Legislature during the session. In reverting to the Legislative FY 2003 approved budget, the funding for increases in employee health insurance and longevity bonus payments were eliminated. The Subcommittee believes that increases for fringe benefits, and longevity bonus payments should be funded whether the employees are in the Executive Branch or the Legislative Branch.
2. The Subcommittee recommends adding \$133,862 from the State General Fund to reduce salary and wage shrinkage. This agency has responded to the direction of this Committee and the entire Legislature to reduce staff turnover and to maintain a full staff of analysts. The agency is currently fully staffed, and does not anticipate any vacancies in the near future. The Governor's new process to use a "place holder" in FY 2004 reduces salaries from the FY 2003 agency request and Governor's recommendation by \$133,862 or 6.6 percent.
3. The Subcommittee recommends adding \$34,278 for the 1.5 percent salary increase for all legislative staff agencies. Once again the Subcommittee notes that Legislative Branch employees should receive the same salary increase as Executive Branch employees.

Senate Committee Recommendation

The Committee concurs with the Subcommittee with the following adjustments:

1. The Committee recommends deleting item three. The committee believes that the 1.5 percent increase for Legislative Branch employees should be considered at the same time that the 1.5 percent increase for executive branch employees are considered. This would allow a more complete and thorough discussion of the merits of a pay increase.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Kansas Legislative Research Department

Bill No. -

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1111

Budget Page No. 315

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 2,626,778	\$ 2,440,921	\$ 133,862
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 2,626,778	\$ 2,440,921	\$ 133,862
Capital Improvements	0	0	0
TOTAL	\$ 2,626,778	\$ 2,440,921	\$ 133,862
State General Funds:			
State Operations	\$ 2,626,778	\$ 2,440,921	\$ 133,862
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 2,626,778	\$ 2,440,921	\$ 133,862
Capital Improvements	0	0	0
TOTAL	\$ 2,626,778	\$ 2,440,921	\$ 133,862
FTE Positions	37.0	37.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	37.0	37.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimates \$2,626,778 in operating expenditures for FY 2004. This request is entirely funded from the State General Fund. The amount requested is an increase of \$21,203 or 0.8 percent from the FY 2003 agency estimate. It includes 37.0 FTE, also the same as the FY 2003 estimate.

The Governor recommends \$2,440,921 in operating expenditures for FY 2004 entirely funded from the State General Fund. The recommendation is a reduction of \$164,654, or 6.3 percent less than the FY 2003 recommendation and is \$185,857 or 7.1 percent less than the FY 2004 agency request. The Governor does concur with the 37.0 FTE in the agency request. The Governor for all Legislative branch agencies and the Judicial branch recommends for FY 2004 the exact amount originally approved for FY 2003 by the 2002 Legislature. Under the Governor's FY 2004 statutory budget recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$513,858.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Governor with the following adjustments and comments:

1. The Budget Committee understands that \$41,787 from the State General Fund is needed to finance fringe benefit changes and longevity bonus increases. The Budget Committee was informed the Governor's recommendation is the exact amount approved for FY 2003 by the 2002 Legislature and is currently used only as a "place holder". This new recommended process would leave the budget decisions to be made by the Legislature during the session. In reverting to the Legislative FY 2003 approved budget, the funding for increases in employee health insurance, KPERS employer contribution, and longevity bonus payments were eliminated while the KPERS death and disability reduction was not taken. The Budget Committee believes that the fringe benefits, and longevity bonus payments should have a comprehensive review and discussion, and include all branches of government. The budget Committee believes that funding for all fringe benefit and longevity bonus increases should be treated as a more global issue and addressed prior to passing the FY 2004 budget out of Committee.
2. The Budget Committee recommends adding \$133,862 from the State General Fund to reduce salary and wage shrinkage. This agency has responded to the direction of this Committee and the entire Legislature to reduce staff turnover and to maintain a full staff of analysts. The agency is currently fully staffed, and does not anticipate any vacancies in the near future. The Governor's new process to use a "place holder" in FY 2004 reduces salaries from the FY 2004 agency request by \$133,862 or 6.6 percent.
3. The Budget Committee understands that by using the Governor's "place holder" budget process, the 1.5 percent salary and wage increase that was recommended for Executive Branch employees was not recommended for Legislative Branch or Judicial Branch employees in the Governor's budget recommendation. Once again the Budget Committee believes that any salary and wage increase should include all branches of government, be treated as a global issue, and addressed prior to passing the FY 2004 budget out of Committee.

Senate Subcommittee Report

Agency: Legislative Coordinating Council **Bill No.** HB 2026

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1091 **Budget Page No.** 311

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 706,770	\$ 706,770	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 706,770	\$ 706,770	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 706,770	\$ 706,770	\$ 0
State General Funds:			
State Operations	\$ 706,770	\$ 706,770	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 706,770	\$ 706,770	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 706,770	\$ 706,770	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimates \$706,770 in operating expenditures for FY 2003. The request is entirely funded from the State General Fund. The amount requested is the same as the FY 2003 approved, adjusted for a reappropriation. It includes 13.0 FTE, also the same as the FY 2003 approved. In FY 2003, the Governor imposed a State General Fund allotment (reduction) against executive branch agencies. As a companion to the Governor's action, a 2.0 percent reduction of available State General Fund resources for the Legislative Branch agencies was taken, all from the Legislature's budget.

The Governor recommends \$706,770 in operating expenditures for FY 2003. The recommendation is entirely funded from the State General Fund. The Governor concurs with the 13.0 FTE in the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following comments:

1. The Subcommittee was informed that the 2.0 percent State General Fund reduction for the Legislative Branch, equivalent to the first allotment was all taken in the Legislature's budget by the Legislative Coordinating Council. It is the Subcommittee recommendation that the remaining 3.9 percent reduction for the Legislative Branch, equivalent to the second allotment, also be taken entirely from the Legislature's budget.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Legislative Coordinating Council **Bill No.** HB 2026 **Bill Sec.** –
Analyst: Scott **Analysis Pg. No.** Vol. 2, pg. 1091 **Budget Page No.** 311

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 706,770	\$ 706,770	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 706,770	\$ 706,770	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 706,770	\$ 706,770	\$ 0
State General Funds:			
State Operations	\$ 706,770	\$ 706,770	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 706,770	\$ 706,770	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 706,770	\$ 706,770	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimates \$706,770 in operating expenditures for FY 2003. The request is entirely funded from the State General Fund. The amount requested is the same as the FY 2003 approved, adjusted for a reappropriation. It includes 13.0 FTE, also the same as the FY 2003 approved. In FY 2003, the Governor imposed a State General Fund allotment (reduction) against executive branch agencies. As a companion to the Governor's action, a 2.0 percent reduction of available State General Fund resources for the Legislative Branch agencies was taken, all from the Legislature's budget.

The Governor recommends \$706,770 in operating expenditures for FY 2003. The recommendation is entirely funded from the State General Fund. The Governor concurs with the 13.0 FTE in the agency estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Governor with the following comment:

1. The Budget Committee was informed that the 2.0 percent State General Fund reduction for the Legislative Branch, equivalent to the first allotment was all taken in the Legislature's budget.

Senate Subcommittee Report

Agency: Legislative Coordinating Council **Bill No. -**

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1091 **Budget Page No.** 311

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 721,351	\$ 687,365	\$ 19,529
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 721,351</u>	<u>\$ 687,365</u>	<u>\$ 19,529</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 721,351</u></u>	<u><u>\$ 687,365</u></u>	<u><u>\$ 19,529</u></u>
State General Funds:			
State Operations	\$ 721,351	\$ 687,365	\$ 19,529
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 721,351</u>	<u>\$ 687,365</u>	<u>\$ 19,529</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 721,351</u></u>	<u><u>\$ 687,365</u></u>	<u><u>\$ 19,529</u></u>
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>13.0</u></u>	<u><u>13.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$721,351 in operating expenditures for FY 2004. This request is entirely funded from the State General Fund. The amount requested is an increase of \$14,581 or 2.0 percent from the FY 2003 agency estimate. It includes 13.0 FTE, also the same as the FY 2003 estimate.

