

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chair Melvin Neufeld at 9:00 a.m. on March 19, 2003, in Room 514-S of the Capitol.

All members were present except:

Committee staff present:

J. G. Scott, Legislative Research Department
Melissa Calderwood, Legislative Research
Julian Efird, Legislative Research
Amy VanHouse, Legislative Research
Robert Waller, Legislative Research
Leah Robinson, Legislative Research
Amy Deckard, Legislative Research
Debra Hollon, Legislative Research
Audrey Nogle, Legislative Research
Paul West, Legislative Research
Nicoletta Buonasera, Legislative Research
Martha Dorsey, Legislative Research
Becky Krahl, Legislative Research
Carolyn Rampey, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Assistant
Shirley Jepson, Committee Secretary

Conferees appearing before the committee: Janet Schalansky, Secretary of Social and Rehabilitation Services

Others attending:

See attached

- Attachment 1 Memo from Denise Everhart, Juvenile Justice Authority
- Attachment 2 FY 2004 Budget of Department of Social and Rehabilitation Services
- Attachment 3 Closure Commission Proviso
- Attachment 4 Support Information for SB 242
- Attachment 5 Dispense as Written Proviso
- Attachment 6 Comparison of FY2003 & FY 2004 Budget, Recommendations of Governor and House Committee; Recommendations of Governor and Senate Committee; Recommended Adjustments to State General Fund Receipts
- Attachment 7 FY 2003 & FY 2004 Economic Development Initiatives Fund
- Attachment 8 FY 2003 & FY 2004 Children's Initiatives Fund
- Attachment 9 FY 2003 & FY 2004 State Water Plan Fund
- Attachment 10 House Adjustments to the Governor's Recommendation; Items for Omnibus Consideration, referred by House Committee and Senate Committee; Items to be Resolved by House Committee; Items to be Resolved by Senate Committee

MORNING SESSION

9:00 A.M.

Representative Schwartz moved for the introduction of legislation to help regulate zoning on underground storage units. The motion was seconded by Representative Osborne. Motion carried.

Representative Campbell moved for the introduction of legislation pertaining to child care facilities that exempts boy's and girl's clubs and other clubs who do after-school activities. The motion was seconded by Representative Feuerborn. Motion carried.

A memo from Denise Everhart, Acting Commissioner of Juvenile Justice, was distributed to the Committee which provides follow-up information as requested, regarding the agency's process in managing prior fiscal year unexpended funds (carryover) distributed to counties (Attachment 1).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on March 19, 2003, in Room 514-S of the Capitol.

The Committee returned to unfinished business of the Department of Social and Rehabilitation Services FY 2004 Budget for further discussion and possible action (Attachment 2).

The Chair recognized Janet Schalansky, Secretary of Social and Rehabilitation Services, to respond to questions from the Committee concerning the CDDO system.

Representative Bethell moved to amend the report with the addition of language on Page 15, Item 12, to include "If there are savings in rent from the closing of SRS offices or savings from other areas of the budget, the \$475,000 funeral cost of indigent Kansans will be funded". The motion was seconded by Representative Ballard. Motion carried.

Representative Landwehr moved to amend the report and add a "Closure Commission" Proviso to Page 11, Item 10 (Attachment 3). The motion was seconded by Representative Bethell.

The Committee requested more time to read and examine the proviso before action is taken by the Committee. Representative Landwehr withdrew her motion with the permission of the second.

Information was distributed to the Committee regarding SB 242, which addresses the "Closure Commission" issue (Attachment 4).

Representative Landwehr moved to amend the report and strike the words "for an additional" and insert "up to" on Page 9, Item 5d. The motion was seconded by Representative Bethell. Motion carried.

Representative Landwehr moved to amend the report and strike the word "would" and insert "is anticipated to" on Page 8, Item 5 first paragraph and to add the sentence "The Committee is not ready to endorse support of SB 242 until further testimony is available." The motion was seconded by Representative Bethell. Motion carried.

Representative Landwehr moved to amend the report and add a proviso regarding "dispense as written" to the report (Attachment 5). The motion was seconded by Representative Bethell.

After Committee discussion, Representative Landwehr withdrew her motion with the permission of the second.

Representative Landwehr renewed her motion on the Governor's budget recommendations for the Department of Social and Rehabilitation Services' FY 2004 Budget and moved for the adoption of the Budget Committee recommendations as amended. The motion was seconded by Representative Bethell. Motion carried.

Representative Landwehr thanked the Committee and the members of Social Services Budget Committee for their attention and diligent work on the budget of the Department of Social and Rehabilitation Services.

The Chair recognized J. G. Scott, Legislative Research Department, who presented information on the Comparison of FY 2003-FY 2004 Recommended Expenditures with the Governor's Recommendation and the House Recommendation; the Senate Committee Recommendation as of March 18, 2003; and Recommended Adjustments to State General Fund Receipts (Attachment 6).

A typing error in the FY 2003 FTE positions was noted, which should read 39,490.4 and 39,486.4. To reflect the Governor's revenue estimates, on Page 1 under the "Receipts (November 2002 Consensus), the numbers were changed from \$4,152.0 to \$4,047.0 and from \$4,525.7 to \$4,400.7. The ending balances should be changed from \$0.4 to (\$104.6); Change the beginning balance on FY 2004 to (\$104.6); and the ending balance for FY 2004 from \$0.6 to (\$229).

The Chair recognized Deb Holman, Legislative Research Department, who presented information on the FY 2003 and FY 2004 EDIF Fund as of March 17, 2003 (Attachment 7).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on March 19, 2003, in Room 514-S of the Capitol.

The Chair recognized Audrey Nogle, Legislative Research Department, to present information on the FY 2003 and FY 2004 Children's Initiatives Fund (Attachment 8).

The Chair recognized Amy VanHouse, Legislative Research Department, to present information on the FY 2003 and FY 2004 State Water Plan Fund (Attachment 9).

The Chair recognized J. G. Scott to present the House Adjustments to the Governor's Recommendation for FY 2003 and FY 2004, Items for Omnibus Consideration as referred by House Committee and Senate Committee, Items to be Resolved by House Committee, and Items to be Resolved by Senate Committee (Attachment 10).

The meeting was recessed until 1:30 p.m.

AFTERNOON SESSION

1:30 P.M.

HB 2447 was referred to General Govt and Commerce Budget Committee.

The Chair announced there will be a Hearing on **HB 2412**, Friday, March 21, 2003.

Committee Meeting was recessed for Republican and Democrat Caucus until 1:50 p.m.

The Committee turned their attention to **HB 2444** and started at the beginning with the fee agencies. The Chair directed the Committee's attention to Page 18 to statutory change from **SB 429** of the 2002 Session.

Representative Howell moved to amend the Attorney General's budget (Page 24) by removing the unused square footage from the Attorney General's office and save the rent amount of \$32,906. The motion was seconded by Representative Pottorff. Motion carried.

Representative Shriver moved to amend the Department of Administration's section by removing the verbiage (Page 47, Line 34 through Page 48, Line 5) "And provided further, That, in addition to other expenditures authorized by law, notwithstanding the provisions of any other statute, the secretary of administration is hereby authorized to make expenditures for fiscal year 2004 from the state buildings operating fund to sell, exchange or otherwise dispose of the Hiram Price Dillon House, which sale, exchange or other disposition is hereby authorized and shall be in the best financial interest of the state, as determined by the secretary of administration: And provided further, That, in addition to other expenditures authorized by law, notwithstanding the provisions of any other statute, the secretary of administration is hereby authorized to make expenditures for fiscal year 2004 from the state buildings operating fund to raze the Hiram Price Dillon House and to convert the real estate to other use, which razing and conversion are hereby authorized and shall be in the best financial interest of the state, as determined by the secretary of administration." The motion was seconded by Representative Pottorff. Motion carried.

The Committee requested the Legislative Research Department to provide information on the amount of the Goodyear bond payment.

Representative McCreary moved to amend the Department of Health and Environment-Division of Environment section (Page 79) by adding a Proviso for FY 2003, FY 2004 and FY 2005, to prevent KDHE from spending funds to issue a permit to any person or entity for the purpose of operating a landfill within five miles of the Chilaskie River in Harper County. The motion was seconded by Representative Henry. Division was called for. The Motion failed.

Representative Klein moved to remove all language from the Department of Social and Rehabilitation Services section (Page 90), concerning the Hospital Closure issue and defer to Omnibus. The motion was seconded by Representative Gatewood. After Committee discussion, the motion was withdrawn with the permission of the second.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on March 19, 2003, in Room 514-S of the Capitol.

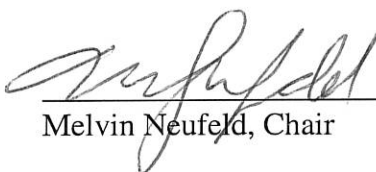
The Committee requested information from the Public Safety Budget Committee on a breakdown of expenditures for malpractice and FTE's in the \$31,050,868 designated for treatment and programs (Page 146, Line 33).

The Chair noted that Ombudsman for Corrections is not in the bill and will need to be revisited by the Committee.

The Committee requested an explanation of the \$90,890 from the state highway fund of the Department of Transportation to the water structures-state highway fund of the Kansas Department of Agriculture, referred to on Page 169, Line 31-34.

The Committee requested information on how many aircraft are owned by the State of Kansas.

The meeting was adjourned at 3:30 p.m.



Melvin Neufeld, Chair

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: *March 19, 2003*

NAME	REPRESENTING
<i>Keith Bradshaw</i>	<i>Budget</i>
<i>Don Wiler</i>	<i>Kansas City Commission</i>
<i>Kim Fowler</i>	<i>Judicial Branch.</i>
<i>Jerry Sloan</i>	<i>Judicial Branch</i>
<i>Craig Kebab</i>	<i>KS AREA AGENCIES ON AGING ASSOC</i>
<i>Dick Kewitt</i>	<i>KIDWP</i>
<i>Janet Schalaweg</i>	<i>JAS</i>
<i>Bill Watts</i>	<i>KDOT</i>
<i>Cindy Bratrager</i>	<i>KBoD</i>
<i>Mike Huttles</i>	<i>Ks. Gov't. Consulting</i>
<i>Steve Solomon</i>	<i>The Farm, Inc.</i>
<i>Doug Bowman</i>	<i>CCECDs</i>
<i>Niede Romine</i>	<i>GBBA</i>
<i>Jennifer Schwartz</i>	<i>ATK</i>
<i>Lynnae South</i>	<i>JJA</i>
<i>Jim Conant</i>	<i>KDOR</i>
<i>Pam Scott</i>	<i>Ks Funeral Directors Assn</i>
<i>Marcianne Deade</i>	<i>SRS</i>
<i>Nancy Pierce</i>	<i>KHCA</i>

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: March 19, 2003

NAME	REPRESENTING
Brad Swort	Children's Mercy
Markus	KGP
Keith Haxton	SEAK
Bill Schaffer	KDHR
Jennifer Schwartz	ATR
Josie Torres	KACK
Jay Torres	Consumer
Steve Solomon	The Farm, Inc.
Bill Watts	KDOT
Jerry Sloan	Judicial Branch
Kim Fowler	Judicial Branch
Dave Wilson	Kansas Arts Commission
Cindy Shear	KSTA
Janey Scott	ESU
Jan Dean	KSC
Jan Rhye	KCOD
Cindy Denton	DOB
Ann Nurkes	DOB
Amy Campbell	KS Mental Health Coalition

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: *March 19, 2003*

NAME	REPRESENTING
<i>Craig Haber</i>	KAAA
<i>Cindy Bontrager</i>	KBOR
<i>Andy Smiley</i>	KADP



K A N S A S


DENISE L. EVERHART
ACTING COMMISSIONER

JUVENILE JUSTICE AUTHORITY

KATHLEEN SEBELIUS, GOVERNOR

MEMORANDUM

To: Representative Melvin Neufeld, Chairman, House
Members of the House Appropriations Committee

From: Denise Everhart, Acting Commissioner 

Date: March 18, 2003

Subject: Carryover Funds

The purpose of this memo is to provide follow up information as was requested at the Appropriations Committee meeting on 03/17/03, regarding the agency's process in managing prior fiscal year unexpended funds (carryover) distributed to counties.

KSA 75-7049 authorizes the commissioner to reduce a county's grant funds in the ensuing fiscal year by the amount of unexpended funds in the previous fiscal year. The statute also authorizes the commissioner to allow counties to retain funds if it is needed for and will be expended during the ensuing fiscal year for expenditures under the applicable comprehensive plan. The agency assesses on a year-to-year basis whether funds will be reduced from or retained by the counties.

Prior to FY02, districts that submitted the necessary budget documents and received approval were authorized to retain funds for improvement and enhancement to community based juvenile justice programs. In FY02, the agency reduced county's FY03 prevention funds by the amount of their carryover. Local grantees carried over more than \$1.1 million in CIF prevention funds from FY 2002 to FY 2003. The entire amount of this carryover was retained in local accountings and became part of the FY 2003 approved budgets. However, JJA requested and the Governor recommended that an offsetting amount of \$1.1 million be reduced from the FY 2003 JJA CIF prevention grant appropriation. In short, the JJA approved prevention grant appropriation for FY 2003 was reduced but no reduction was made to the total approved budgets for local communities.

It is too early to project the amount of carryover funds for FY03. It is the agency's plan, at this time, to allow counties with unexpended FY03 funds to budget those funds for use into FY04. JJA will do this by reducing county's FY04 grant funds by the amount of their FY03 carryover. Once the districts submit a plan for use of the funds along with the necessary budget documents and receive agency approval, JJA will release the funds to the county.

Please let me know if you have additional questions or if I can be of further assistance. Thank you for your support of this agency.