The Governor recommends \$687,365 in operating expenditures for FY 2004 entirely funded from the State General Fund. The recommendation is a reduction of \$19,405, or 2.8 percent less than the FY 2003 recommendation and is \$33,986 or 4.7 percent less than the FY 2004 agency request. The Governor does concur with the 13.0 FTE in the agency request. The Governor for all Legislative branch agencies and the Judicial branch recommends for FY 2004 the exact amount originally approved for FY 2003 by the 2002 Legislature. Under the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$144,703.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following adjustments:

1. The Subcommittee recommends adding \$8,546 from the State General Fund to finance fringe benefit increases. The Subcommittee was informed the Governor's recommendation is the exact amount approved for FY 2003 by the 2002 Legislature and is currently used only as a "place holder". This new recommended process would leave the budget decisions to be made by the Legislature during the session. In reverting to the Legislative FY 2003 approved budget, the funding for increases in employee health insurance and longevity bonus payments were eliminated. The Subcommittee believes that increases for fringe benefits, and longevity bonus payments should be funded whether the employees are in the Executive Branch or the Legislative Branch.
2. The Subcommittee recommends adding \$10,983 for the 1.5 percent salary increase for all legislative staff agencies. Once again the Subcommittee notes that Legislative Branch employees should receive the same salary increase as Executive Branch employees.

Senate Committee Recommendation

The Committee concurs with the Subcommittee with the following adjustments:

1. The Committee recommends deleting item two. The committee believes that the 1.5 percent increase for Legislative Branch employees should be considered at the same time that the 1.5 percent increase for executive branch employees are considered. This would allow a more complete and thorough discussion of the merits of a pay increase.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Legislative Coordinating Council

Bill No. -

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1091

Budget Page No. 311

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 721,351	\$ 687,365	\$ (43,343)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 721,351</u>	<u>\$ 687,365</u>	<u>\$ (43,343)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 721,351</u></u>	<u><u>\$ 687,365</u></u>	<u><u>\$ (43,343)</u></u>
State General Funds:			
State Operations	\$ 721,351	\$ 687,365	\$ (43,343)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 721,351</u>	<u>\$ 687,365</u>	<u>\$ (43,343)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 721,351</u></u>	<u><u>\$ 687,365</u></u>	<u><u>\$ (43,343)</u></u>
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>13.0</u></u>	<u><u>13.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$721,351 in operating expenditures for FY 2004. This request is entirely funded from the State General Fund. The amount requested is an increase of \$14,581 or 2.0 percent from the FY 2003 agency estimate. It includes 13.0 FTE, also the same as the FY 2003 estimate.

The Governor recommends \$687,365 in operating expenditures for FY 2004 entirely funded from the State General Fund. The recommendation is a reduction of \$19,405, or 2.8 percent less than the FY 2003 recommendation and is \$33,986 or 4.7 percent less than the FY 2004 agency request. The Governor does concur with the 13.0 FTE in the agency request. The Governor for all Legislative branch agencies and the Judicial branch recommends for FY 2004 the exact amount originally approved for FY 2003 by the 2002 Legislature. Under the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$144,703.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Governor with the following adjustments:

1. The Budget Committee understands that \$8,008 from the State General Fund is needed to finance fringe benefit changes and longevity bonus increases. The Budget Committee was informed the Governor's recommendation is the exact amount approved for FY 2003 by the 2002 Legislature and is currently used only as a "place holder". This new recommended process would leave the budget decisions to be made by the Legislature during the session. In reverting to the Legislative FY 2003 approved budget, the funding for increases in employee health insurance, KPERS employer contribution, and longevity bonus payments were eliminated while the KPERS death and disability reduction was not taken. The Budget Committee believes that the fringe benefits, and longevity bonus payments should have a comprehensive review and discussion, and include all branches of government. The budget Committee believes that funding for all fringe benefit and longevity bonus increases should be treated as a more global issue and addressed prior to passing the FY 2004 budget out of Committee.
2. The Budget Committee recommends deleting \$43,343 from the State General Fund from salary and wages for the Chief Information Technology Officer (CITO) position. The Budget Committee understands that this position is currently a part-time position and this action would eliminate the funding that is currently anticipated to be paid in the budget year from this budget. The Budget Committee would encourage that the Legislative Coordinating Council during FY 2004 review the need for this position, the duties the position should perform, and how, if necessary, the position should be filled in the future, and recommend any needed changes to the statutory language that creates the position. The Budget Committee believes that given the tough economic times the state finds itself in, the State General Fund resources used to fund this position, should be used on other higher priority needs.
3. The Budget Committee understands that by using the Governor's "place holder" budget process, the 1.5 percent salary and wage increase that was recommended for Executive Branch employees was not recommended for Legislative Branch or Judicial Branch employees in the Governor's budget recommendation. Once again the Budget Committee believes that any salary and wage increase should include all branches of government, be treated as a global issue, and addressed prior to passing the FY 2004 budget out of Committee.

Senate Subcommittee Report

Agency: Legislature

Bill No. HB 2026

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1101

Budget Page No. 317

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 12,074,919	\$ 12,014,919	\$ (623,055)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 12,074,919</u>	<u>\$ 12,014,919</u>	<u>\$ (623,005)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 12,074,919</u></u>	<u><u>\$ 12,014,919</u></u>	<u><u>\$ (623,005)</u></u>
State General Funds:			
State Operations	\$ 11,846,966	\$ 11,846,966	\$ (683,055)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 11,846,966</u>	<u>\$ 11,846,966</u>	<u>\$ (683,055)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 11,846,966</u></u>	<u><u>\$ 11,846,966</u></u>	<u><u>\$ (683,055)</u></u>
Other Funds:			
State Operations	\$ 227,953	\$ 167,953	\$ 60,000
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 227,953</u>	<u>\$ 167,953</u>	<u>\$ 60,000</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 227,953</u></u>	<u><u>\$ 167,953</u></u>	<u><u>\$ 60,000</u></u>
FTE Positions	33.0	33.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>33.0</u></u>	<u><u>33.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$12,074,919 in operating expenditures for FY 2003. The request is funded 98.1 percent with State General Fund and 1.9 percent with Special Revenue Funds. The 33.0 FTE included in the request is the same as the FY 2003 approved. In FY 2003, the Governor imposed a State General Fund allotment (reduction) against executive branch agencies. As a companion to the Governor's action, a 2.0 percent reduction of available State General Fund resources for the Legislative Branch agencies was taken, all from the Legislature's budget.

The Governor recommends \$12,014,919 in operating expenditures for FY 2003. The recommendation is entirely funded from the State General Fund. The Governor concurs with the 33.0 FTE in the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following adjustments.

1. The Subcommittee recommends deleting \$683,055 from the State General Fund in FY 2003 and another \$86,851 in FY 2004 for the Legislative Branch's 3.9 percent across the board reduction. This adjustment takes the entire reduction from the Legislature's budget. The Subcommittee was informed that the 2.0 percent (\$426,348) State General Fund reduction for the Legislative Branch, equivalent for the first allotment, was all taken in the Legislature's budget by the Legislative Coordinating Council. The Subcommittee believes that the Legislative branch should continue to reduce its budget to match the reductions made through the Executive branch's allotment process. This reduction will provide for a 5.9 percent State General Fund reduction for the Legislative Branch budget, which is the same general reduction that the Governor allotted on most Executive Branch agencies. The reductions/adjustments include the following:
 - a. The Subcommittee recommends deleting \$150,000 State General Fund and limiting the number of days spent in interim committees. This is based on continuing the current LCC policy where the scope of interim committees was limited to save State General Fund resources.
 - b. The Subcommittee recommends deleting \$172,055 State General Fund in expenditures for out of state. The Subcommittee recommends continuing the current LCC policy of limiting the reimbursement of expenses for members who traveled out of state to \$500.
 - c. The Subcommittee recommends deleting \$300,000 State General Fund by funding the session for only 90 days. This reduction is based on an average cost of \$60,000 per session day.
 - d. The Subcommittee recommends shifting expenditures of \$60,000 from the State General Fund to the Legislature Special Revenue Fund. The Subcommittee was informed there is an ending balance of \$60,000 in the Legislature Special Revenue Fund and recommends increasing expenditures by \$60,000 in the Legislature Special Revenue Fund and deleting \$60,000 State General Fund.

Senate Committee Recommendation

The Committee concurs with the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Legislature

Bill No. HB 2026

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1101 **Budget Page No.** 317

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Budget Committee Adjustments
All Funds:			
State Operations	\$ 12,074,919	\$ 12,014,919	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 12,074,919</u>	<u>\$ 12,014,919</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 12,074,919</u></u>	<u><u>\$ 12,014,919</u></u>	<u><u>\$ 0</u></u>
State General Funds:			
State Operations	\$ 11,846,966	\$ 11,846,966	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 11,846,966</u>	<u>\$ 11,846,966</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 11,846,966</u></u>	<u><u>\$ 11,846,966</u></u>	<u><u>\$ 0</u></u>
Other Funds:			
State Operations	\$ 227,953	\$ 167,953	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 227,953</u>	<u>\$ 167,953</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 227,953</u></u>	<u><u>\$ 167,953</u></u>	<u><u>\$ 0</u></u>
FTE Positions	33.0	33.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>33.0</u></u>	<u><u>33.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$12,074,919 in operating expenditures for FY 2003. The request is funded 98.1 percent with State General Fund and 1.9 percent with special revenue funds. The 33.0 FTE included in the request is the same as the FY 2003 approved. In FY 2003, the Governor imposed a State General Fund allotment (reduction) against executive branch agencies. As a companion to the Governor's action, a 2.0 percent reduction of available State General Fund resources for the Legislative Branch agencies was taken, all from the Legislature's budget.

The Governor recommends \$12,014,919 in operating expenditures for FY 2003. The Governor concurs with the 33.0 FTE in the agency estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Governor with the following comment:

1. The Budget Committee was informed that the 2.0 percent State General Fund reduction for the Legislative Branch, equivalent to the first allotment was all taken in the Legislature's budget. It is the Budget Committee recommendation that an additional reduction for the Legislative Branch also be taken entirely from the Legislature's budget in FY 2004.

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Senate Subcommittee Report

Agency: Legislature

Bill No. -

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1101 **Budget Page No.** 317

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 12,493,419	\$ 12,580,270	\$ 100,030
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 12,493,419</u>	<u>\$ 12,580,270</u>	<u>\$ 100,030</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 12,493,419</u></u>	<u><u>\$ 12,580,270</u></u>	<u><u>\$ 100,030</u></u>
State General Funds:			
State Operations	\$ 12,362,419	\$ 12,449,270	\$ 100,030
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 12,362,419</u>	<u>\$ 12,449,270</u>	<u>\$ 100,030</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 12,362,419</u></u>	<u><u>\$ 12,449,270</u></u>	<u><u>\$ 100,030</u></u>
Other Funds:			
State Operations	\$ 131,000	\$ 131,000	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 131,000</u>	<u>\$ 131,000</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 131,000</u></u>	<u><u>\$ 131,000</u></u>	<u><u>\$ 0</u></u>
FTE Positions	33.0	33.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>33.0</u></u>	<u><u>33.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$12,493,419 in operating expenditures for FY 2004. This request is funded with 99.0 percent State General Fund and 1.0 percent Special Revenue Funds. The amount requested is an increase of \$418,500 or 3.5 percent from the FY 2003 agency estimate. It includes 33.0 FTE, also the same as the FY 2003 estimate.

The Governor recommends \$12,449,270 in operating expenditures for FY 2004 funded with 99.0 percent State General Fund and 1.0 percent Special Revenue Fund. The recommendation is an increase of \$565,351, or 4.7 percent more than the FY 2003 recommendation and is \$86,851 or 0.7 percent more than the FY 2004 agency request. The Governor does concur with the 33.0 FTE

in the agency request. The Governor for all Legislative branch agencies and the Judicial branch recommends for FY 2004 the exact amount originally approved for FY 2003 by the 2002 Legislature. Under the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$2,620,796.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following adjustments:

1. The Subcommittee recommends adding \$57,642 from the State General Fund to finance fringe benefit increases. The Subcommittee was informed the Governor's recommendation is the exact amount approved for FY 2003 by the 2002 Legislature and is currently used only as a "place holder". This new recommended process would leave the budget decisions to be made by the Legislature during the session. In reverting to the Legislative FY 2003 approved budget, the funding for increases in employee health insurance and longevity bonus payments were eliminated. The Subcommittee believes that increases for fringe benefits, and longevity bonus payments should be funded whether the employees are in the Executive Branch or the Legislative Branch.
2. The Subcommittee recommends adding \$42,388 for the 1.5 percent salary increase for all legislative staff agencies, including employees within the Legislature's budget. Once again the Subcommittee notes that Legislative Branch employees should receive the same salary increase as the Executive Branch employees. However, the Subcommittee does not recommend the 1.5 percent increase for legislators. The Legislature's budget was built based on the legislator's statutory salary of \$74.98 per day, that is a reduction in legislative salaries from the FY 2003 rate of \$78.75 rate per day. The reduction is \$3.77 per day or a decrease of 4.8 percent. The Subcommittee believes this is the proper course of action and does not recommend any changes.

Senate Committee Recommendation

The Committee concurs with the Subcommittee with the following adjustments:

1. The Committee recommends deleting item two. The committee believes that the 1.5 percent increase for Legislative Branch employees should be considered at the same time that the 1.5 percent increase for executive branch employees are considered. This would allow a more complete and thorough discussion of the merits of a pay increase.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: Legislature

Bill No. -

Bill Sec. -

Analyst: Scott

Analysis Pg. No. Vol. 2, pg. 1101

Budget Page No. 317

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 12,493,419	\$ 12,580,270	\$ (468,906)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 12,493,419</u>	<u>\$ 12,580,270</u>	<u>\$ (468,906)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 12,493,419</u></u>	<u><u>\$ 12,580,270</u></u>	<u><u>\$ (468,906)</u></u>
State General Funds:			
State Operations	\$ 12,362,419	\$ 12,449,270	\$ (468,906)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 12,362,419</u>	<u>\$ 12,449,270</u>	<u>\$ (468,906)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 12,362,419</u></u>	<u><u>\$ 12,449,270</u></u>	<u><u>\$ (468,906)</u></u>
Other Funds:			
State Operations	\$ 131,000	\$ 131,000	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 131,000</u>	<u>\$ 131,000</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 131,000</u></u>	<u><u>\$ 131,000</u></u>	<u><u>\$ 0</u></u>
FTE Positions	33.0	33.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>33.0</u></u>	<u><u>33.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates \$12,014,919 in operating expenditures for FY 2004. This request is funded with 99.0 percent State General Fund and 1.0 percent special revenue funds. The amount requested is an increase of \$418,500 or 3.5 percent from the FY 2003 agency estimate. It includes 33.0 FTE, also the same as the FY 2003 estimate.

The Governor recommends \$12,580,270 in operating expenditures for FY 2004 entirely funded from the State General Fund. The recommendation is an increase of \$565,351, or 4.7

percent more than the FY 2003 recommendation and is \$86,851 or 0.7 percent more than the FY 2004 agency request. The Governor does concur with the 33.0 FTE in the agency request. The Governor for all Legislative Branch agencies and the Judicial Branch recommends for FY 2004 the exact amount originally approved for FY 2003 by the 2002 Legislature. Under the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$2,620,796.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Governor with the following adjustments:

1. The Budget Committee recommends deleting \$468,906 from the State General Fund for the Legislative Branch's across the board reduction of 2.4 percent detailed below. This adjustment takes the entire reduction from the Legislature's budget. The Budget Committee was informed that the 2.0 percent (\$426,348) State General Fund reduction for the Legislative Branch, equivalent to the first allotment, was all taken in the Legislature's FY 2003 budget. The Budget Committee believes that the Legislative branch should continue to reduce its budget. This reduction will provide for total of 4.4 percent State General Fund reduction for the Legislative Branch budget.
2. The Budget Committee recommends deleting \$150,000 State General Fund and limiting the number of days spent in interim committees. This is based on continuing the current LCC policy where the scope of interim committees were limited to save State General Fund resources. The Budget Committee also recommends adding a proviso that would require all Joint Committees, except the Legislative Post Audit Committee, to gain LCC approval for the number of days they are allowed to meet during the interim.
3. The Budget Committee recommends deleting \$172,055 State General Fund in expenditures for out of state. The Budget Committee recommends continuing the current LCC policy of limiting the reimbursement of expenses for members who traveled out of state to \$500.
4. The Budget Committee recommends deleting the Governor's addition of \$86,851 State General Fund. The amount of \$86,851 was above the agency's request and was a product of the Governor using the exact amount originally approved for FY 2003 by the 2002 Legislature.
5. The Budget Committee recommends shifting expenditures of \$60,000 from the State General Fund to the Legislative Special Revenue Fund. The Budget Committee was informed there was an ending balance of \$60,000 in the Legislative Special Revenue Fund and recommends spending the balance and saving State General Fund.
6. The Budget Committee understands that \$52,188 from the State General Fund is needed to finance fringe benefit changes and longevity bonus increases. The Budget Committee was informed the Governor's recommendation is the exact amount approved for FY 2003 by the 2002 Legislature and is currently used only as a "place holder." This new recommended process would leave the budget

decisions to be made by the Legislature during the session. In reverting to the Legislative FY 2003 approved budget, the funding for increases in employee health insurance, KPERS employer contribution, and longevity bonus payments were eliminated while the KPERS death and disability reduction was not taken. The Budget Committee believes that the fringe benefits, and longevity bonus payments should have a comprehensive review and discussion, and include all branches of government. The budget Committee believes that funding for all fringe benefit and longevity bonus increases should be treated as a global issue and addressed prior to passing the FY 2004 budget out of Committee.