DLE:RK:bt

JAYHAWK WALK, 714 SW JACKSON ST., STE 300, TOPEKA, KS
Voice 785-296-4213 Fax 785-296-1412 <http://jja.state.ks.us>

HOUSE APPROPRIATIONS

DATE 3-19-2003
ATTACHMENT 1

Social Services Budget Committee

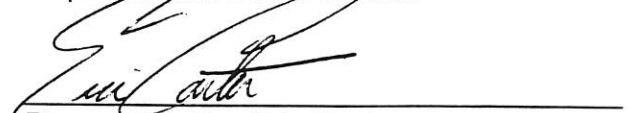
FY 2003 and FY 2004

Department of Social and Rehabilitation Services



Representative Brenda Landwehr, Chairperson



Representative Barbara Ballard


Representative Bob Bethell


Representative Eric Carter


Representative Willa DeCastro


Representative John Edmonds


Representative Jerry Henry


Representative Melvin Neufeld


Representative J

HOUSE APPROPRIATIONS

DATE 3-19-2003
ATTACHMENT 2

Senate Subcommittee Report

Agency: Department of Social and Rehabilitation Services **Bill No.** HB 2026 **Bill Sec.** 23

Analyst: Nogle

Analysis Pg. No. 751

Budget Page No. 377

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 304,413,087	\$ 289,256,537	\$ 0
Aid to Local Units	101,858,207	93,885,589	0
Other Assistance	1,630,740,581	1,599,978,328	0
TOTAL	\$ 2,037,011,875	\$ 1,983,120,454	\$ 0
State General Funds:			
State Operations	\$ 102,505,528	\$ 91,044,683	\$ 0
Aid to Local Units	52,270,135	46,446,016	0
Other Assistance	314,651,316	488,862,459	0
TOTAL	\$ 469,426,979	\$ 626,353,158	\$ 0
FTE Positions	3,981.5	3,981.5	3,981.5
Non FTE Uncl. Perm. Pos.	72.0	72.0	72.0
TOTAL	4,053.5	4,053.5	4,053.5

Agency Estimate

The agency requests operating expenditures of \$2.0 billion all funds, \$669.4 million State General Fund, an increase of \$52.9 million all funds and \$42.6 million State General Fund. The estimate includes supplemental requests totaling \$49.0 million all funds and \$21.0 million State General Fund.

Governor's Recommendation

The Governor recommends FY 2003 operating expenditures of \$2.0 billion all funds and \$626.4 million State General Fund, a decrease of \$1.0 million all funds and an increase of \$4.6 million State General Fund. The increase includes supplemental requests totaling \$57.5 million all funds and \$18.9 million State General Fund, as well as reductions totaling \$24.4 million all funds and \$12.1 million State General Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Governor's Recommendation

The Governor recommends FY 2003 operating expenditures of \$2.0 billion all funds and \$626.4 million State General Fund, a decrease of \$1.0 million all funds and an increase of \$4.6 million State General Fund. The increase includes supplemental requests totaling \$57.5 million all funds and \$18.9 million State General Fund, as well as reductions totaling \$24.4 million all funds and \$12.1 million State General Fund.

Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Department of Social and Rehabilitation Services **Bill No.** **Bill Sec.**
Analyst: Nogle **Analysis Pg. No.** 751 **Budget Page No.** 377

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 298,947,913	\$ 291,015,363	\$ 0
Aid to Local Units	104,847,208	96,253,682	0
Other Assistance	1,812,599,831	1,755,635,717	0
TOTAL	<u>\$ 2,216,394,952</u>	<u>\$ 2,142,904,762</u>	<u>\$ 0</u>
State General Funds:			
State Operations	\$ 97,786,000	\$ 92,968,300	\$ 0
Aid to Local Units	57,605,838	50,625,165	0
Other Assistance	643,811,700	595,473,406	0
TOTAL	<u>\$ 799,203,538</u>	<u>\$ 739,066,871</u>	<u>\$ 0</u>
FTE Positions	3,981.5	3,981.5	3,981.5
Non FTE Uncl. Perm. Pos.	72.0	72.0	72.0
TOTAL	<u>4,053.5</u>	<u>4,053.5</u>	<u>4,053.5</u>

* The Subcommittee has earmarked \$1.0 million SGF for grants to Community Mental Health Centers, a shift of the funds from a new urban acute care program for the mentally ill. However, the Subcommittee recommends review of this item at Omnibus.

Agency Request

The agency operations request for FY 2004 is \$2.2 billion all funds, \$799.2 million State General Fund. The request includes enhancements totaling \$111.6 million all funds and \$45.0 million State General Fund.

Governor's Recommendation

The Governor recommends operations expenditures of \$2.1 billion all funds, \$739.1 million State General Fund. The recommendation includes enhancements totaling \$116.0 million all funds and \$42.3 million State General Fund, along with reductions totaling \$78.9 million all funds and \$58.2 million State General Fund.

Subcommittee Recommendation

1. **The Subcommittee notes** that while only a few items in the SRS budget are included in this budget, it does not diminish the importance of the myriad of other essential services provided by the agency. Unfortunately, the current budget constraints allowed the Subcommittee to address just a few of those services.
2. **The Subcommittee recommends** the addition of family preservation caseloads to the caseload estimating process on trial basis, to compare the agency estimates to those of the caseload estimating group. The numbers would not be included as an official part of the estimate during this Legislative Session. If the estimates from the process prove to be useful, the committee would recommend evaluating the inclusion of family preservation in the caseload process during the 2004 session.
3. **The Subcommittee recommends** the continuation of outreach and marketing efforts for HealthWave at the same level as previous years to continue to identify and enroll children in need of health insurance in either HealthWave or Medicaid. As of January 1, 2003, 29,758 children were enrolled in HealthWave, and 75,296 children were found to be eligible for Medicaid. Since the implementation of the HealthWave program, an estimated 105,054 children who were uninsured received physical, mental, and dental health coverage.

The Subcommittee notes that the allotment reduction of \$91,628 State General Fund for HealthWave resulted in triple premiums beginning on February 1, 2003. Although the Governor restored the reduction in the FY 2004 budget, the Subcommittee is concerned that the temporary increase in premiums will force children out of HealthWave and recommends that the outreach and marketing efforts target those children for re enrollment in HealthWave when the premiums are reduced on July 1, 2003. In the interim, the Subcommittee recommends that the agency continue its efforts to locate local assistance to pay premiums for those families and children at risk.

The Subcommittee also notes that the state currently pays 28.0 percent of the cost of HealthWave with state dollars, while federal funds cover the remaining 72.0 percent, federal matching funds are capped. The agency anticipates that state spending will exceed the federal match available in the next few years.

4. **The Subcommittee notes** that since October 2001, when Kansans began to reach the lifetime eligibility limit for welfare service, only 13 families have been denied services, while an additional 242 families have been exempted under the 20.0 percent hardship exemption. The small number of families denied service reflects the agency's effort to assist needy Kansans in achieving financial independence.
5. **The Subcommittee recognizes** the substantial contribution of Kansas Legal Services (KLS) in providing legal and case management services for needy Kansans as they pursue Medicaid eligibility. While the agency is pursuing alternative services through other providers in an attempt to better serve the

needs of the General Assistance/MediKan population, the Subcommittee hopes that the successful partnership between KLS and the Department of Social and Rehabilitation Services will continue.

6. **The Subcommittee recommends** the shift of \$1.0 million SGF from the new urban acute care mental health services program for persons who are severely mentally ill and in need of crisis intervention services to grants to Community Mental Health Centers (CMHCs). The Subcommittee recognizes the need for acute care services given the current economic crisis, especially in urban areas like Wichita and Kansas City. However, the current budget situation is not favorable for new programs with existing programs struggling for funds.
7. **The Subcommittee notes** that as of March 15, 2003 the agency will lay off 120 employees. Notification was sent to those being laid-off on February 11, 2003. The agency has until March 15 to implement alternatives and is working with the Governor to develop other options, which include retirement incentives for those employees close to retirement.
8. **The Subcommittee notes** that the agency has made child protection its highest priority, at the cost of other programs when addressing budget reductions. Front-line staff has been told to concentrate on child protection efforts. This redirection will adversely affect child support enforcement efforts as resources are shifted to support child protection. It has already affected the food stamp eligibility program, in which the agency is fined by the federal government for errors in eligibility assessment. The agency anticipates a fine of \$1.4 million for errors that occurred in FY 2002.
9. **The Subcommittee notes** that the Funeral Assistance program, which was shifted to the Department of Health and Environment (KDHE) for FY 2003, is not funded in the Governor's recommendation for FY 2004. The Subcommittee urges the Senate Subcommittee on the Department of Health and Environment to recommend that KDHE find funding for the program in FY 2004, approximately \$500,000 SGF.
10. **The Subcommittee notes** with concern the growth in the waiting list of unserved persons for both the HCBS/DD and HCBS/PD waiver as shown in the following table:

	Waiting Lists as of December 31, 2002	Growth in the First Half of FY 2003	Estimated Waiting List by the end of FY 2004
Developmental Disability Waiver	661	60	931
Physical Disability Waiver	744	157	1925

Items Deferred to Omnibus

1. **The Subcommittee is concerned** that SRS has decided to initiate a fee of \$10 for providing a child abuse and neglect report to a not-for-profit organization seeking that information as part of a screening process for adult volunteers. This fee is estimated to raise over \$400,000. All of that cost will have to be absorbed by youth serving organizations. This cost shifting may result in some organizations deciding not to pay for the screen and thereby compromise the security of children served by the organization. The Subcommittee questions the wisdom of creating a fee which may actually have the affect of increasing risk to children. The Subcommittee directs SRS to consider the consequences of such a fee and to report back to the full committee at Omnibus as to other options available.
2. **The Subcommittee recommends** Omnibus review of the suggested redesign of the Community Developmental Disability Organization (CDDO) system. The redesign would:
 - a. reduce the number of CDDO's from 28 to 13 or fewer;
 - b. make CDDO's independent of direct service provision and eliminate conflicts of interest inherent in controlling funding, access to services, dispute resolution, and quality assurance;
 - c. reduce administrative costs;
 - d. allow CDDO's to provide a match for an additional \$10.6 million in federal funds (Currently, federal requirements allow the match at the rate of the provider with the least match money. Consolidation would then increase the lowest match available); and
 - e. Continue to allow counties to direct where funds are spent.

The Subcommittee is encouraged by the outcomes indicated in the proposal and strongly encourages the agency to convene all stakeholders in a process designed to provide the committee with a specific proposal to act on during the Omnibus session. The agency should take on this process with all deliberate speed and with sufficient effort to provide the full committee with an opportunity to move forward on this proposal at Omnibus.

3. **The Subcommittee recommends** Omnibus review of the University of Kansas Graduate Medical Education Program funding. The Graduate Medical Program is funded through funds from Medicare and Medicaid, patient care revenue and state primary care support. Medicare funding is reduced for the program by \$1.9 million federal funds as part of the Balance Budget Act of 1997. The Department of Social and Rehabilitation Services further reduced funding for the program in January of 2003 by \$1.5 million SGF, which in turn reduced Medicaid funding by \$2.2 million federal funds. Options to address the cut include closing residency programs, reducing residency spots, cutting faculty positions, limiting Medicaid and uninsured patients. The Subcommittee requests that the agency seek alternatives and report back to the Subcommittee at Omnibus.
4. **The Subcommittee recommends** Omnibus review of provider taxes and requests a report from the agency at that time. The state of Missouri has

implemented provider taxes, but run up against problems with the federal government based on the way the tax was structured. The Missouri tax holds nursing homes and hospitals harmless on the provider tax - they are reimbursed the amount of tax they are paid. Federal law does not allow the states to temporarily collect taxes. However, if the state modifies its tax to eliminate the guarantee that hospitals and nursing homes get back the taxed amount, that may bring them into compliance. More information will be available from the Center for Medicare and Medicaid Services at a later date.

5. **The Subcommittee recommends** that SRS's decision to exclude Children's Mercy Hospital from the pool of hospitals eligible to receive disproportionate share reimbursements be revisited during omnibus. The exclusion appears to the Subcommittee to be arbitrary and counter to the interests of the many Kansas children who receive essential and specialized medical services from Children's Mercy.

Children's Mercy Hospital maintains a facility in Kansas and is a vital partner with the University of Kansas Medical school and its School of Nursing in training medical professionals and in life sciences research. Kansans are fortunate to have access to the services of such an outstanding medical resource. We commend Children's Mercy for not taking any action to limit access by Kansans to the hospital in response to the SRS decision to discontinue disproportionate share payments beginning in the fall of 2002.

The Subcommittee recommends that the agency review its disproportionate share policy for all hospitals, including those out of state hospitals that serve Kansans, and report back at Omnibus.

6. **The Subcommittee recommends** Omnibus review of the issue of locating a source of administrative funding for the Kansas Children's Cabinet and requests that the agency and the Cabinet work together to find funding sources, while maximizing federal match dollars available to the cabinet.
7. **The Subcommittee** has grave concerns that fiscal circumstances may compromise the ability of the agency to address critical child protection needs. Any diminishment in the capacity of the agency to effectively prevent, intervene, investigate, and remediate child protection complaints and caseloads is unacceptable to the Subcommittee. In response to these concerns the agency has assured the Subcommittee that SRS has reallocated resources to make certain child protection services are not compromised. As a result of this reallocation the agency's ability to keep children safe will not be adversely impacted according to the agency. The Subcommittee fully intends to hold SRS accountable to that commitment. The Subcommittee has strong concerns that any cuts to family preservation services will shift caseloads to other more expensive interventions that may not serve the best interests of children in crisis. The Subcommittee directs the agency to strategically monitor the child protection assets and resources of the agency and community based resources and provide the committee with further testimony at Omnibus to fully document the status of child protection needs and services.

8. **The Subcommittee recommends** Omnibus review of the Policy Options Discussion Guide presented by the Secretary of SRS, which sets forth additional budget reductions and their impacts.

Conclusion

The Subcommittee heard testimony from a great number of conferees, all describing the serious impact of budget cuts and allotments to the people they serve. The Subcommittee heard of concerns about the waiting lists for the physically and developmentally disabled that continue to grow, as well as the increased need for families in crisis and children at risk. Moreover, when assistance is not available, situations exacerbate and conditions worsen. While revenues are not currently available, we recognize the tremendous pressure put on the delivery of essential services to the poor, the needy, the disabled and children.

We recommend all these essential services be a priority should funds become available.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendations with the following adjustment:

1. The Committee recommends the introduction of a bill to reduce the number of Community Developmental Disability Organizations from 28 to 13 or less.
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House Budget Committee Report

Agency: Department of Social and Rehabilitation Services **Bill No.** HB 2026 **Bill Sec.** 23

Analyst: Nogle **Analysis Pg. No.** 751 **Budget Page No.** 377

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 298,947,913	\$ 291,015,363	\$ 0
Aid to Local Units	104,847,208	96,253,682	0
Other Assistance	1,812,599,831	1,755,635,717	0
TOTAL	<u>\$ 2,216,394,952</u>	<u>\$ 2,142,904,762</u>	<u>\$ 0</u>
State General Funds:			
State Operations	\$ 97,786,000	\$ 92,968,300	\$ 0
Aid to Local Units	57,605,838	50,625,165	0
Other Assistance	643,811,700	595,473,406	0
TOTAL	<u>\$ 799,203,538</u>	<u>\$ 739,066,871</u>	<u>\$ 0</u>
FTE Positions	3,981.5	3,981.5	3,981.5
Non FTE: Uncl. Perm. Pos.	72.0	72.0	72.0
TOTAL	<u>4,053.5</u>	<u>4,053.5</u>	<u>4,053.5</u>

Agency Request

The agency operations request for FY 2004 is \$2.2 billion all funds, \$799.2 million State General Fund. The request includes enhancements totaling \$111.6 million all funds and \$45.0 million State General Fund.

Governor's Recommendation

The Governor recommends operations expenditures of \$2.1 billion all funds, \$739.1 million State General Fund. The recommendation includes enhancements totaling \$116.0 million all funds and \$42.3 million State General Fund, along with reductions totaling \$78.9 million all funds and \$58.2 million State General Fund.

Budget Committee Recommendation

1. **The Budget Committee encourages** SRS to continue its relationships with researchers to determine societal trends on the causes of increased caseloads in the areas of developmental and physical disabilities. These determinations may allow this committee to address less expensive root causes for increased caseloads in future budgets.
2. **The Budget Committee recommends** reinstating DRG (Diagnostic Related Groups) outlier payments to the 75.0 percent level and reducing all hospital inpatient rates (DRG's) by 1.6 percent or whatever percentage would be required to achieve savings of \$2.1 million SGF. The reduction of outlier payments from 75.0 percent to 60.0 percent began January 1, 2003 as part of the allotment reductions and has a projected savings of \$2.1 million annually. In FY 2002, the total DRG inpatient claims totaled \$133.7 million SGF. Assuming similar costs for FY 2004, a 1.6 percent reduction in all DRG rates would result in savings of \$2.1 million SGF. The Budget Committee believes this is an appropriate adjustment because hospitals with the highest levels of outlier payments provide the most complex care to Medicaid recipients. Often smaller hospital transfer high-need patients to larger hospitals for this more complex level of care. The proposed 20.0 percent reduction in outlier payments would jeopardize that level of care.
3. **The Budget Committee recommends** the introduction of a bill to implement a provider *assessment* for Medicaid service providers. The Budget Committee requests that SRS review the proposed provider assessment and report back prior to discussion of the bill.
4. **The Budget Committee notes** with concern the problems caused by inadequate primary care reimbursement rates paid by Medicaid. Low reimbursement rates have made it difficult for primary care physicians with many Medicaid clients to maintain their practice. *This is a concern in areas like obstetrics, pediatrics, and family practice, where Medicaid recipients experience difficulty in finding a physician that accepts Medicaid payment.* Primary care is at a major risk for loss under Medicaid. The goal of the Medicaid system should be to at least pay the average cost of the services provided.
5. **The Budget Committee** heard testimony regarding the redesign of the Community Developmental Disability Organization (CDDO) system, as introduced conceptually in Appropriations and in SB 242. The redesign would:
 - a. reduce the number of CDDO's from 28 to 13 or fewer;

- b. make CDDO's independent of direct service provision and eliminate conflicts of interest inherent in controlling funding, access to services, dispute resolution, and quality assurance;
- c. reduce administrative costs;
- d. allow CDDO's to provide a match for an additional \$10.6 million in federal funds (currently, federal requirements allow the match at the rate of the provider with the least match money. Consolidation would then increase the lowest match available);
- e. continue to allow counties to direct where funds are spent.

In addition, the Budget Committee recommends a proviso insuring administrative savings from the redesign of the CDDO system do not come from reductions in service provider budgets, but from true administrative savings at the CDDO level.

6. **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:
- a. identification of models that would provide services to children in a family-based setting rather than in a state hospital;
 - b. exploration of public-private partnership options; and
 - c. 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 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.

7. **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:

- a. 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;
- b. exploration of public-private partnership options;
- c. 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; and
- d. 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.

8. **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:
 - a. 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;
 - b. exploration of public-private partnership options;
 - c. 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; and
 - d. 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.

The Budget 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 *institutions*. In addition, the report notes that no public funds were used to support private institutions in ten states.

9. **The Budget Committee notes** that while community-based programs are considered the service of choice for the developmentally disabled, choice between an institution and community placement is integral to the success of the system of supports for the developmentally disabled. Parents and guardians of the developmentally disabled should be able to choose the safest and most productive environment for their consumer.

The Budget Committee further notes that it may have been idealistic to assume people could be moved from the institutions into the community in such a short time. The development of community supports and services is critical to the success of deinstitutionalization.

Unfortunately, the Governor's FY 2004 budget recommendation includes reductions of \$1.5 million for Community Mental Health Center (CMHC's) State Aid, leaving CMHC's with less discretionary funding for infrastructure report and optional services, which could result in less money for Medicaid match funding that would need to be replaced with state or community funding. Community Developmental Disability Organization (CDDO's) State Aid was also cut by \$1.5 million, a 25.0 percent reduction, which will impact those services/system activities supported by this funding. Additional local funding may be needed to ensure adequate certified match for federal Medicaid services.

10. **The Budget Committee recommends** the addition of a proviso creating a Hospital Closure Commission for possible closure of a Mental Health Institution and a Developmental Disability Institution.

In light of this proviso and the language in the State Institutions' budget, the Budget Committee is concerned about the stability of the funding sources that are required to place consumers currently in state institutions and large ICF/MR facilities. The vast majority of consumers placed in community settings when Winfield State Hospital closed and through the closures of medium and large ICF/MR facilities over the past eight years are funded by on of the following sources:

- a. Special Tier Rates through the HCBS/DD waiver program;
- b. Individualized rates, also through the HCBS/DD waiver program;
- c. Small ICF/MR facilities (4-8 beds) through the Medicaid program.

As families face the consideration of closure, these funding sources need to be stable and families need to be assured that this stability will continue in the future.

11. **The Budget Committee recommends** that the agency pursue more cost effective purchasing alternatives for durable medical equipment and report back to the committee prior to Omnibus. Current purchasing requirements, (*i.e.* from a medical supplier) can be more expensive than allowing the consumer to purchase similar items from local discount stores.

12. **The Budget Committee recommends** that family preservation services be included in the caseload estimating process.

The 2002 Legislature appropriated approximately \$13.0 million in expenditures for family preservation in FY 2003. Family preservation services have experienced two reductions from that allocation in the allotments implemented by the previous administration and included in the Governor's budget recommendation for FY 03. The agency requested \$12.9 million for FY 2004, compared to the Governor's recommendation of \$9.9 million.

Demand and support for family preservation services because of the effectiveness of the program remains strong. It is a positive front-end service that assists in keeping families intact and avoiding higher cost services as a result of later intervention. On average, family preservation services cost \$3,800 per family per year compared to \$25,000 to \$28,000 as an average cost for foster care.

In addition, the Budget Committee encourages the Family Preservation Collaborative and Integrates Services of SRS to continue their work together in improving service access by identifying barriers to service, looking at what makes a family successful in family preservation and assessing the interaction of family preservation with the other parts of the child welfare system.

13. **The Budget Committee recommends** the agency explore options to improve enforcement of federal regulations regarding purchases on Vision cards.
14. **The Budget Committee recommends** the agency report back prior to Omnibus on the concept of isolating adoption services with adoption providers and shifting all placement responsibility with the foster care contractors to expedite adoption placement, which currently has a delay of six months or more. In addition, the shift in services would eliminate disruption of changing placements, service providers, etc. In order to address concerns regarding conflict of interest, a statewide system of case management would be implemented.
15. **The Budget Committee recommends** an interim study to develop incentives in the form of tax breaks or other items to encourage people to purchase long term care insurance. In addition, the Budget Committee recommends that SRS and Aging work together to create a system to provide information on what services are and are not covered by Medicaid and Medicare to encourage long-term planning.
16. **The Budget Committee recommends** that the Attorney General's office, with the cooperation of SRS, aggressively pursue and prosecute persons engaged in Medicaid fraud, recognizing that billing errors in and of themselves do not constitute fraud.
17. **The Budget Committee notes** with concern the effect of cuts in child care funding in FY 03. The Governor's allotment reductions reduced childcare

eligibility from 185% of the federal poverty level to 150% of the federal poverty level. Without supports for childcare during FY 2003, parents may be forced to quit employment and apply for TANF benefits to fill the gap.

18. **The Budget Committee notes** that the agency is closing 22 local offices in FY 03. Before any office is closed, SRS will ensure service access points are established, customers are notified and community meetings are held. Area managers continue working with community partners to forge agreements for service access points. Managers are encouraged by the positive reaction of communities and partners. A number of service access agreements have been signed. The Manhattan area has reported community partners are so interested in providing access points, the area is becoming concerned they may not have enough resources to provide for all the partners who are willing to provide service access.

Because SRS believes increasing access to services will provide better customer service and develop valuable partnerships with communities, SRS is increasing access to services in all counties, not just the counties where offices are closing. While data analysis and service access planning continue in all counties, a decision has not yet been made on office closures in FY 04/05.

19. **The Budget Committee recommends** that the agency contract with Kansas Legal Services to provide statewide case management and legal assistance to General Assistance and TANF adults, as well as disabled children served by SRS who are seeking Social Security benefits.
20. **The Budget Committee notes** with concern the reduction in foster care (4.4 percent) and adoption (2.5 percent) contract rates and recommends no further rate reductions in FY 2004.

The Budget Committee would strongly recommend that SRS take into consideration the financial impact on these non-profit organizations when they start re-negotiating the foster care and adoption contracts. The state, through these contractors, has taken on the role of parents for children in the welfare system. It is important that the resources be available to provide services for these children.

21. **The Budget Committee notes** that the agency is diligently working with emergency shelter providers to address cuts in grant funding made in the Governor's's allotment reductions. The grants funded crisis services aimed at keeping children out of SRS custody. Approximately 3,363 children and their families may not receive services due to this cut.
22. **The Budget Committee recognizes** the dramatic effect the budget cuts have had on elderly Kansans. The Budget Committee recommends that if and when any additional funds become available for FY 2004, they be used to address the needs of the most vulnerable Kansans, those who have been most affected by budget cuts, namely the elderly and disabled. Conversely, if further budget reductions should become necessary, the Aging and SRS budgets should be

exempted, each having contributed more than their fair share in addressing the budget crisis.

Items Deferred to Omnibus

1. **The Budget Committee recommends** Omnibus review of the University of Kansas Graduate Medical Education Program funding. The Graduate Medical Program is funded through funds from Medicare and Medicaid, patient care revenue and state primary care support. Medicare funding is reduced for the program by \$1.9 million federal funds as part of the Balance Budget Act of 1997. The Department of Social and Rehabilitation Services further reduced funding for the program in January of 2003 by \$1.5 million SGF, which in turn reduced Medicaid funding by \$2.2 million federal funds. The cut hit the Wichita hospitals the hardest. Options to address the cut include closing residency programs, reducing residency spots, cutting faculty positions, limiting Medicaid and limiting Medicaid and uninsured patients.

The Budget Committee notes that the agency, impacted Wichita hospitals and the University of Kansas School of Medicine are seeking alternative funding for graduate medical education in Wichita and requests that the agency report back to the Budget Committee at Omnibus.

2. **The Budget Committee recommends** the agency review capping HCBS waiver payments, to insure that waiver services are the most cost effective type of care for that client, as recommended in the August 2002 Post Audit Report "Medicaid Cost Containment: Controlling Costs of Long-Term Care. The report indicates that the agency spent \$9.0 million more on waiver services than they would have if the same persons had received institutional services.
3. **The Budget Committee recommends** review, prior to Omnibus, of increasing PASSAR scores for the Physical Disabilities waiver from 26 to 32 and grand-fathering in the increased score. This would result in a savings of \$457,278 SGF and \$1.2 million all funds. There are currently 636 persons receiving services and 165 persons on the waiting list with a PASSAR score of 31 or lower.

The Budget Committee is aware that increasing the score may limit the agency's ability to address crisis cases. Currently, the waiting list for services is frozen, meaning no new clients receive services when another leaves. However, clients are added when the agency determines that they are in a crisis situation. The Budget Committee requests additional information on persons added to the waiver in a crisis situation.

The Budget Committee notes that the Governor's budget eliminated grandfathering implemented in FY 2001 when the PASSAR score was increased from 15 to 26. 350 persons with scores below 26 were removed from service, but could become eligible for services when their PASSAR score increases.

4. **The Budget Committee recommends** the agency review the policy of separating spousal income for waiver eligibility assessment and report back at Omnibus. Currently, based on federal regulations, a spouse's income is not counted in assessing Medicaid eligibility for

waiver services. The Budget Committee requests that the agency explore options for assessing fees on a sliding fee scale based on the income of both spouses for those services.