7. The Budget Committee understands that by using the Governor's "place holder" budget process, the 1.5 percent salary and wage increase that was recommended for Executive Branch employees was not recommended for Legislative Branch or Judicial Branch employees in the Governor's budget recommendation. Once again the Budget Committee believes that any salary and wage increase should include all branches of government, be treated as a global issue, and addressed prior to passing the FY 2004 budget out of Committee. However, the Budget Committee does not recommend the 1.5 percent increase for Legislators. The Governor's budget was built based on the Legislator's current (FY 2003) rate of \$78.75 rate per day. The Budget Committee does recommend adding a proviso that would authorize the Legislative Coordinating Council to lower the Legislator's salary to the statutory rate of \$74.98 per day if the FY 2003 Legislative session lasts for more than 95 days.
8. The Budget Committee recommends the Legislative Coordinating Council authorize a study to review possible improved efficiencies such as electronic processing and dissemination of legislative bills, the number and usage of printers, and the use of electronic and elimination of printed forms, such as letterhead.

SENATE BILL No. 115

By Committee on Assessment and Taxation

1-30

Proposed amendment for consideration by
Committee on Appropriations

authorizing certain filing fees; establishing
the BOTA filing fee fund;

10 AN ACT concerning the state board of tax appeals; relating to member-
11 ship thereof; amending K.S.A. 74-2433 and repealing the existing
12 section.

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

15 Section 1. K.S.A. 74-2433 is hereby amended to read as follows: 74-
16 2433. (a) There is hereby created a state board of tax appeals, referred
17 to in this act as the board. The board shall be composed of ~~five~~ *three*
18 members who shall be appointed by the governor, subject to confirmation
19 by the senate as provided in K.S.A. 75-4315b, and amendments thereto.
20 ~~After January 15, 1999, three of such members shall: (1) Have been reg-~~
21 ~~ularly admitted to practice law in the state of Kansas; and (2) for a period~~
22 ~~of at least five years, have engaged in the active practice of law as a lawyer,~~
23 ~~judge of a court of record or any other court in this state, or as a certified~~
24 ~~public accountant who has maintained registration as an active attorney~~
25 ~~with the Kansas supreme court, or any combination thereof~~ *After the*
26 *effective date of this act, two of such members shall: (1) Have been*
27 *regularly admitted to practice law in the state of Kansas; and (2)*
28 *for a period of at least five years, have engaged in the active practice*
29 *of law as an attorney, judge of a court of record or any other court*
30 *in this state, or as a certified public accountant who has maintained*
31 *registration as an active attorney with the Kansas supreme court,*
32 *or any combination thereof. No successor shall be appointed for the*
33 *two members of the board whose terms of office expired on January 15,*
34 *2003, and if any such appointment is made prior to the effective date of*
35 *this act, any such member's term of office shall expire on the effective date*
36 *of this act. Except as provided by K.S.A. 46-2601, no person appointed*
37 *to the board shall exercise any power, duty or function as a member of*
38 *the board until confirmed by the senate. Not more than ~~three~~ *two* mem-*
39 *bers of the board shall be of the same political party. Members of the*
40 *board shall be residents of the state. Subject to the provisions of K.S.A.*
41 *75-4315c, and amendments thereto, no more than one shall be appointed*
42 *from each any one of the congressional districts of Kansas and the re-*
43 *mainder from the state at large. The members of the board shall be*

HOUSE APPROPRIATIONS

DATE 3-12-03
ATTACHMENT 4

1 selected with special reference to training and experience for duties im-
2 posed by this act and shall be individuals with legal, accounting or ap-
3 praisal training and experience. Members shall be subject to the supreme
4 court rules of judicial conduct applicable to all judges of the district court.
5 The board shall be bound by the doctrine of *stare decisis* limited to pub-
6 lished decisions of an appellate court other than a district court. Members
7 shall hold office for terms of four years and until their successors are
8 appointed and confirmed. *Except as otherwise provided*, such terms of
9 office shall expire on January 15 of the last year of such term. If a vacancy
10 occurs on the board, the governor shall appoint a successor to fill the
11 vacancy for the unexpired term. The governor shall select one of its mem-
12 bers to serve as chairperson. The votes of ~~three~~ two members shall be
13 required for any action to be taken by the board. Meetings may be called
14 by the chairperson and shall be called on request of a majority of the
15 members of the board and when otherwise prescribed by statute.

16 (b) Any member of the state board of tax appeals may be removed
17 by the governor for cause, after public hearing conducted in accordance
18 with the provisions of the Kansas administrative procedure act.

19 (c) The state board of tax appeals shall appoint, subject to approval
20 by the governor, an executive director of the board, to serve at the plea-
21 sure of the board. The executive director shall: (1) Be in the unclassified
22 service under the Kansas civil service act; (2) devote full time to the
23 executive director's assigned duties; (3) receive such compensation as
24 determined by the board, subject to the limitations of appropriations
25 thereof; and (4) have familiarity with the tax appeals process sufficient to
26 fulfill the duties of the office of executive director. The executive director
27 shall perform such duties as directed by the board.

28 (d) Appeals decided by the state board of tax appeals which are
29 deemed of sufficient importance to be published shall be published by
30 the board.

31 (e) After appointment, members of the state board of tax appeals shall
32 complete the following course requirements: (1) A tested appraisal course
33 of not less than 30 clock hours of instruction consisting of the fundamen-
34 tals of real property appraisal with an emphasis on the cost and sales
35 approaches to value; (2) a tested appraisal course of not less than 30 clock
36 hours of instruction consisting of the fundamentals of real property ap-
37 praisal with an emphasis on the income approach to value; (3) a tested
38 appraisal course of not less than 30 clock hours of instruction with an
39 emphasis on mass appraisal; (4) an appraisal course with an emphasis on
40 Kansas property tax laws and; (5) an appraisal course on the techniques
41 and procedures for the valuation of state assessed properties with an em-
42 phasis on unit valuation; and (6) a tested appraisal course on the tech-
43 niques and procedures for the valuation of land devoted to agricultural

1 use pursuant to K.S.A. 79-1476, and amendments thereto. The executive
2 director shall adopt rules and regulations prescribing a timetable for the
3 completion of the course requirements and prescribing continued edu-
4 cation requirements for members of the board.

5 (f) The state board of tax appeals shall have no capacity or power to
6 sue or be sued.

3.
4.

7 ~~Sec. [2]~~ K.S.A. 74-2433 is hereby repealed.

8 ~~Sec. [3]~~ This act shall take effect and be in force from and after its
9 publication in the Kansas register.

See Insert, New Sec. 2

Insert

New Sec. 2. (a) The executive director of the state board of tax appeals shall charge and collect a filing fee, established by rules and regulations adopted by the state board of tax appeals, for any appeal in any proceeding under the tax protest, tax grievance or tax exemption statutes or in any other original proceeding for such board to recover all or part of the costs of processing such actions incurred by the state board of tax appeals. No filing fee shall be imposed on applications by taxpayers for refunds of protested taxes under the provisions of K.S.A. 79-2005, and amendments thereto, or for appeals from decisions rendered pursuant to K.S.A. 79-1448, and amendments thereto, with regard to single-family residential property. Not-for-profit organizations shall not be charged a filing fee exceeding \$10 for any appeal if the amount of tax in controversy does not exceed \$100,000.

(b) There is hereby created in the state treasury the BOTA filing fee fund.

(c) The executive director of the board of tax appeals shall remit to the state treasurer at least monthly all tax appeal filing fees received by the state board of tax appeals. Upon receipt of any such remittance, the state treasurer shall deposit the amount in the state treasury to the credit of the BOTA filing fee fund.


(d) All expenditures from the BOTA filing fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive director of the state board of tax appeals or a person or persons designated by such executive director.