5. **The Budget Committee recommends** that Aging and SRS review combining all of the waivers into one waiver program and report back before Omnibus. The single waiver would provide the following three services:
 - a. Training, to assist consumers in performing tasks independently;
 - b. Personal Assistance Services (PAS), to provide services for people who cannot perform tasks due to their level of disability;
 - c. Assistive Services, which would include durable medical equipment and other devices to allow consumers to perform tasks more independently.

The single waiver program would include review for Plans of Care by a neutral third party to assure that all efforts to utilize local natural support have been made, training options are used whenever possible, and every effort is being made to increase consumer independence.

6. **The Budget Committee recommends** review of child care funding methodologies to maximize TANF match opportunities and report back prior to Omnibus.
7. **The Budget Committee recommends** that SRS work with all state agencies involved in providing and administering job training programs to maximize federal funding for those programs.
8. **The Budget Committee recommends** Omnibus review of the eligibility criteria for the HCBS/DD waiver.
9. **The Budget Committee recommends** Omnibus review of the Child Support Enforcement program in regards to the effect of open positions on enforcement and the role of court trustees in addressing those challenges.
10. **The Budget Committee requests** that the agency review models of charging interest on back child support payments and their effectiveness in motivating prompt support payments, with a report at Omnibus.
11. **The Budget Committee requests** that the agency work with foster care providers to look at options, recommendations and ideas for providing services for high needs foster children to increase the probability and speed of returning these children to their families.
12. **The Budget Committee recommends** Omnibus review of funding for the Funeral Assistance program. The Budget Committee notes that the program was moved to the Department of Health and Environment in FY 2003, but not funded in either budget in FY 2004. The burden of burying indigent Kansans falls to the counties. Clarification of this responsibility is addressed in SB 244.

13. **The Budget Committee requests** that the agency report back at Omnibus on implementing legislation to allow the agency to place a lien on a Medicaid recipient's home after they have been in a nursing facility for one year or when they begin receiving HCBS waiver services. Typically, persons entering a nursing facility indicate that their plan is to return home, and often do so after several months of treatment. In addition, the Budget Committee requests that the agency explore the possibility of requiring reverse mortgages on property for persons in nursing facilities to assist in paying for their care.

14. **The Budget Committee requests** the agency report back at Omnibus on implementing legislation to prevent the hiding of assets to achieve Medicaid spend-down in the following areas:
 - a. a waiver to increase the number of years of "look-back" from three to five;
 - b. Amending the definition of estate to include jointly owned property;
 - c. limiting property agreements that specify a percentage of ownership;
 - d. preventing discretionary trusts that do not pay necessary medical expenses;
 - e. limits on prepaid agreements between family members to provide basic services.

DRAFT OF "CLOSURE COMMISSION" PROVISIO
March 19, 2003

Sec. 1.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

(a) In addition to the other purposes for which expenditures may be made by the department of social and rehabilitation services from moneys appropriated from the state general fund or any special revenue fund for fiscal year 2004 for the department of social and rehabilitation services as authorized by this or other appropriation act of the 2003 regular session of the legislature, expenditures may be made by the department of social and rehabilitation services from for fiscal year 2004 from the moneys appropriated from the state general fund or any special revenue fund for the operating expenditures of a hospital closure study commission which shall consist of 14 members appointed as follows: Ten members shall be appointed by the governor; one member shall be appointed by the president of the senate; one member shall be appointed by the minority leader of the senate; one member shall be appointed by the speaker of the house of representatives; and one member shall be appointed by the minority leader of the house of representatives: *Provided*, That, of the members appointed by the governor, five members shall be persons interested in developmental disabilities and shall be appointed by the governor so that one represents a community developmental disability organization (CDDO), one represents an affiliate community developmental disability service provider, one is a person with a developmental disability who is a consumer of services provided to meet the needs of persons with developmental disabilities, one is a parent, guardian or family member of a person with a developmental disability, and one is an advocate for persons with developmental disabilities and the provision of services to such persons: *Provided further*, That, of the members appointed by the governor, five members shall be persons interested in mental illness and shall be appointed by the governor so that one represents a community mental health center (CMHC), one represents a community mental health service provider, one is a person with a mental illness who is a consumer of services provided to meet the needs of persons with mental illness, one is a parent, guardian or

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1 a mental illness, and one is an advocate for persons with mental illness and the provision of services to such
2 persons: *Provided, however,* That no member of the commission shall be affiliated with any hospital or with
3 any employee or client of any hospital and no member shall be a member of the legislature: *And provided*
4 *further,* That the operating expenditures for the commission shall be incurred in accordance with the
5 following:

6 (1) Members of the commission shall be paid compensation, subsistence allowances, mileage and
7 other expenses as provided by K.S.A. 75-3223 and amendments thereto, which is hereby authorized to be
8 paid in accordance with that statute;

9 (2) the commission shall employ an executive director and other staff and may contract with
10 consultants, as the commission determines necessary to carry out the functions of the commission ;

11 (3) the executive director and other staff of the commission shall be in the unclassified service under
12 the Kansas civil service act and shall receive compensation as established by the commission and approved
13 by the governor within the limits of appropriations available therefor;

14 (4) the commission shall elect a chairperson and may elect such other officers as the commission
15 determines necessary to carry out the functions of the commission;

16 (5) the commission shall meet on call of the chairperson or on request of either the executive director
17 or a majority of the members of the commission;

18 (6) the commission may meet at any time or place in the state and may hold such public hearings as
19 the commission determines necessary to carry out the functions of the commission;

20 (7) on or before December 1, 2003, the commission shall submit to the governor and the legislature
21 a written final report containing:

22 (A) A recommendation regarding mental health hospital closure;

23 (B) a recommendation regarding developmental disabilities institution closure;

1 (C) recommended date of any recommended closure for any such hospital; and
2 (D) recommendations of policies and procedures to facilitate any such closure and to assist hospital
3 clients displaced by any such closure;
4 (9) in making its recommendations, the commission shall consider:
5 (A) the savings that would accrue to the state from closure of a hospital and the impact on funding
6 of community services for persons with mental illnesses and developmental disabilities;
7 (B) the impact of closure of a hospital on hospital clients and their families and the availability of
8 alternative services and facilities for hospital clients and their families including recommendations on service
9 and program changes to ensure that such supports will be available at the community level to enable any
10 potential closure recommendations;
11 (C) the impact of closure of a hospital on the quality of services provided to hospital clients and new
12 ways to fund community-based services that ensure that persons with disabilities are properly served; and
13 (D) the requirement that the funding follow the clients:
14 And provided further, That the commission shall work with stakeholders and providers as the commission
15 develops its recommendations: And provided further, That all recommendations of the commission shall be
16 advisory.
17 (b) As used in this section, (1) "commission" means the hospital closure study commission created
18 pursuant to this section, (2) "hospital" means a mental health hospital or developmental disabilities
19 institution, (3) "mental health hospital" means the Osawatomie state hospital, Rainbow mental health facility
20 or Larned state hospital, (4) "developmental disabilities institution" means the Parsons state hospital and
21 training center or Kansas neurological institute.



The Alliance for Kansans with Developmental Disabilities

2113 Delaware St. • Lawrence, Kansas • 66046-3149 • (785) 865-5520 x 119 • (785) 865-5695 (fax)

Developmental Disability Services: An Economical Solution for the Future

The campaign promise of Governor-elect Kathleen Sebelius of a top to bottom review of state government is especially crucial within the developmental disability service system. Reviewing and reducing the administrative infrastructure of this system holds the potential of a significant, positive financial outcome that can direct more existing funding to actual services. This, in turn, protects needed supports to a population of the most vulnerable Kansans.

The following is an overview of the current inefficiencies and conflicts of interest within the system, and a concept, based upon the FY03 developmental disability budget, to better maximize funding for services.

Current Inefficiencies and Duplication of Services:

The manner in which SRS has implemented the Developmental Disability Reform Act of 1995 has created inefficiencies and duplication of services which Kansas cannot afford. SRS currently contracts with 28 entities called Community Developmental Disability Organizations (CDDOs) to manage funding and provide oversight to developmental disability services. The 28 entities serve anywhere from 57 to 1,289 consumers, in regions ranging from 151 to 17,065 square miles, with total service funding allocations ranging from \$849,000 to \$29.2 million. The number of CDDOs, and the vast variance in the size and population of their regions, create the following costly inefficiencies:

- The CDDOs receive a total of \$6 million in state and federal funds to cover the cost of CDDO administrative functions. Due to their varying sizes, CDDOs are spending, on the average, anywhere from \$488 to \$1,625 per person served per year on administrative functions.
- Each CDDO receives an allocation of Medicaid waiver funds to serve eligible persons within its area. Dividing the budgeted \$194.8 million into 28 pieces of varying sizes has historically been problematic. Some CDDOs are able to continue current services, or even have more than they need, while others are cutting needed services.
- In addition to Medicaid funds, CDDOs receive state and local funds that can be utilized as certified match to bring in more federal dollars for services. However because of the number and varying sizes of CDDOs, of the total \$32.25 million in matchable funds, \$17.5 million is not matched.

In addition to the inefficiencies created by number and size of CDDOs, there are the following other inefficiencies and duplications of administrative functions between SRS and the CDDOs:

- SRS continues to maintain a team of regional quality assurance coordinators which license and monitor service provider agencies across the State. At the same time the CDDOs are required to coordinate a local quality assurance committee which completes checks on each consumer each year, gives feedback to service providers, and establishes plans of correction.
- Both SRS and the CDDOs are charged with determining which cases constitute a crisis and receive community service funding.
- Both SRS and the CDDOs review applications for State hospital placement, and applications for specialized funding.
- SRS and the CDDOs have created many task forces to look at systems issues. At the same time each CDDO is required to coordinate a local council to look at local systems issues and make recommendations.

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- One of the original purposes of the HCBS/MRDD waiver was to provide a community service alternative not as heavily regulated as ICF/MR level of care. The HCBS/MRDD waiver licensing regulations, through implementation by SRS staff, have become increasingly cumbersome and process oriented rather than outcome oriented.
- One of the intended outcomes of DD Reform was to pass SRS administrative functions to the private CDDO entities. However, the number of SRS Central Office staff has grown, not reduced.

Conflict of Interest:

When the 28 CDDOs were created they were allowed to also continue providing direct services to persons with developmental disabilities. This creates conflicts of interest in the following ways:

- The CDDO, which is responsible for offering choices to clients of local service providers and approving Medicaid or state funding for those services, is also a competitor in the service delivery arena.
- The CDDO, which is responsible for quality assurance oversight also provides this oversight to its own service provider organization.
- The CDDO, which is the only entity allowed to negotiate the contract and Medicaid service rates with SRS, is also a competing service provider. This has resulted in some CDDOs voting for their own self interest and not supporting issues such as specialized funding for the most severely disabled, sharing of discretionary funds to build local capacity, etc.
- The CDDO, which receives discretionary funds from both SRS and local county government, is a competitor in service provision and isn't required to share these funds or account for how they are utilized.

A Solution for the Future

At a time when Kansas is cutting large amounts of revenue to important programs, it only makes sense to address the inefficiencies and conflict of interest in the developmental disability service system by **consolidating CDDOs into fewer regions managed by organizations which do not provide direct services.**

After researching the characteristics of each current CDDO including number of persons served, number of affiliate providers, total square miles of the region served, and whether the CDDO is a county governmental entity, The Alliance has developed a concept for obtaining more economic efficiency. Our concept is to consolidate the existing 28 CDDOs into 13 or fewer which do not provide any direct services.

Through consolidation, CDDOs would be able to pool their matchable state and county dollars to better maximize the amount of federal dollars attained. The sample plan we developed (attached) indicates that up to \$10.7 million more in federal funds could be attained by just cutting the current number of CDDOs in half. In addition, if the CDDOs are not competing service providers, they could assume more quality assurance functions, funding approval, and single point of entry functions which are now duplicated between the CDDOs and SRS. Eliminating the State's role in quality assurance and licensure functions would save an additional estimated \$650,000.

Looking further into the future, establishing fewer "non-service provider" entities sets the stage for creating a single point of entry, eligibility and managed care infrastructure for all waiver services in Kansas. This would allow for better coordination between types of services, less duplication of administrative functions, and a concept to the consumer of one entity which could address a variety of types of needs.

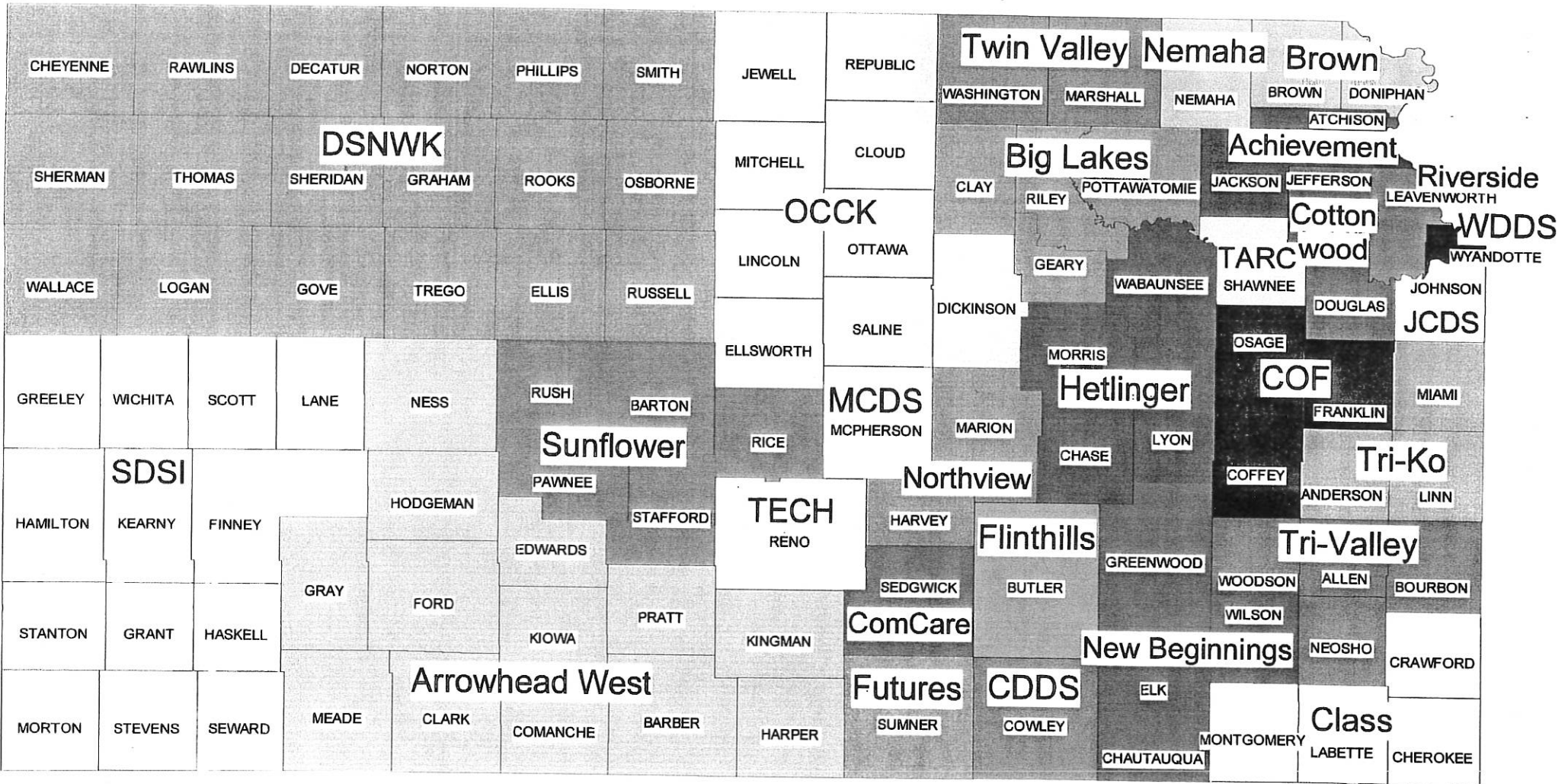
Attachments

- The Current CDDO Infrastructure and Demographics
- The Current CDDO Map
- Proposed CDDO Infrastructure and Demographics
- Proposed CDDO Map
- Current SRS Spreadsheet of Matched State and County Funds
- Proposed Spreadsheet of Matched State and County Funds through Consolidation

CURRENT CDDO STRUCTURE

CDDO	# Served	Square Miles	Service Allocation	CDDO Admin SGF	CDDO Admin Total	Admin \$/Person
Achievement	88	1,089	\$1,651,356	\$26,092	\$76,215	\$866.08
Arrowhead West	267	11,520	\$6,417,632	\$91,864	\$193,645	\$725.26
Big Lakes	220	2,447	\$4,964,195	\$66,722	\$124,339	\$565.18
Brown County	68	960	\$1,876,411	\$22,184	\$37,824	\$556.24
CLASS	532	2,477	\$13,939,860	\$187,445	\$352,913	\$663.37
COF	252	1,887	\$5,758,693	\$72,230	\$123,154	\$488.71
ComCare	1289	1,000	\$29,189,513	\$361,192	\$651,094	\$505.12
Cottonwood	423	996	\$11,578,070	\$116,247	\$282,707	\$668.34
CCDS	275	1,128	\$13,899,656	\$86,390	\$232,297	\$844.72
DPOK (OCCK)	459	6,793	\$10,225,180	\$132,822	\$305,993	\$666.65
DSNWK	433	17,065	\$11,924,262	\$138,263	\$387,324	\$894.51
Flinthills	147	1,428	\$4,273,997	\$44,572	\$155,664	\$1,058.94
Futures	78	1,183	\$1,868,451	\$23,339	\$126,751	\$1,625.01
Hetlinger	146	2,904	\$3,591,291	\$53,062	\$101,047	\$692.10
JCDS	900	477	\$19,852,783	\$265,894	\$552,061	\$613.40
MCDS	146	900	\$4,349,005	\$48,858	\$129,131	\$884.46
Nemaha	57	719	\$849,483	\$23,019	\$60,399	\$1,059.63
New Beginnings	69	3,004	\$1,608,324	\$19,725	\$68,883	\$998.30
Northview	160	1,484	\$4,301,827	\$43,138	\$108,803	\$680.02
Riverside	127	463	\$2,259,947	\$39,106	\$66,676	\$525.01
SDSI	404	10,029	\$9,148,105	\$106,051	\$278,486	\$689.32
Sunflower	239	3,884	\$7,243,916	\$67,141	\$248,969	\$1,041.71
TARC	686	550	\$17,682,827	\$222,281	\$590,505	\$860.79
TECH	227	1,254	\$5,237,287	\$70,967	\$156,958	\$691.44
TRI-KO	201	1,884	\$5,632,828	\$60,708	\$103,509	\$514.97
Tri-Valley	230	2,217	\$6,196,496	\$59,249	\$161,655	\$702.85
Twin Valley	104	1,778	\$2,382,660	\$31,214	\$100,007	\$961.61
WCDDO	339	151	\$6,715,091	\$99,207	\$304,716	\$898.87
	8566	81,671	\$214,619,146	\$2,578,982	\$6,081,725	Avg. = \$783.66

KANSAS CDDOs



PROPOSED CDC CONSOLIDATION

4-5

CDDO	# Served	Square Miles	Service Allocation	CDDO Admin SGF	CDDO Admin Total	Admin \$/Person
Area #1						
DSNWK	433	17,065	\$11,924,262	\$138,263	\$387,324	\$894.51
Area #2						
SDSI	404	10,029	\$9,148,105	\$106,051	\$278,486	\$689.32
Area #3						
Arrowhead West	267	11,520	\$6,417,632	\$91,864	\$193,645	\$725.26
Area #4						
ComCare	1289	1,000	\$29,189,513	\$361,192	\$651,094	\$505.12
Area #5						
Futures	78	1,183	\$1,868,451	\$23,339	\$126,751	\$1,625.01
Flinthills	147	1,428	\$4,273,997	\$44,572	\$155,664	\$1,058.94
CCDS	275	1,128	\$13,899,656	\$86,390	\$232,297	\$844.72
New Beginnings	69	3,004	\$1,608,324	\$19,725	\$68,883	\$998.30
CLASS	532	2,477	\$13,939,860	\$187,445	\$352,913	\$663.37
Total	1101	9,220	\$35,590,288	\$361,471	\$936,508	\$850.60
Area #6						
Sunflower	239	3,884	\$7,243,916	\$67,141	\$248,969	\$1,041.71
MCDS	146	900	\$4,349,005	\$48,858	\$129,131	\$884.46
TECH	227	1,254	\$5,237,287	\$70,967	\$156,958	\$691.44
Northview	160	1,484	\$4,301,827	\$43,138	\$108,803	\$680.02
Total	772	7,522	\$21,132,035	\$230,104	\$643,861	\$834.02
Area #7						
DPOK (OCCK)	459	6,793	\$10,225,180	\$132,822	\$305,993	\$666.65
Area #8						
Big Lakes	220	2,447	\$4,964,195	\$66,722	\$124,339	\$565.18
Achievement	88	1,089	\$1,651,356	\$26,092	\$76,215	\$866.08
Twin Valley	104	1,778	\$2,382,660	\$31,214	\$100,007	\$961.61
Brown County	68	960	\$1,876,411	\$22,184	\$37,824	\$556.24
Nemaha	57	719	\$849,483	\$23,019	\$60,399	\$1,059.63
Total	537	6,993	\$11,724,105	\$169,231	\$398,784	\$742.61
Area #9						
WCDDO	339	151	\$6,715,091	\$99,207	\$304,716	\$898.87
Area #10						
JCDS	900	477	\$19,852,783	\$265,894	\$552,061	\$613.40
Area #11						
Cottonwood	423	996	\$11,578,070	\$116,247	\$282,707	\$668.34
Riverside	127	463	\$2,259,947	\$39,106	\$66,676	\$525.01
Total	550	1,459	\$13,838,017	\$155,353	\$349,383	\$635.24
Area #12						
TARC	686	550	\$17,682,827	\$222,281	\$590,505	\$860.79
Area #13						
COF	252	1,887	\$5,758,693	\$72,230	\$123,154	\$488.71
Hettinger	146	2,904	\$3,591,291	\$53,062	\$101,047	\$692.10
RI-KO	201	1,884	\$5,632,828	\$60,708	\$103,509	\$514.97
Tri-Valley	230	2,217	\$6,196,496	\$59,249	\$161,655	\$702.85
Total	829	8,892	\$21,179,308	\$245,249	\$489,365	\$590.31

4-7

SUMMARY OF THE EFFECTS OF RAISING TARGETED CASE MANAGEMENT REIMBURSEMENT USING CERTIFIED MATCH
SFY 2003
June 10, 2002

CDDO	Number of Persons Receiving TCM	TCM Payment Based on Monthly Rate			TCM Monthly Payment at Higher Rate			Available Matching Funds			Correction For CDDOs w/ too little Match	Remaining Available Match (Includes SSBG)	Increases in Fed Funding				Reserve for TCM Growth
		All Funds	Federal Match	State Match	Increased TCM Rate (All Funds) 208.25%	Increased TCM Rate (Fed Funds)	Increased TCM Rate (State Funds)	County	Total	Net Increase In Fed Funds			FFP Paid for TCM FY01	Net Gain (Loss) from New Pmt System	Total Net Gain (Loss)		
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Achievement	52	119,381	71,760	47,621	246,224	148,005	98,219	247,418		0	247,418	149,197	76,245	82,807	8,953	85,198	3,687
Arrowhead	205	470,837	282,800	187,737	970,689	583,481	387,208	940,499		527,612	1,468,111	1,080,903	289,780	207,207	5,521	306,102	14,535
Big Lakes	184	422,426	253,920	168,506	871,253	523,710	347,543	652,574		341,929	994,503	646,961	300,681	277,379	46,713	316,503	13,046
Brown	61	140,043	84,180	55,863	288,839	173,621	115,218	121,956		50,400	172,356	57,137	89,441	108,009	(23,829)	65,612	4,325
CLASS	530	1,216,769	731,400	485,369	2,509,587	1,508,513	1,001,074	844,331		396,386	1,240,717	239,643	777,113	660,482	70,918	848,031	37,579
COF	229	525,736	318,020	209,716	1,084,331	651,791	432,540	725,803		283,385	1,009,288	576,749	335,771	367,088	(51,068)	284,703	16,237
COMCARE	1266	2,906,471	1,747,080	1,159,391	5,994,597	3,603,353	2,391,244	3,535,391		2,053,304	5,588,695	3,197,450	1,856,273	1,657,924	89,156	1,945,429	89,764
Cottonwood	380	895,359	538,200	357,159	1,848,677	1,110,038	736,639	800,197		471,100	1,271,297	534,858	571,838	495,357	42,843	614,881	27,652
CCDS	254	583,131	350,520	232,611	1,202,708	722,948	479,760	440,700	252,817	39,059	479,759	(0)	372,428	598,124	(247,604)	124,824	0
DPOK (OCCK)	411	943,570	587,180	376,390	1,948,113	1,169,809	776,304	878,826		587,045	1,463,871	687,566	602,829	212,437	354,743	957,372	29,141
DSHWK	411	943,570	587,180	376,390	1,948,113	1,169,809	776,304	878,826		587,045	1,463,871	687,566	602,829	212,437	354,743	957,372	29,141
Fifth Hills	126	289,270	173,880	115,390	596,619	358,628	237,991	396,521		614,332	1,760,258	983,954	602,629	683,180	(98,000)	506,629	29,141
Futures	76	174,480	104,880	69,600	358,865	216,315	143,550	192,428		71,000	467,621	229,530	184,748	142,451	31,429	216,177	8,934
Helinger	124	284,678	171,120	113,558	587,149	352,935	234,214	341,389		33,681	226,089	82,539	111,436	99,156	5,724	117,159	8,934
JCDS	770	1,787,759	1,062,600	705,159	3,646,003	2,191,813	1,454,390	1,455,932		4,060,000	5,615,932	4,061,542	1,129,013	958,563	106,037	1,235,050	5,389
MCDS	138	318,819	190,440	126,379	653,440	392,783	260,657	261,855		48,500	310,355	132,175	181,816	136,388	34,732	216,547	6,782
Nemaha	46	103,311	62,100	41,211	213,078	128,081	84,997	261,789		41,600	303,389	49,699	202,343	280,319	(89,879)	112,464	9,785
New Beginnings	69	158,410	85,220	63,190	326,720	196,391	130,329	100,328	53,772	30,000	130,328	(0)	65,981	70,883	(8,783)	57,108	3,191
Northview	139	319,115	191,820	127,295	658,175	395,629	262,546	382,121		66,179	448,300	185,754	203,809	149,342	42,478	246,287	0
Riverside	92	211,213	126,980	84,253	435,826	261,855	173,771	369,282		98,800	468,082	294,310	134,895	143,842	(16,882)	118,013	6,523
SDSI	306	702,512	422,280	280,232	1,448,931	870,953	577,978	1,058,548		57,540	469,740	25,968	446,673	712,048	(289,768)	158,905	21,697
Sunflower	235	539,511	324,300	215,211	1,112,741	668,869	443,872	412,200		607,531	1,983,140	838,627	344,589	371,678	(47,378)	297,191	16,662
TARC	607	1,393,545	837,860	555,885	2,874,187	1,727,674	1,146,513	1,375,609		218,222	1,008,415	650,713	310,846	250,517	42,043	352,888	43,039
TECH	212	488,708	292,580	194,148	1,003,835	603,405	400,430	562,143		489,000	1,051,143	692,983	244,884	252,469	(22,009)	222,855	15,032
TRI-KO	167	383,397	230,460	152,937	780,757	475,324	315,433	790,183		92,394	470,862	49,655	328,974	216,101	81,639	418,613	11,841
Tri-Valley	223	511,981	307,740	204,221	1,055,920	634,714	421,206	378,468		0	340,668	170,672	131,983	69,659	54,541	186,504	8,381
Twin Valley	90	206,821	124,200	82,421	1,633,599	981,956	651,843	866,933		397,717	1,263,650	612,008	805,856	787,972	(291,872)	213,984	24,462
WCDDO	345	792,048	476,100	315,948	36,729,931	22,078,366	14,651,565	19,875,123	306,589	12,254,246	32,129,369	17,477,804	11,373,708	10,729,132		11,349,234	627,099
CDDO TOTAL	7757	17,808,451	10,704,660	7,103,791													
Monthly Rate AF		191.32															
FFP		115.00															
Higher monthly rate AF					394.59												
FFP					237.19												