FY 2003 and FY 2004

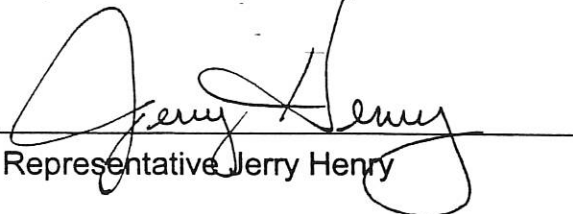
Social Services Budget Committee

Developmental Disability Institutions
Mental Health Institutions
State Hospitals


Representative Brenda Landwehr, Chair

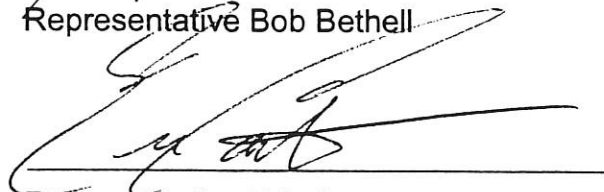

Representative John Edmonds

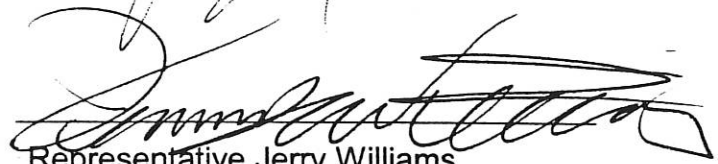

Representative Barbara Ballard


Representative Jerry Henry


Representative Bob Bethell


Representative Melvin Neufeld


Representative Eric Carter


Representative Jerry Williams


Representative Willa DeCastro

HOUSE APPROPRIATIONS

DATE 3-12-03
ATTACHMENT 5

Senate Subcommittee Report

Agency: State Hospitals

Bill No. SB 62

Bill Sec. 21

Analyst: Calderwood

Analysis Pg. No. Vol. 1 - 635-750 Budget Page No. 285, 327, 331,337

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Subcommittee Adjustments
All Funds:			
State Operations	\$ 107,213,570	\$ 103,194,975	\$ 0
Aid to Local Units	0	0	0
Other Assistance	7,700	7,700	0
TOTAL	\$ 107,221,270	\$ 103,202,675	\$ 0
State General Fund:			
State Operations	\$ 37,127,620	\$ 32,953,082	\$ 0
Aid to Local Units	0	0	0
Other Assistance	3,295	3,295	0
TOTAL	\$ 37,130,915	\$ 32,956,377	\$ 0
FTE Positions	2,566.0	2,270.6	0.0
Non FTE Uncl. Perm. Pos.	9.9	9.9	0.0
TOTAL	2,575.9	2,280.5	0.0

Agency Estimate/ Governor's Recommendation

The state hospitals request \$107,221,270 in operating expenditures for FY 2003 which includes State General Fund expenditures of \$37,130,915. Expenditures by major object are estimated as follows: salaries and wages of \$87,754,527; contractual services of \$10,412,683; commodities of \$8,989,360; capital outlay of \$47,000; and other assistance of \$7,700. The state hospitals estimate staffing of 2,566.0 FTE positions.

The Governor recommends \$103,202,675 in operating expenditures for FY 2003 which includes State General Fund expenditures of \$32,956,377. Expenditures by major object are estimated as follows: salaries and wages of \$85,461,208; contractual services of \$9,460,654; commodities of \$8,276,113; capital outlay of \$0; and other assistance of \$7,700. The Governor recommends staffing of 2,270.6 FTE positions.

The following table reflects the agency estimates and Governor's recommendation for each of the individual institutions:

Institution	Agency Estimate	Governor's Recommendation
	FY 2003	FY 2003
Larned State Hospital		
State General Fund	\$ 13,117,896	\$ 12,062,205
All Other Funds	20,562,616	20,431,316
TOTAL	<u>\$ 33,680,512</u>	<u>\$ 32,493,521</u>
Osawatomie State Hospital		
State General Fund	\$ 6,786,359	\$ 5,286,669
All Other Funds	14,242,263	14,742,263
TOTAL	<u>\$ 21,028,622</u>	<u>\$ 20,028,932</u>
Rainbow Mental Health Facility		
State General Fund	\$ 613,812	\$ 587,613
All Other Funds	6,089,799	6,089,799
TOTAL	<u>\$ 6,703,611</u>	<u>\$ 6,677,412</u>
Kansas Neurological Institute		
State General Fund	\$ 9,693,826	\$ 8,877,702
All Other Funds	15,110,012	15,110,012
TOTAL	<u>\$ 24,803,838</u>	<u>\$ 23,987,714</u>
Parsons State Hospital and Training Center		
State General Fund	\$ 6,919,022	\$ 6,142,188
All Other Funds	14,075,665	13,872,908
TOTAL	<u>\$ 20,994,687</u>	<u>\$ 20,015,096</u>
FTE Positions		
Larned State Hospital	792.8	699.8
Osawatomie State Hospital	477.4	413.9
Rainbow Mental Health Facility	126.8	112.3
Kansas Neurological Institute	655.5	589.5
Parsons State Hospital and Training Center	513.5	455.1
TOTAL	<u>2,566.0</u>	<u>2,270.6</u>
Current Year Allotment*	July	November
SRS (for SRS Hospitals)	\$ (479,129)	\$ 0
Larned State Hospital	0	(412,715)
Osawatomie State Hospital	0	(292,802)
Rainbow Mental Health Facility	0	(26,199)
Kansas Neurological Institute	(200,000)	(422,000)
Parsons State Hospital and Training Center	0	(308,566)
TOTAL	<u>\$ (679,129)</u>	<u>\$ (1,462,282)</u>

*The SRS hospitals were assessed a \$679,129 allotment on August 15, 2002. The Department of Social and Rehabilitation Services absorbed \$479,129 of the allotment and the remaining \$200,000 was reflected in the Kansas Neurological Institute budget. The second allotment amount was increased by SRS by \$50,000 each for Larned State Hospital, Osawatomie State Hospital, Kansas Neurological Institute, and Parsons State Hospital and Training Center.

Senate Subcommittee Recommendation

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

1. The Subcommittee recommends that a task force be created and convened during the current Legislative Session. The Subcommittee further recommends that the state hospitals and the Department of Social and Rehabilitative Services convene the task force, which will include the Kansas Mental Health Coalition Task force and the Governor's Mental Health Coalition, in a continuing dialogue addressing the concerns of individuals in need of mental health care. The task force would be required to provide a report to Ways and Means and Appropriations during the 2004 Legislative Session.

The Subcommittee recommends that the task force study the following critical issues related to the state mental health and developmental disability institutions: the closure and consolidation of the Rainbow Mental Health Facility; the impact of FTE position reductions and the challenges of average daily census growth; the loss of private psychiatric beds and growing admissions in the state mental health institutions; Disproportionate Share (DSH) funding for Mental Health institutions; an evaluation of average length of stay and patient outcomes; continuing evaluation of the cost of pharmaceuticals and options available to increase the purchasing power for the Department of Social and Rehabilitation Services.

2. The Subcommittee recommends that the Department of Social and Rehabilitation Services shall take no action regarding the closure and consolidation of Rainbow Mental Health Facility in FY 2003 or FY 2004. The Subcommittee further recommends that an interim Legislative committee be appointed by the Legislative Coordinating Council to study the agency's FY 2004 proposal for the closure and consolidation of the Rainbow Mental Health Facility. This committee will seek input from the Department of Social and Rehabilitation Services and various stakeholders, as well as the task force convened during the 2003 Session of the Legislature, to better understand issues relating to the closure and consolidation and the more global issues related to the state hospitals. The committee would provide reports to the Senate Ways and Means Committee and the House Appropriations Committee.
3. The Subcommittee recommends the elimination of the proviso relating to the use of salary and wages' funds for other operating expenditures. The Subcommittee expresses concern about the institutions' needs for funding to support unanticipated capital outlay expenditures. The Subcommittee endorses the recommendation that has been made by the full Ways and Means Committee.
4. The Subcommittee expresses concern about the Governor's recommended reductions for the state hospitals' FTE positions in both FY 2003 and FY 2004. The recommended reductions, 295.4 FTE positions for FY 2003 and a total of 443.2 FTE positions in FY 2004, are a cause for concern. The Subcommittee notes that future shrinkage recommendations, at a point where shrinkage has been virtually eliminated by the FTE position reductions, would not allow the institutions any flexibility to adjust staffing related to the needs of the institution.

The Subcommittee notes the importance of having sufficient numbers of well-trained staff in order to successfully treat seriously ill patients.