13.9 mil non-medicaid
5.9 mil discretionary State Aid

ASSUMPTIONS

- Number of Persons Receiving TCM are the numbers reported by CDDOs as accessing certified match funding.
- "TCM Payment Based on Monthly Rate" establishes the base monthly rate that results in an amount roughly equal to the amount of FFP received in FY 2001.
- "TCM Monthly Payment at Higher Rate" shows the TCM payment increased to a rate high enough to use the first two CDDOs' available match.
- "Available Matching Funds" shows the amount of potentially available matching funds, including county funding, after CDDO administration match. (Does not include SSBG.)
- SSBG will be distributed to the CDDOs with remaining General Fund Grants, CCDS and New Beginnings would receive no SSBG.
- "Remaining Available Match" is the amount of funds available, including SSBG, after deducting the match used for TCM.
- "Increases in Fed Funding" includes:
 - The additional amount of estimated federal funds received through the new monthly payment rate and the monthly payment at a higher reimbursement rate.
 - The amount of federal funds paid for TCM in FY 2001.
 - The net gain (loss) from changing to a new monthly payment system.
 - The total gain from changing to the new monthly payment system and raising the monthly payment rates.

Note: Column R represents an amount to be set aside by the CDDO to cover TCM growth.

Social and Rehabilitation Services Developmental Disability Problems and Solutions

The following is a list of issues regarding community-based services to persons with developmental disabilities and potential options:

Problem: The current Developmental Disability System has inefficiencies, duplication of services, and conflict of interest.

Solution: Consolidate the current 28 CDDOs into 13 or fewer, which are independent from direct service provision.

- The current Developmental Disability administrative infrastructure is comprised of SRS and its contracts with 28 Community Developmental Disability Organizations (CDDOs), of varying sizes.
- CDDOs are currently receiving anywhere from \$488 to \$1625 per person per year to cover the cost of administrative functions. Consolidating this infrastructure into 13 or fewer CDDOs would allow savings in CDDO administrative funds.
- Consolidation would allow the State to further maximize the \$17.5 million in current state and county funds which are not matched with federal funds. The CDDOs can certify as match county mill dollars as well as state funds. Because of federal requirements, each CDDO can only match up to the amount of the CDDO which has the least amount of match (lowest common denominator.) Said differently, the CDDO which has the least amount of matchable funds sets the bar for the remaining CDDOs. Through consolidation, the funds from current CDDOs can be pooled to obtain more federal match. Our example of consolidating to 13 CDDOs shows that an additional \$10.6 million in federal funds is obtained.
- The current CDDOs, and potentially counties, will be opposed to this plan stating that they will lose the flexibility of their local county dollars. This isn't true. Counties have been able to direct county mill funding for DD services prior to, and post DD Reform Act. In order to match local funds with federal funds the local funds only have to pass through the CDDO. The county can still direct where the local funds are spent.
- The current CDDO system has an inherent conflict of interest in locations where CDDOs are also competing service providers. CDDOs control funds, access to services, dispute resolution, and play a role in quality assurance, and yet can still be a service provider. To resolve conflict of interest, CDDOs need to be independent from direct service provision.
- There is administrative duplication between SRS and the CDDOs. If there are fewer CDDOs which are independent of service provision, they can provide the administrative functions without duplication from SRS. Examples are quality assurance and funding management.

Problem: Services in metropolitan areas of Kansas cost significantly more than services in rural areas.

Solution: Use local county mill funding as certified match to pay differential rates to high cost areas.

The SRS independent rate study of 2001 shows that services in the metropolitan areas of Sedgwick, Shawnee, Johnson, and Douglas counties cost up to 14% more than in rural areas of Kansas. The Federal Office of Management and Budget (OMB) statistics on metropolitan vs. rural area costs in Kansas validate this. Further, the SRS rate study shows that the profit margin of rural agencies is 5.59% on the average vs. .68% in urban areas.

SRS has confirmed that there is a way to pay differential rates to high cost areas without taking funds from rural areas. The solution is to match local county dollars with federal dollars. For example, Johnson County has \$4.2 million in county funds available for match. The CDDO, Johnson County Developmental Supports, can certify these funds as match to pull down up to \$6 million in federal funds in order to pay a differential rate to Johnson County providers.

This solution allows the state to pay adequate rates to high cost areas without raising the Medicaid rates in all areas of the State. In addition, this solution does not require additional SGF to be appropriated.

Problem: Kansas continues to fund non-Medicaid eligible persons with developmental disabilities at the expense of serving persons with more severe needs.

Solution: Reduce the amount of funding for non-Medicaid eligible persons, and protect funding to the Medicaid waiver and ICFs/MR.

- SRS continues to spend \$13.9 million per year on children and adults with developmental disabilities who are not Medicaid eligible. These funds are called "Children and Family Services and Supports" (CFSS). However, SRS recently cut the Medicaid waiver by 5%, and in the Governor's budget proposal, plans to cut private ICF/MR funding by 10%.
- In addition, the Governor's Budget proposal includes \$4.5 million in State Aid discretionary funds to CDDOs. CDDOs do not account for how these funds are spent, and are under no obligation to provide equal access to the funds to consumers in their region. The 1999 Legislative Post Audit and a 2000 survey by SRS both show that many CDDOs do not know how the funds are spent, and many utilize it to further support their administrative infrastructure.
- One option is to decrease the total \$18.4 million in CFSS and State Aid to approximately \$4 million in SGF. The remaining \$14.4 million could be put into the MR/DD waiver (bringing in \$22 million in federal funds). Because these two pools of funding are currently used as certified match to federally pay for targeted case management, the MR/DD waiver provider agency would need to take on the case management responsibility with the increased waiver rate. The remaining \$4 million in SGF could be given to the CDDOs to match (\$6 million in federal funds), in order to provide targeted case management to children, and persons on the waiting list.

Problem: The current Governor's Budget Proposal for FY2004 includes cutting ICF/MR rates by 10%, while holding harmless funding to persons who are non-Medicaid eligible. Persons who live in private ICFs/MR are typically the most needy Kansans with developmental disabilities.

Solution: Utilize one or more of the solutions above to bring in more federal funds and to protect services at all levels.

- The solutions of consolidating CDDO regions, and reducing funding to non-Medicaid eligible persons would provide enough funds to hold harmless the private ICF/MR rates.

Questions?

Stephanie Wilson, Executive Director

The Alliance for Kansans with Developmental Disabilities

2113 Delaware

Lawrence, KS 66046

stwilson@clokansas.org (785) 393-1695

4-10

**REVISED AVAILABLE MATCH
BASED UPON SRS FY03 TCM SPREADSHEET**

CDDO	# in TCM	All Funds	Federal Funds Amount	State Funds Amount	Increased TCM in FY03	Federal Funds Amount	State Funds Amount	Available State Match	County	Total Available Match	Remaining Available Match	Additional Matchable	Potential New FFP
Area #1													
DSNWK	411	\$943,570	\$567,180	\$376,390	1,946,112	\$1,169,808	\$776,304	\$1,145,926	\$614,332	\$1,760,258	\$983,954	\$550,000	
Area #2													
SDSI	306	\$702,512	\$422,280	\$280,232	1,448,930	\$870,952	\$577,978	\$1,056,548	\$552,550	\$1,609,098	\$1,031,120	\$550,000	
Area #3													
Arrowhead West	205	\$470,637	\$282,900	\$187,737	970,689	\$583,481	\$387,208	\$940,499	\$527,612	\$1,468,111	\$1,080,903	\$550,000	
Area #4													
ComCare	1266	\$2,906,470	\$1,747,079	\$1,159,391	5,994,595	\$3,603,351	\$2,391,244	\$3,535,391	\$2,053,304	\$5,588,695	\$3,197,451	\$550,000	
Area #5													
Futures	76	\$174,480	\$104,880	\$69,600	359,865	\$216,315	\$143,550	\$192,428	\$33,661	\$226,089	\$82,539		
Flinthills	126	\$289,270	\$173,880	\$115,390	596,618	\$358,627	\$237,991	\$396,521	\$71,000	\$467,521	\$229,530		
CCDS	254	\$583,131	\$350,520	\$232,611	1,202,707	\$722,947	\$479,760	\$440,700	\$39,059	\$479,759	-\$1		
New Beginnings	69	\$158,410	\$95,220	\$63,190	326,720	\$196,391	\$130,328	\$100,328	\$30,000	\$130,328	\$0		
CLASS	530	\$1,216,769	\$731,400	\$485,369	2,509,585	\$1,508,512	\$1,001,074	\$844,331	\$396,386	\$1,240,717	\$239,643		
Total										\$2,544,414	\$551,711	\$550,000	
Area #6													
Sunflower	235	\$539,511	\$324,300	\$215,211	1,112,741	\$668,868	\$443,872	\$412,200	\$57,540	\$469,740	\$25,868		
MCDS	138	\$316,819	\$190,440	\$126,379	653,439	\$392,782	\$260,657	\$261,855	\$48,500	\$310,355	\$49,698		
TECH	212	\$486,707	\$292,560	\$194,148	1,003,834	\$603,405	\$400,429	\$562,143	\$489,000	\$1,051,143	\$650,714		
Northview	139	\$319,115	\$191,820	\$127,295	658,174	\$395,629	\$262,546	\$382,121	\$66,179	\$448,300	\$185,754		
Total										\$2,279,538	\$912,034	\$550,000	
Area #7													
DPOK (OCCK)	411	\$943,570	\$567,180	\$376,390	1,946,112	\$1,169,808	\$776,304	\$876,826	\$587,045	\$1,463,871	\$687,567	\$550,000	
Area #8													
Big Lakes	184	\$422,425	\$253,920	\$168,505	871,252	\$523,710	\$347,543	\$652,574	\$341,929	\$994,503	\$646,960		
Achievement	52	\$119,381	\$71,760	\$47,621	246,223	\$148,005	\$98,219	\$247,416	\$0	\$247,416	\$149,197		
Twin Valley	90	\$206,621	\$124,200	\$82,421	426,156	\$256,162	\$169,994	\$340,666	\$0	\$340,666	\$170,672		
Brown County	61	\$140,043	\$84,180	\$55,863	288,839	\$173,621	\$115,218	\$121,956	\$50,400	\$172,356	\$57,138		
Nemaha	45	\$103,311	\$62,100	\$41,211	213,078	\$128,081	\$84,997	\$261,789	\$41,600	\$303,389	\$218,392		
Total										\$2,058,330	\$1,242,361	\$550,000	
Area #9													
WCDDO	345	\$792,048	\$476,100	\$315,948	1,633,598	\$981,956	\$651,642	\$865,933	\$397,717	\$1,263,650	\$612,008	\$550,000	
Area #10													
JCDS	770	\$1,767,758	\$1,062,600	\$705,159	3,646,001	\$2,191,611	\$1,454,390	\$1,455,932	\$4,060,000	\$5,515,932	\$4,061,542	\$550,000	
Area #11													
Cottonwood	390	\$895,358	\$538,200	\$357,158	1,846,676	\$1,110,037	\$736,639	\$800,197	\$471,100	\$1,271,297	\$534,658		
Riverside	92	\$211,213	\$126,960	\$84,253	435,626	\$261,855	\$173,771	\$369,282	\$98,800	\$468,082	\$294,311		
Total										\$1,739,379	\$828,969	\$550,000	
Area #12													
TARC	607	\$1,393,545	\$837,660	\$555,885	2,874,186	\$1,727,673	\$1,146,513	\$1,375,609	\$607,531	\$1,983,140	\$836,627	\$550,000	
Area #13													
COF	229	\$525,736	\$316,020	\$209,716	1,084,330	\$651,791	\$432,539	\$725,903	\$283,385	\$1,009,288	\$576,749		
Hettinger	124	\$284,678	\$171,120	\$113,558	587,148	\$352,935	\$234,213	\$341,389	\$25,000	\$366,389	\$132,176		
TRI-KO	167	\$383,397	\$230,460	\$152,937	790,756	\$475,324	\$315,433	\$790,193	\$218,222	\$1,008,415	\$692,982		
Tri-Valley	223	\$511,961	\$307,740	\$204,221	1,055,920	\$634,713	\$421,206	\$378,468	\$92,394	\$470,862	\$49,656		
Total										\$2,854,954	\$1,451,562	\$550,000	
Total	7757	\$17,808,443	\$10,704,655	\$7,103,788	\$36,729,914	\$22,078,351	\$14,651,563	\$19,875,124	\$12,254,246	\$32,129,370	\$17,477,807	\$7,150,000	\$10,725,000.00

Note: Additional Matchable State Funds is based upon the lowest common denominator of Remaining Unmatched State Funds.