5. The Subcommittee recommends that the state hospitals and the Department of Social and Rehabilitation Services continue to work with other states to combine their purchasing power to purchase pharmaceuticals at a lower cost. The current state hospital budgets do not have the resources to accommodate the rising costs of the pharmaceuticals necessary to provide for patients at all of the state hospitals.
6. The Subcommittee expresses concern about the availability of federal monies available to the state hospitals. The Subcommittee recommends that the Department of Social and Rehabilitation Services continue to pursue all eligible dollars, including those monies for Disproportionate Share for Hospitals (DSH).
7. The Subcommittee notes that the state hospitals' infrastructure, in light of the current budget situation, needs to be monitored on an on-going basis to ensure that the maintenance needs for each institution are addressed.
8. The Subcommittee expresses concern about the continuing increase of the Sexual Predator Treatment Program at Larned State Hospital and the impact of additional demands on staff and support services. The program's average daily census is currently 73, with projections for 75 by the end of the current year and 85 for FY 2004. The Department of Social and Rehabilitation Services testified that, on average, the program is gaining one individual per month.
9. The Subcommittee notes the importance of the current 250-bed building project, the State Security Hospital (SSH), at Larned State Hospital. The Subcommittee notes that the SSH is currently serving a reduced number of inmates, projected at 98 for the current year and budget year, and the facility, projected to open in January 2006, would be able to serve a greater capacity. The facility plans include the addition of 90 beds to serve the current needs of the Kansas Department of Corrections. The Subcommittee recognizes the need for greater capacity and notes, despite the loss of 42 beds, the State Security Program has experienced only a one percent decrease in admissions over the past five years. Increased capacity will better meet the needs of the mentally ill from our courts, jails, and prisons. In addition, the Subcommittee notes that the opening of the new facility would allow for the Sexual Predator Treatment Program to expand its current operations in the Dillon building. The Subcommittee notes that the Dillon Building will require remodeling to accommodate the program's needs.
10. The Subcommittee recommends a Governor's Budget Amendment to make a technical adjustment to SB 62. The lapse amount for Larned State Hospital is reported as \$642,296. The lapse amended amount for Larned State Hospital is \$141,634.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee's recommendation.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: State Hospitals Bill No. SB 62 Bill Sec. 21

Analyst: Calderwood Analysis Pg. No. 635-750 Budget Page No. 285, 309, 327, 331,337

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
All Funds:			
State Operations	\$ 107,213,570	\$ 103,194,975	\$ 0
Aid to Local Units	0	0	0
Other Assistance	7,700	7,700	0
TOTAL	\$ 107,221,270	\$ 103,202,675	\$ 0
State General Fund:			
State Operations	\$ 37,127,620	\$ 32,953,082	\$ 0
Aid to Local Units	0	0	0
Other Assistance	3,295	3,295	0
TOTAL	\$ 37,130,915	\$ 32,956,377	\$ 0
FTE Positions	2,566.0	2,270.6	0.0
Non FTE Uncl. Perm. Pos.	9.9	9.9	0.0
TOTAL	2,575.9	2,280.5	0.0

Agency Estimate/ Governor's Recommendation

The state hospitals request \$107,221,270 in operating expenditures for FY 2003 which includes State General Fund expenditures of \$37,130,915. Expenditures by major object are estimated as follows: salaries and wages of \$87,754,527; contractual services of \$10,412,683; commodities of \$8,989,360; capital outlay of \$47,000; and other assistance of \$7,700. The state hospitals estimate staffing of 2,566.0 FTE positions.

The Governor recommends \$103,202,675 in operating expenditures for FY 2003 which includes State General Fund expenditures of \$32,956,377. Expenditures by major object are estimated as follows: salaries and wages of \$85,461,208; contractual services of \$9,460,654; commodities of \$8,276,113; capital outlay of \$0; and other assistance of \$7,700. The Governor recommends staffing of 2,270.6 FTE positions.

The following table reflects the agency estimates and Governor's recommendation for each of the individual institutions:

Institution	Agency Estimate FY 2003	Gov. Rec. FY 2003
Larned State Hospital		
State General Fund	\$ 13,117,896	\$ 12,062,205
All Other Funds	20,562,616	20,431,316
TOTAL	<u>\$ 33,680,512</u>	<u>\$ 32,493,521</u>
Osawatomie State Hospital		
State General Fund	\$ 6,786,359	\$ 5,286,669
All Other Funds	14,242,263	14,742,263
TOTAL	<u>\$ 21,028,622</u>	<u>\$ 20,028,932</u>
Rainbow Mental Health Facility		
State General Fund	\$ 613,812	\$ 587,613
All Other Funds	6,089,799	6,089,799
TOTAL	<u>\$ 6,703,611</u>	<u>\$ 6,677,412</u>
Kansas Neurological Institute		
State General Fund	\$ 9,693,826	\$ 8,877,702
All Other Funds	15,110,012	15,110,012
TOTAL	<u>\$ 24,803,838</u>	<u>\$ 23,987,714</u>
Parsons State Hospital and Training Center		
State General Fund	\$ 6,919,022	\$ 6,142,188
All Other Funds	14,075,665	13,872,908
TOTAL	<u>\$ 20,994,687</u>	<u>\$ 20,015,096</u>
FTE Positions		
Larned State Hospital	792.8	699.8
Osawatomie State Hospital	477.4	413.9
Rainbow Mental Health Facility	126.8	112.3
Kansas Neurological Institute	655.5	589.5
Parsons State Hospital and Training Center	513.5	455.1
TOTAL	<u>2,566.0</u>	<u>2,270.6</u>
Current Year Allotment*	July	November
SRS (for SRS Hospitals)	\$ (479,129)	\$ 0
Larned State Hospital	0	(412,715)
Osawatomie State Hospital	0	(292,802)
Rainbow Mental Health Facility	0	(26,199)
Kansas Neurological Institute	(200,000)	(422,000)
Parsons State Hospital and Training Center	0	(308,566)
TOTAL	<u>\$ (679,129)</u>	<u>\$ (1,462,282)</u>

*The SRS hospitals were assessed a \$679,129 allotment on August 15, 2002. The Department of Social and Rehabilitation Services absorbed \$479,129 of the allotment and the remaining \$200,000 was reflected in the Kansas Neurological Institute budget. The second allotment amount was increased by SRS by \$50,000 each for Larned State Hospital, Osawatomie State Hospital, Kansas Neurological Institute, and Parsons State Hospital and Training Center.

House Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notations and observations:

1. The Budget Committee notes that the Governor's Budget Recommendation retains funding for Rainbow Mental Health Facility in FY 2004. The Budget Committee recommends that SRS enter into discussions with community stakeholders, including Community Mental Health Centers statewide, regarding the future role and function of the state mental health institutions, with a focus on continuing the provision of acute mental health services. These discussions should include:
 - identification of models that would provide services to children in a family-based setting rather than in a state hospital;
 - exploration of public-private partnership options; and
 - identification of alternative services models for the facilities, other than their current designation as an Institute for Mental Disease (IMD), and the Medicaid financing implications of a different models of service.

The Budget Committee further recommends that SRS report on these discussions and any planned implementation of new models to the Legislative Budget Committee or an appropriate interim committee identified by the Legislative Coordinating Council.

2. The Budget Committee recommends that SRS enter into discussions with stakeholders, including Community Developmental Disability Organizations and parents/ guardians of persons living in the state MR/DD institutions, regarding the future role and function of these facilities, with a focus on the availability of providing services in community-based settings. These discussions should include:
 - identification of models that would provide services to individuals in a community-based setting rather than in a state hospital and the impact those models may have on the state facilities;
 - exploration of public-private partnership options; and
 - identification of alternative services models for these facilities, and the financing implications of a different model of service, including the need to move existing funding from hospitals to community-based services.
 - identification of the financial, policy and program implications.

The Budget Committee further recommends that SRS report on these discussions and any planned implementation of new models to the Legislative Budget Committee or an appropriate interim committee identified by the Legislative Coordinating Council.

3. The Budget Committee recommends that SRS enter into discussions with stakeholders, including Community Developmental Disability Organizations and parents/ guardians of persons living in the private ICF/ MR facilities, regarding the future role and function of these facilities, with a focus on the availability of providing services in community-based settings. These discussions should include:
 - identification of models that would provide services to individuals in a community-based setting rather than in a state hospital and the impact those models may have on these facilities;
 - exploration of public-private partnership options; and
 - identification of alternative services models for these facilities, and the financing implications of a different model of service, including the need to move existing funding from hospitals to community-based services.
 - identification of the financial, policy and program implications.

The Budget Committee further recommends that SRS report on these discussions and any planned implementation of new models to the Legislative Budget Committee or an appropriate interim committee identified by the Legislative Coordinating Council.

4. The Committee notes that, according to David Braddock's 2002 "State of the States in Developmental Disabilities" report, eight states have closed all of their large state developmental disabilities. In addition, the report notes that no public funds were used to support private institutions in ten states.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notations and observations:

1. The Budget Committee notes that the Governor's Budget Recommendation retains funding for Rainbow Mental Health Facility in FY 2004. The Budget Committee recommends that SRS enter into discussions with community stakeholders in the Kansas City area regarding the future role and function of Rainbow, with a focus on continuing the provision of acute mental health services and retaining Rainbow as a community resource. These discussions should include:
 - identification of models that would provide services to children in a family-based setting rather than in a state hospital;
 - exploration of public-private partnership options; and
 - identification of alternative services models for the Rainbow facility, other than its current designation as an Institute for Mental Disease (IMD), and the Medicaid financing implications of a different model of service.

The Budget Committee further recommends that SRS report on these discussions and any planned implementation of new models to the Legislative Budget Committee or an appropriate interim committee identified by the Legislative Coordinating Council.

2. The Budget Committee recommends that SRS enter into discussions with stakeholders, including Community Developmental Disability Organizations and parents/ guardians of persons living in the Kansas Neurological Institute, regarding the future role and function of the Kansas Neurological Institute, with a focus on the availability of providing services in community-based settings. These discussions should include:
 - identification of models that would provide services to individuals in a community-based setting rather than in a state hospital and the impact those models may have on the Parsons State Hospital and Training Center;
 - Exploration of public-private partnership options; and
 - identification of alternative services models for the KNI facility, and the financing implications of a different model of service, including the need to move existing funding from hospitals to community-based services.

The Budget Committee further recommends that SRS report on these discussions and any planned implementation of new models to the Legislative Budget Committee or an appropriate interim committee identified by the Legislative Coordinating Council.

3. The Budget Committee recommends the removal of the current year proviso relating to the use of salary and wages' funds for other operating expenditures. The Budget Committee notes testimony from the Department of Social and Rehabilitation Services (SRS) about the needs of each institution to have sufficient funding for necessary capital outlay expenditures. The Budget Committee recommends restoration of the proviso language in FY 2004.

4. The Budget Committee recommends a review of the federal funding for the State Hospitals, including Disproportionate Share (DSH) and Title XIX, prior to Omnibus.
5. The Budget Committee notes that a number of issues will determine the future structure and role of the state hospitals and recommends continued monitoring of the average daily census and the impact of increasing admissions in mental health institutions; an evaluation of outcomes associated with the reduction of average length of stay; staffing and recruitment for direct care staff, in light of current staffing reductions; the need for inpatient (acute) psychiatric beds in urban areas; evaluation of pharmaceutical costs; and the service delivery system for community-based services.
6. The Budget Committee recommends a review of education services provided for children and adolescents within the state hospitals' setting, prior to Omnibus.

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Senate Subcommittee Report

Agency: State Hospitals

Bill No. - -

Bill Sec. - -

Analyst: Calderwood

Analysis Pg. No. Vol. 1 - 635-750

Budget Page No. 285, 309,
327, 331, 337

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Subcommittee Adjustments
All Funds:			
State Operations	\$ 102,648,007	\$ 105,889,777	\$ 0
Aid to Local Units	0	0	0
Other Assistance	6,500	6,500	0
TOTAL	<u>\$ 102,654,507</u>	<u>\$ 105,896,277</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 51,719,535	\$ 54,249,719	\$ 0
Aid to Local Units	0	0	0
Other Assistance	3,320	3,320	0
TOTAL	<u>\$ 51,722,855</u>	<u>\$ 54,253,039</u>	<u>\$ 0</u>
FTE Positions	2,509.2	2,165.8	0.0
Non FTE Uncl. Perm. Pos.	9.9	9.9	0.0
TOTAL	<u>2,519.1</u>	<u>2,175.7</u>	<u>0.0</u>

Agency Request/ Governor's Recommendation

The state hospitals request \$102,654,507 in operating expenditures for FY 2004 which includes State General Fund expenditures of \$51,722,855. Expenditures by major object are estimated as follows: salaries and wages of \$83,759,089; contractual services of \$9,614,129; commodities of \$9,274,789; capital outlay of \$0; and other assistance of \$6,500. The state hospitals estimate staffing of 2564.1 FTE positions.

The Governor recommends \$105,896,277 in operating expenditures for FY 2004 which includes State General Fund expenditures of \$54,253,039. Expenditures by major object are estimated as follows: salaries and wages of \$86,705,469; contractual services of \$10,253,524; commodities of \$8,930,784; capital outlay of \$0; and other assistance of \$6,500. The Governor recommends staffing of 2,165.8 FTE positions.

The following table reflects the agency estimates and Governor's recommendation for each of the individual institutions:

Institution	Agency Estimate FY 2004	Governor's Recommendation FY 2004
Larned State Hospital		
State General Fund	\$ 25,785,280	\$ 25,527,686
All Other Funds	9,284,229	9,284,229
TOTAL	<u>\$ 35,069,509</u>	<u>\$ 34,811,915</u>
Osawatomie State Hospital		
State General Fund	\$ 9,305,027	\$ 8,225,647
All Other Funds	13,670,889	11,430,025
TOTAL	<u>\$ 22,975,916</u>	<u>\$ 19,655,672</u>
Rainbow Mental Health Facility		
State General Fund	\$ 0	\$ 3,867,158
All Other Funds	0	2,952,450
TOTAL	<u>\$ 0</u>	<u>\$ 6,819,608</u>
Kansas Neurological Institute		
State General Fund	\$ 9,765,684	\$ 9,765,684
All Other Funds	14,481,732	14,481,732
TOTAL	<u>\$ 24,247,416</u>	<u>\$ 24,247,416</u>
Parsons State Hospital and Training Center		
State General Fund	\$ 6,866,864	\$ 6,866,864
All Other Funds	13,494,802	13,494,802
TOTAL	<u>\$ 20,361,666</u>	<u>\$ 20,361,666</u>
FTE Positions		
Larned State Hospital	792.8	663.0*
Osawatomie State Hospital	549.4	436.3
Rainbow Mental Health Facility	0.0	112.3
Kansas Neurological Institute	653.5	530.0
Parsons State Hospital and Training Center	513.5	424.2
TOTAL	<u>2,509.2</u>	<u>2,165.8</u>

* The Governor's recommendation includes the addition of 45.0 FTE for the Sexual Predator Treatment Program.

Senate Subcommittee Recommendation

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

1. The Subcommittee recommends that a task force be created and convened during the current Legislative Session. The Subcommittee further recommends that the state hospitals and the Department of Social and Rehabilitative Services convene the task force, which will include the Kansas Mental Health Coalition Task force and the Governor's Mental Health Coalition, in a continuing dialogue addressing the concerns of individuals in need of mental health care. The task force would be required to provide a report to Ways and Means and Appropriations during the 2004 Legislative Session.

The Subcommittee recommends that the task force study the following critical issues related to the state mental health and developmental disability institutions: the closure and consolidation of the Rainbow Mental Health Facility; the impact of FTE position reductions and the challenges of average daily census growth; the loss of private psychiatric beds and growing admissions in the state mental health institutions; Disproportionate Share (DSH) funding for Mental Health institutions; an evaluation of average length of stay and patient outcomes; continuing evaluation of the cost of pharmaceuticals and options available to increase the purchasing power for the Department of Social and Rehabilitation Services.

2. The Subcommittee recommends that the Department of Social and Rehabilitation Services shall take no action regarding the closure and consolidation of Rainbow Mental Health Facility in FY 2003 or FY 2004. The Subcommittee further recommends that an interim Legislative committee be appointed by the Legislative Coordinating Council to study the agency's FY 2004 proposal for the closure and consolidation of the Rainbow Mental Health Facility. This committee will seek input from the Department of Social and Rehabilitation Services and various stakeholders, as well as the task force convened during the 2003 Session of the Legislature, to better understand issues relating to the closure and consolidation and the more global issues related to the state hospitals. The committee would provide reports to the Senate Ways and Means Committee and the House Appropriations Committee.
3. The Subcommittee recommends the elimination of the proviso relating to the use of salary and wages' funds for other operating expenditures. The Subcommittee expresses concern about the institutions' needs for funding to support unanticipated capital outlay expenditures. The Subcommittee endorses the recommendation that has been made by the full Ways and Means Committee.
4. The Subcommittee expresses concern about the Governor's recommended reductions for the state hospitals' FTE positions in both FY 2003 and FY 2004. The recommended reductions, 295.4 FTE positions for FY 2003 and a total of 443.2 FTE positions in FY 2004, are a cause for concern. The Subcommittee notes that future shrinkage recommendations, at a point where shrinkage has been virtually eliminated by the FTE position reductions, would not allow the institutions any flexibility to adjust staffing related to the needs of the institution.