DRAFT PROVISIO - "Dispense As Written"

1 (a) In addition to the other purposes for which expenditures may be made by the department
2 of social and rehabilitation services from moneys appropriated from the state general fund or any
3 special revenue fund for fiscal year 2004 for the department of social and rehabilitation services as
4 authorized by this or other appropriation act of the 2003 regular session of the legislature,
5 expenditures shall be made by the department of social and rehabilitation services for fiscal year
6 2004 from the moneys appropriated from the state general fund or any special revenue fund for
7 prescription drug services under the state medicaid plan for prescriptions filled where a prescriber
8 has personally written "dispense as written" or "D.A.W.", or has signed the prescriber's name on the
9 "dispense as written" signature line in accordance with K.S.A. 65-1637 and amendments thereto,
10 regardless of whether such prescriptions are for drugs that are included in the state medicaid
11 preferred drug formulary: *Provided*, That such expenditures for such prescription drugs shall not be
12 subject to prior authorization or any other requirements related to the state medicaid preferred drug
13 formulary.
14

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**COMPARISON OF FY 2003-FY 2004 RECOMMENDED EXPENDITURES
GOVERNOR'S RECOMMENDATION AND SENATE COMMITTEE RECOMMENDATION
Includes Committee Recommendations As of March 18, 2003**

FY 2003:

	State General Fund	All Funds	FTE Positions
Governor's Recommendation	\$ 4,358,312,173	\$ 10,228,332,808	34,490.4
Senate Committee Recommendation	\$ 4,357,642,118	\$ 10,227,840,468	34,490.4
<i>Difference From Governor's Recommendation</i>	\$ (670,055)	\$ (492,340)	0.0

FY 2004:

	State General Fund	All Funds	FTE Positions
Governor's Recommendation *	\$ 4,493,432,144	\$ 10,231,081,074	39,500.1
Senate Committee Recommendation	\$ 4,526,212,086	\$ 10,238,917,485	39,540.1
<i>Difference From Governor's Recommendation</i>	\$ 32,779,942	\$ 7,836,411	40.0

*Includes Governor's Budget Amendment No. 1, issued March 5, 2003

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
AS RECOMMENDED BY SENATE COMMITTEE
In Millions**

	Actual FY 2002	Senate Comm. Rec. FY 2003	Senate Comm. Rec. FY 2004
Beginning Balance	\$ 369.9	\$ 12.1	\$ 1.1
Released Encumbrances	0.0	0.0	0.0
Receipts (November 2002 Consensus)	4,108.3	4,152.0	4,525.7
Governor's Recommended Receipt Adjustments	0.0	194.6	(32.2)
Senate Committee Recommended Receipt Adjustments	0.0	0.0	33.3
Adjusted Receipts	4,108.3	4,346.6	4,526.8
Total Available	\$ 4,478.2	\$ 4,358.7	\$ 4,527.9
Less Expenditures	4,466.1	4,357.6	4,526.2
Ending Balance	\$ 12.1	\$ 1.1	\$ 1.7
Ending Balance as a Percentage of Expenditures	0.3%	0.0%	0.0%

**Recommended Adjustments to
State General Fund Receipts****House Committee****FY 2004:**

Health Care Stabilization Fund Reduce operating adjustment	\$ (57,385)
Department of Corrections Additional room and board	<u>192,200</u>
TOTAL	<u><u>\$ 134,815</u></u>

Senate Committee**FY 2004:**

Insurance Department Reduce operating adjustment	\$ (168,623)
Lottery Increase transfer	2,500,000
Racing and Gaming Commission Increase transfer	300,000
Highway Patrol Transfer from Operating Fund	30,685,704
Emergency Medical Services Transfer to EMS Operating Fund	<u>(51,269)</u>
TOTAL	<u><u>\$ 33,265,812</u></u>

ECONOMIC DEVELOPMENT INITIATIVES FUND

	Governor's Recommendation FY 2003	House Committee Adjustments FY 2003	Senate Committee Adjustments FY 2003
Department of Commerce and Housing⁽¹⁾			
Operating Grant	\$ 14,247,455		
Kansas Economic Initiatives Opportunity Fund	3,325,000		
Kansas Existing Industry Expansion Program	475,000		
Subtotal - Commerce and Housing	\$ 18,047,455	\$ -	\$ -
Kansas Technology Enterprise Corporation⁽¹⁾			
Agency Operations	\$ 2,368,682		
Centers of Excellence	3,374,387		
Research Matching Grants	1,649,473		
Commercialization Grants	1,593,356		
Mid-America Manufact. Tech. Center	900,000		
EPSCoR	3,062,167		
Minus unplanned reappropriation	(1,715,645)		
Subtotal - KTEC	\$ 11,232,420	\$ -	\$ -
Kansas, Inc. ⁽¹⁾	\$ 291,674	\$ -	\$ -
Board of Regents			
Technology Innovation & Internship Program - AVTS	\$ 190,000		
Post-secondary Aid - AVTS	6,144,277		
Capital Outlay Aid - AVTS	2,565,000		
National Guard Educational Assistance	243,342		
Subtotal - Regents	\$ 9,142,619	\$ -	\$ -
Dept. of Administration - Public Broadcasting	\$ 114,099	\$ -	\$ -
Death and Disability Transfer	\$ 11,370	\$ -	\$ -
State Water Plan Fund	\$ 1,900,000	\$ -	\$ -
State General Fund	\$ 2,377,062	\$ -	\$ -
TOTAL TRANSFERS AND EXPENDITURES	\$ 43,116,699	\$ -	\$ -
EDIF Resource Estimate			
Beginning Balance	\$ (65,301)	\$ (65,301)	\$ (65,301)
Gaming Revenues	42,432,000	42,432,000	42,432,000
Other Income ⁽²⁾	750,000	750,000	750,000
Total Available	\$ 43,116,699	\$ 43,116,699	\$ 43,116,699
Less: Expenditures and Transfers	43,116,699	43,116,699	43,116,699
ENDING BALANCE	\$ -	\$ -	\$ -

- 1) Does not include expenditures from prior year EDIF allocations.
 2) Other Income includes interest earnings and released encumbrances.

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ECONOMIC DEVELOPMENT INITIATIVES FUND

	Governor's Recommendation FY 2004	House Committee Adjustments FY 2004	Senate Committee Adjustments FY 2004
Department of Commerce and Housing ⁽¹⁾			
Operating Grant	\$ 14,026,980		\$ (525,320)
Kansas Economic Initiatives Opportunity Fund	2,975,000		-
Kansas Existing Industry Expansion Program	423,246		-
Subtotal - Commerce and Housing	\$ 17,425,226	\$ -	\$ (525,320)
Kansas Technology Enterprise Corporation ⁽¹⁾			
Agency Operations	\$ 1,233,929		\$ 195,000
Centers of Excellence	3,363,510		
Research Matching Grants	1,354,699		
Commercialization Grants	1,317,151		
Mid-America Manufact. Tech. Center	670,324		
EPSCoR	2,664,575		130,320
Subtotal - KTEC	\$ 10,604,188	\$ -	\$ 325,320
Kansas, Inc. ⁽¹⁾	\$ -	\$ -	\$ 200,000
Board of Regents			
Technology Innovation & Internship Program - AVTS	\$ 180,500		
Post-secondary Aid - AVTS	10,331,250		
Capital Outlay Aid - AVTS	2,565,000		
Comprehensive Grant	750,000		
National Guard Educational Assistance	250,000		
Subtotal - Regents	\$ 14,076,750	\$ -	\$ -
State Water Plan Fund	\$ 1,900,000	\$ -	\$ -
TOTAL TRANSFERS AND EXPENDITURES	\$ 44,006,164	\$ -	\$ -

EDIF Resource Estimate

Beginning Balance	\$ -	\$ -	\$ -
Gaming Revenues	42,432,000	42,432,000	42,432,000
Other Income ⁽²⁾⁽³⁾	1,574,164	1,574,164	1,574,164
Total Available	\$ 44,006,164	\$ 44,006,164	\$ 44,006,164
Less: Expenditures and Transfers	44,006,164	44,006,164	44,006,164
ENDING BALANCE	\$ -	\$ -	\$ -

- 1) Does not include expenditures from prior year EDIF allocations.
- 2) Other Income includes interest earnings and released encumbrances.
- 3) Includes transfer of \$824,164 from the Export Loan Guarantee Fund

FY 2003
Children's Initiatives Fund
(Tobacco)
3/18/2003

<u>Agency/Program</u>	<u>Actual FY 2002</u>	<u>Gov. Rec. FY 2003</u>	<u>Senate Adjustments FY 2003</u>	<u>House Adjustments FY 2003</u>
State Library				
Community Access Network	0	\$0	\$0	\$0
Subtotal - Misc.	\$0	\$0	\$0	\$0
Department of Health and Environment				
Healthy Start/Home Visitor	250,000	\$250,000	\$0	\$0
Infants and Toddlers Program	500,000	\$500,000	\$0	\$0
Smoking Cessation/Prevention Program Grants	500,000	\$500,000	\$0	\$0
Subtotal - KDHE	\$1,250,000	\$1,250,000	\$0	\$0
Juvenile Justice Authority				
Juvenile Prevention Program Grants	6,000,000	\$6,000,000	\$0	\$0
Juvenile Graduated Sanctions Grants	2,000,000	\$2,000,000	\$0	\$0
Subtotal - JJA	\$8,000,000	\$8,000,000	\$0	\$0
Department of Social and Rehabilitation Services				
Children's Mental Health Initiative	1,800,000	\$1,800,000	\$0	\$0
Family Centered System of Care	4,980,000	\$5,000,000	\$0	\$0
Therapeutic Preschool	1,000,000	\$1,000,000	\$0	\$0
Community Services - Child Welfare	2,600,000	\$3,056,219	\$0	\$0
Child Care Services	1,400,000	\$1,400,000	\$0	\$0
Children's Cabinet Accountability Fund	550,000	\$550,000	\$0	\$0
HealthWave	1,413,374	\$1,000,000	\$0	\$0
Smart Start Kansas - Children's Cabinet	3,000,000	\$3,000,000	\$0	\$0
Children's Medicaid Increases	3,000,000	\$3,000,000	\$0	\$0
Immunization outreach	0	\$500,000	\$0	\$0
Family Preservation	0	\$2,293,781	\$0	\$0
Grants to CMHC's to develop childrens programs	0	\$2,000,000	\$0	\$0
School Violence Prevention	0	\$228,000	\$0	\$0
Experimental wrap-around services	0	\$0	\$0	\$0
Subtotal - SRS	\$19,743,374	\$24,828,000	\$0	\$0
Department of Education				
Parent Education	2,499,990	\$2,500,000	\$0	\$0
Four-Year -Old At-Risk Programs	4,500,000	\$4,500,000	\$0	\$0
School Violence Prevention	474,392	\$0	\$0	\$0
Vision Research	300,000	\$300,000	\$0	\$0
Communities in Schools	0	\$0	\$0	\$0
Mentoring Program Grants	0	\$0	\$0	\$0
Reading Recovery	0	\$0	\$0	\$0
Special Education	0	\$1,225,000	\$0	\$0
General Aid*	0	\$0	\$0	\$0
Subtotal - Dept. of Ed.	\$7,774,382	\$8,525,000	\$0	\$0
University of Kansas Medical Center				
Tele-Kid Health Care Link	250,000	\$235,724	\$0	\$0
Pediatric Biomedical Research*	1,000,000	\$2,000,000	\$0	\$0
Subtotal - KU Medical Center	\$1,250,000	\$2,235,724	\$0	\$0
Transfer to State General Fund	\$0	\$3,873,144	\$0	\$0
TOTAL	\$38,017,756	48,711,868	0	0

Resource Estimate				
	<u>Actual FY 2002</u>	<u>Gov. Rec. FY 2003</u>	<u>Senate Adjustments FY 2003</u>	<u>House Adjustments FY 2003</u>
Beginning Balance	\$1,775,242	\$3,757,486	\$3,757,486	\$3,757,486
KEY Fund Transfer	40,000,000	45,000,000	45,000,000	45,000,000
Total Available	\$41,775,242	\$48,757,486	\$48,757,486	\$48,757,486
Less: Expenditures and Transfers	\$38,017,756	\$48,711,868	\$48,711,868	\$48,711,868
ENDING BALANCE	\$3,757,486	\$45,618		

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**FY 2004
Children's Initiatives Fund
(Tobacco)
3/18/2003**

<u>Agency/Program</u>	<u>Gov. Rec. FY 2004</u>	<u>Senate Adjustments FY 2004</u>	<u>House Adjustments FY 2004</u>
State Library			
Community Access Network	0	0	0
Subtotal - Misc.	\$0	\$0	\$0
Department of Health and Environment			
Healthy Start/Home Visitor	250,000	0	0
Infants and Toddlers Program	500,000	0	0
Smoking Cessation/Prevention Program Grants	500,000	0	0
Subtotal - KDHE	\$1,250,000	\$0	\$0
Juvenile Justice Authority			
Juvenile Prevention Program Grants	5,414,487	0	0
Juvenile Graduated Sanctions Grants	3,585,513	0	0
Subtotal - JJA	\$9,000,000	\$0	\$0
Department of Social and Rehabilitation Services			
Children's Mental Health Initiative	1,800,000	0	0
Family Centered System of Care	5,000,000	0	0
Therapeutic Preschool	1,000,000	0	0
Community Services - Child Welfare	3,106,230	0	0
Child Care Services	1,400,000	0	0
Children's Cabinet Accountability Fund	550,000	0	0
HealthWave	2,000,000	0	0
Smart Start Kansas - Children's Cabinet	4,300,000	0	0
Children's Medicaid Increases	3,000,000	0	0
Immunization outreach	500,000	0	0
Family Preservation	2,243,770	0	0
Grants to CMHC's to develop childrens programs	2,000,000	0	0
School Violence Prevention	228,000	0	0
Experimental wrap-around services	0	0	0
Subtotal - SRS	\$27,128,000	\$0	\$0
Department of Education			
Parent Education	2,500,000	0	0
Four-Year -Old At-Risk Programs	4,500,000	0	0
School Violence Prevention	0	0	0
Vision Research	300,000	0	0
Communities in Schools	0	0	0
Mentoring Program Grants	0	0	0
Reading Recovery	0	0	0
Special Education	0	0	0
General Aid*	1,225,000	0	0
Subtotal - Dept. of Ed.	\$8,525,000	\$0	\$0
University of Kansas Medical Center			
Tele-Kid Health Care Link	250,000	0	0
Pediatric Biomedical Research*	0	0	0
Subtotal - KU Medical Center	\$250,000	\$0	\$0
Transfer to State General Fund	\$0	\$0	\$0
TOTAL	46,153,000	0	0

Resource Estimate

	<u>Gov. Rec. FY 2004</u>	<u>Senate Adjustments FY 2004</u>	<u>House Adjustments FY 2004</u>
Beginning Balance	45,618	45,618	45,618
KEY Fund Transfer	46,125,000	46,125,000	46,125,000
Total Available	46,170,618	46,170,618	46,170,618
Less: Expenditures and Transfers	46,153,000	46,153,000	46,153,000
ENDING BALANCE	17,618	17,618	17,618

* The special education funding from FY 2003 is included in General Aid for FY 2004, reflecting a shift in accounting procedures.