The Subcommittee notes the importance of having sufficient numbers of well-trained staff in order to successfully treat seriously ill patients.

5. The Subcommittee recommends that the state hospitals and the Department of Social and Rehabilitation Services continue to work with other states to combine their purchasing power to purchase pharmaceuticals at a lower cost. The current state hospital budgets do not have the resources to accommodate the rising costs of the pharmaceuticals necessary to provide for patients at all of the state hospitals.
6. The Subcommittee expresses concern about the availability of federal monies available to the state hospitals. The Subcommittee recommends that the Department of Social and Rehabilitation Services continue to pursue all eligible dollars, including those monies for Disproportionate Share for Hospitals (DSH).
7. The Subcommittee notes that the state hospitals' infrastructure, in light of the current budget situation, needs to be monitored on an on-going basis to ensure that the maintenance needs for each institution are addressed.
8. The Subcommittee expresses concern about the continuing increase of the Sexual Predator Treatment Program at Larned State Hospital and the impact of additional demands on staff and support services. The program's average daily census is currently 73, with projections for 75 by the end of the current year and 85 for FY 2004. The Department of Social and Rehabilitation Services testified that, on average, the program is gaining one individual per month.
9. The Subcommittee notes the importance of the current 250-bed building project, the State Security Hospital (SSH), at Larned State Hospital. The Subcommittee notes that the SSH is currently serving a reduced number of inmates, projected at 98 for the current year and budget year, and the facility, projected to open in January 2006, would be able to serve a greater capacity. The facility plans include the addition of 90 beds to serve the current needs of the Kansas Department of Corrections. The Subcommittee recognizes the need for greater capacity and notes, despite the loss of 42 beds, the State Security Program has experienced only a one percent decrease in admissions over the past five years. Increased capacity will better meet the needs of the mentally ill from our courts, jails, and prisons. In addition, the Subcommittee notes that the opening of the new facility would allow for the Sexual Predator Treatment Program to expand its current operations in the Dillon building. The Subcommittee notes that the Dillon Building will require remodeling to accommodate the program's needs.
10. The Subcommittee recommends a Governor's Budget Amendment to make a technical adjustment to SB 62. The lapse amount for Larned State Hospital is reported as \$642,296. The lapse amended amount for Larned State Hospital is \$141,634.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee's recommendation.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

House Budget Committee Report

Agency: State Hospitals

Bill No. --

Bill Sec. --

Analyst: Calderwood

Analysis Pg. No. 635-750

Budget Page No. 285,309, 327,
331, 337

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
All Funds:			
State Operations	\$ 102,648,007	\$ 105,889,777	\$ 0
Aid to Local Units	0	0	0
Other Assistance	6,500	6,500	0
TOTAL	<u>\$ 102,654,507</u>	<u>\$ 105,896,277</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 51,719,535	\$ 54,249,719	\$ 0
Aid to Local Units	0	0	0
Other Assistance	3,320	3,320	0
TOTAL	<u>\$ 51,722,855</u>	<u>\$ 54,253,039</u>	<u>\$ 0</u>
FTE Positions	2,554.2	2,165.8	0.0
Non FTE Uncl. Perm. Pos.	9.9	9.9	0.0
TOTAL	<u>2,564.1</u>	<u>2,175.7</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The state hospitals request \$102,654,507 in operating expenditures for FY 2004 which includes State General Fund expenditures of \$51,722,855. Expenditures by major object are estimated as follows: salaries and wages of \$83,759,089; contractual services of \$9,614,129; commodities of \$9,274,789; capital outlay of \$0; and other assistance of \$6,500. The state hospitals estimate staffing of 2564.1 FTE positions.

The Governor recommends \$103,202,675 in operating expenditures for FY 2004 which includes State General Fund expenditures of \$54,253,039. Expenditures by major object are estimated as follows: salaries and wages of \$86,705,469; contractual services of \$10,253,524; commodities of \$8,930,784; capital outlay of \$0; and other assistance of \$6,500. The Governor recommends staffing of 2,175.7 FTE positions.

The following table reflects the agency estimates and Governor's recommendation for each of the individual institutions:

Institution	Agency Estimate FY 2004	Governor's Recommendation FY 2004
Larned State Hospital		
State General Fund	\$ 25,785,280	\$ 25,527,686
All Other Funds	9,284,229	9,284,229
TOTAL	\$ 35,069,509	\$ 34,811,915
Osawatomie State Hospital		
State General Fund	\$ 9,305,027	\$ 8,225,647
All Other Funds	13,670,889	11,430,025
TOTAL	\$ 22,975,916	\$ 19,655,672
Rainbow Mental Health Facility		
State General Fund	\$ 0	\$ 3,867,158
All Other Funds	0	2,952,450
TOTAL	\$ 0	\$ 6,819,608
Kansas Neurological Institute		
State General Fund	\$ 9,765,684	\$ 9,765,684
All Other Funds	14,481,732	14,481,732
TOTAL	\$ 24,247,416	\$ 24,247,416
Parsons State Hospital and Training Center		
State General Fund	\$ 6,866,864	\$ 6,866,864
All Other Funds	13,494,802	13,494,802
TOTAL	\$ 20,361,666	\$ 20,361,666
FTE Positions		
Larned State Hospital	792.8	663.0*
Osawatomie State Hospital	594.4	436.3
Rainbow Mental Health Facility	0.0	112.3
Kansas Neurological Institute	653.5	530.0
Parsons State Hospital and Training Center	513.5	424.2
TOTAL	2,554.2	2,165.8

* The Governor's recommendation includes the addition of 45.0 FTE for the Sexual Predator Treatment Program.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation, with notations and observations as reflected in the FY 2003 report.

House Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notations and observations:

1. The Budget Committee notes that the Governor's Budget Recommendation retains funding for Rainbow Mental Health Facility in FY 2004. The Budget Committee recommends that SRS enter into discussions with community stakeholders, including Community Mental Health Centers statewide, regarding the future role and function of the state mental health institutions, with a focus on continuing the provision of acute mental health services. These discussions should include:
 - identification of models that would provide services to children in a family-based setting rather than in a state hospital;
 - exploration of public-private partnership options; and
 - identification of alternative services models for the facilities, other than their current designation as an Institute for Mental Disease (IMD), and the Medicaid financing implications of a different models of service.

The Budget Committee further recommends that SRS report on these discussions and any planned implementation of new models to the Legislative Budget Committee or an appropriate interim committee identified by the Legislative Coordinating Council.

2. The Budget Committee recommends that SRS enter into discussions with stakeholders, including Community Developmental Disability Organizations and parents/guardians of persons living in the state MR/DD institutions, regarding the future role and function of these facilities, with a focus on the availability of providing services in community-based settings. These discussions should include:
 - identification of models that would provide services to individuals in a community-based setting rather than in a state hospital and the impact those models may have on the state facilities;
 - exploration of public-private partnership options; and
 - identification of alternative services models for these facilities, and the financing implications of a different model of service, including the need to move existing funding from hospitals to community-based services.
 - identification of the financial, policy and program implications.

The Budget Committee further recommends that SRS report on these discussions and any planned implementation of new models to the Legislative Budget Committee or an appropriate interim committee identified by the Legislative Coordinating Council.

HOUSE APPROPRIATIONS

DATE 3-12-03
ATTACHMENT 6

3. The Budget Committee recommends that SRS enter into discussions with stakeholders, including Community Developmental Disability Organizations and parents/ guardians of persons living in the private ICF/ MR facilities, regarding the future role and function of these facilities, with a focus on the availability of providing services in community-based settings. These discussions should include:
 - identification of models that would provide services to individuals in a community-based setting rather than in a state hospital and the impact those models may have on these facilities;
 - exploration of public-private partnership options; and
 - identification of alternative services models for these facilities, and the financing implications of a different model of service, including the need to move existing funding from hospitals to community-based services.
 - identification of the financial, policy and program implications.

The Budget Committee further recommends that SRS report on these discussions and any planned implementation of new models to the Legislative Budget Committee or an appropriate interim committee identified by the Legislative Coordinating Council.

4. The Committee notes that, according to David Braddock's 2002 "State of the States in Developmental Disabilities" report, eight states have closed all of their large state developmental disabilities. In addition, the report notes that no public funds were used to support private institutions in ten states.