State Water Plan Fund: FY 2003



Agency/Program	Governor's Rec. FY 2003	House Cmte. Adj. FY 2003	Senate Cmte. Adj. FY 2003
State Conservation Commission			
Water Quality Buffer Initiative	1,042,500	0	0
Aid to Conservation Districts	677,451	0	0
Multipurpose Small Lakes	4,196,754	0	0
Nonpoint Source Pollution Asst.	0	0	0
Riparian and Wetland Program	3,055,000	0	0
Water Resources Cost Share	310,000	0	0
Watershed Dam Construction	347,971	0	0
Water Rights Purchase	0	0	0
Total--Conservation Commission	9,629,676	0	0
Kansas Water Office			
Assessment and Evaluation	207,000	0	0
Federal Cost-Share Programs	160,285	0	0
GIS Data Access and Support Center	76,824	0	0
GIS Data Base Development	140,000	0	0
MOU - Storage Operations and Maintenance	390,715	0	0
Ogallala Aquifer Institute	40,000	0	0
PMIB Loan Payment for Storage	259,027	0	0
Public Information	35,000	0	0
Stream Gauging Program	353,180	0	0
Technical Assistance to Water Users	382,668	0	0
Water Planning Process	154,077	0	0
Water Resource Education	55,000	0	0
Weather Modification	100,119	0	0
Kansas Water Authority	22,101	0	0
Total--Kansas Water Office	2,375,996	0	0
Department of Wildlife and Parks			
River Recreation	0	0	0
Stream (Biological) Monitoring	50,000	0	0
Total--Department of Wildlife and Parks	50,000	0	0
Department of Agriculture			
Floodplain Management	64,185	0	0
Interstate Water Issues	241,423	0	0
Subbasin Water Resources Management	556,352	0	0
Water Appropriations Subprogram	71,028	0	0
Water Use	10,000	0	0
Total--Department of Agriculture	942,988	0	0
Department of Health and Environment			
Assessment of Sediment Quality	0	0	0
Contamination Remediation	1,200,624	0	0
Local Environmental Protection Program	1,630,236	0	0
Nonpoint Source Program	457,328	0	0
TMDL Initiatives	346,224	0	0
Total--Department of Health and Environment	3,634,412	0	0
KCC--Well Plugging	0	0	0
University of Kansas--Geological Survey	45,000	0	0
Total Water Plan Expenditures	16,678,072	0	0

State Water Plan Resource Estimate	Governor's Rec. FY 2003	House Cmte. Adj. FY 2003	Senate Cmte. Adj. FY 2003
Beginning Balance	1,666,000	0	0
Adjustments			
Prior Year Recovery	669,124	0	0
Revenues			
State General Fund Transfer	3,773,948	0	0
Economic Development Fund Transfer	1,900,000	0	0
Municipal Water Fees	3,000,000	0	0
Industrial Water Fees	1,180,000	0	0
Stock Water Fees	315,000	0	0
Pesticide Registration Fees	920,000	0	0
Fertilizer Registration Fees	2,800,000	0	0
Pollution Fines and Penalties	70,000	0	0
Sand Royalty Receipts	384,000	0	0
Total Receipts	15,012,072	0	0
Total Available	16,678,072	0	0
Less Expenditures	16,678,072	0	0
Ending Balance	0		

Remaining Balance

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State Water Plan Fund: FY 2004

Agency/Program	Governor's Rec. FY 2004	House Cmte. Adj. FY 2004	Senate Cmte. Adj. FY 2004
State Conservation Commission			
Water Quality Buffer Initiative	1,043,000	0	0
Aid to Conservation Districts	352,500	0	0
Multipurpose Small Lakes	3,548,216	0	0
Nonpoint Source Pollution Asst.	0	0	0
Riparian and Wetland Program	2,800,000	0	0
Water Resources Cost Share	250,000	0	0
Watershed Dam Construction	307,471	0	0
Water Rights Purchase	0	0	0
Total--Conservation Commission	8,301,187	0	0
Kansas Water Office			
Assessment and Evaluation	213,547	0	0
Federal Cost-Share Programs	100,000	0	0
GIS Data Access and Support Center	0	0	0
GIS Data Base Development	250,000	0	0
MOU - Storage Operations and Maintenance	419,385	0	0
Ogallala Aquifer Institute	40,000	0	0
PMIB Loan Payment for Storage	263,110	0	0
Public Information	35,000	0	0
Stream Gauging Program	353,203	0	0
Technical Assistance to Water Users	339,737	0	0
Water Planning Process	154,077	0	0
Water Resource Education	55,000	0	0
Weather Modification	9,000	0	0
Kansas Water Authority	25,000	0	0
Total--Kansas Water Office	2,257,059	0	0
Department of Wildlife and Parks			
River Recreation	0	0	0
Stream (Biological) Monitoring	40,000	0	0
Total--Department of Wildlife and Parks	40,000	0	0
Department of Agriculture			
Floodplain Management	65,836	0	0
Interstate Water Issues	240,076	0	0
Subbasin Water Resources Management	483,538	0	0
Water Appropriations Subprogram	74,420	0	0
Water Use	60,000	0	0
Total--Department of Agriculture	923,870	0	0
Department of Health and Environment			
Assessment of Sediment Quality	0	0	0
Contamination Remediation	1,060,434	0	0
Local Environmental Protection Program	1,630,236	0	0
Nonpoint Source Program	387,939	0	0
TMDL Initiatives	346,224	0	0
Total--Department of Health and Environment	3,424,833	0	0
KCC--Well Plugging	0	0	0
University of Kansas--Geological Survey	40,000	0	0
Total Water Plan Expenditures	14,986,949	0	0

State Water Plan Resource Estimate	Governor's Rec. FY 2004	House Cmte. Adj. FY 2004	Senate Cmte. Adj. FY 2004
Beginning Balance	0	0	0
Adjustments			
Prior Year Recovery	0	0	0
Revenues			
State General Fund Transfer	3,773,949	0	0
Economic Development Fund Transfer	1,900,000	0	0
Municipal Water Fees	3,500,000	0	0
Industrial Water Fees	1,190,000	0	0
Stock Water Fees	315,000	0	0
Pesticide Registration Fees	920,000	0	0
Fertilizer Registration Fees	2,940,000	0	0
Pollution Fines and Penalties	75,000	0	0
Sand Royalty Receipts	373,000	0	0
Total Receipts	14,986,949	0	0
Total Available	14,986,949	0	0
Less Expenditures	14,986,949	0	0
Ending Balance	0	0	0

Remaining Balance 0

**House Adjustments to the Governor's Recommendation
(Reflects House Adjustments for FY 2003 and FY 2004)**

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
FY 2003				
<u>Judicial Council</u>				
Continue proviso to allow the Publications Fee Fund to be used for items not directly related to publications costs.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Department of Administration</u>				
Appropriate the "Digital Orthophoto Project -- Federal Fund" with a no-limit expenditure limitation.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Kansas Lottery</u>				
Add technical amendment to fix provisos with inconsistent transfer language.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Board of Pharmacy</u>				
Delete \$6,784 from the Governor's recommendation of \$10,176 for partial year funding of the additional 1.0 FTE Pharmacy Compliance Inspector position.	0	(6,784)	(6,784)	0.0
<i>Agency Subtotal</i>	\$0	(\$6,784)	(\$6,784)	0.0
<u>Kansas Neurological Institute</u>				
Delete proviso relating to the use of salary and wages' funds for other operating expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Larned State Hospital</u>				
Delete proviso relating to the use of salary and wages' funds for other operating expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Osawatomie State Hospital</u>				
Delete proviso relating to the use of salary and wages' funds for other operating expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Parsons State Hospital</u>				
Delete proviso relating to the use of salary and wages' funds for other operating expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Rainbow Mental Health Facility</u>				
Delete proviso relating to the use of salary and wages' funds for other operating expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Department of Corrections</u>				
Recommend exempting KDOC and facilities from the proviso adopted by the 2002 Legislature, which prohibited state agencies from using any remaining FY 2003 salary money for any other operational purpose.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Adjutant General</u>				
Add SGF financing due to the elimination of vehicle accident repair costs being charged to Fed/State Cooperative agreements.	12,000	0	12,000	0.0
Add SGF financing to provide additional funding for travel related expenses.	5,000	0	5,000	0.0
Create an Inaugural Expense Fund to pay for expenses associated with state active duty activities in support of the inaugural ceremony.	0	0	0	0.0
<i>Agency Subtotal</i>	\$17,000			

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<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Kansas Department of Agriculture</u>				
Eliminate 4.0 FTE positions which were not funded in FY 2003.	0	0	0	(4.0)
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(4.0)</i>
<u>Department of Wildlife and Parks</u>				
Modify a FY 2003 proviso to exempt the municipality of St. George regarding land acquisition on the Kansas River that requires the Secretary of Wildlife and Parks to secure land owners' permission.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>All Agencies</u>				
Delete 2002 session proviso requiring any unspent State General Fund financed salary and wages be captured and returned to the State General Fund at the end of the fiscal year.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
TOTAL	\$17,000	(\$6,784)	\$10,216	(4.0)
FY 2004				
<u>Legislature</u>				
Add proviso that would permit Legislative Coordinating Council to set the number of interim meeting days for statutory joint legislative committees.	0	0	0	0.0
Reduce additional SGF Governor recommended above the agency request.	(86,851)	0	(86,851)	0.0
Reduce interim committee days.	(150,000)	0	(150,000)	0.0
Reduce out of state travel.	(172,055)	0	(172,055)	0.0
Shift SGF expenditures to available balance in the Legislative Special Revenue Fund.	(60,000)	60,000	0	0.0
<i>Agency Subtotal</i>	<i>(\$468,906)</i>	<i>\$60,000</i>	<i>(\$408,906)</i>	<i>0.0</i>
<u>Legislative Coordinating Council</u>				
Delete funding for salary and wages of the Legislative Chief Information Technology Office.	(43,343)	0	(43,343)	0.0
<i>Agency Subtotal</i>	<i>(\$43,343)</i>	<i>\$0</i>	<i>(\$43,343)</i>	<i>0.0</i>
<u>Legislative Research Department</u>				
Reduce salary and wage shrinkage.	133,862	0	133,862	0.0
<i>Agency Subtotal</i>	<i>\$133,862</i>	<i>\$0</i>	<i>\$133,862</i>	<i>0.0</i>
<u>Revisor of Statutes</u>				
Reduce salary and wage shrinkage.	43,343	0	43,343	0.0
<i>Agency Subtotal</i>	<i>\$43,343</i>	<i>\$0</i>	<i>\$43,343</i>	<i>0.0</i>
<u>Division of Post Audit</u>				
Reduce salary and wage shrinkage.	28,859	0	28,859	0.0
<i>Agency Subtotal</i>	<i>\$28,859</i>	<i>\$0</i>	<i>\$28,859</i>	<i>0.0</i>
<u>Attorney General</u>				
Authorize the Attorney General to transfer money from one State General Fund account to other State General Fund accounts for water litigation in order to allow flexibility in funding Colorado and Nebraska cases.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Health Care Stabilization Fund Board</u>				
Add \$57,385 in the Healthcare Stabilization Fund from the 5.9 percent operating reduction. this would be a \$57,385 reduction in SGF revenue.	0	57,385	57,385	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$57,385</i>	<i>\$57,385</i>	<i>0.0</i>
<u>Judicial Council</u>				
Add \$60,000 from SGF to replace money that the Committee felt would not be brought in as revenue from the Publications Fee Fund.	60,000	(60,000)	0	0.0

10-2

<u>Agency/Item</u>	<u>State General Fund</u>	<u>All Other Funds</u>	<u>All Funds</u>	<u>FTEs</u>
Continue proviso to allow the Publications Fee Fund to be used for items not directly related to publications costs.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$60,000</i>	<i>(\$60,000)</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Administration</u>				
Appropriate the "Digital Orthophoto Project -- Federal Fund" with a no-limit expenditure limitation.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Revenue</u>				
Direct by proviso that the Executive CITO shall hold joint meetings with KDOR and Secretary of State concerning CAMA, VIPS, and voter registration applications that all will run in county courthouses and may be able to share computer hardware.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Real Estate Appraisal Board</u>				
Eliminate 1.0 FTE position that has been vacant since 1999; position not funded.	0	0	0	(1.0)
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(1.0)</i>
<u>Commission on Veterans Affairs</u>				
As a technical adjustment, add \$587,825 for capital improvements federal match appropriated in the 2002 session.	0	587,825	587,825	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$587,825</i>	<i>\$587,825</i>	<i>0.0</i>
<u>Department on Aging</u>				
Add proviso language allowing the agency to change its rate setting methodology to use a randomly selected based year after setting FY 2001 as the base year and collecting data on the ensuing years.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Social and Rehabilitation Services</u>				
Add a proviso creating a Hospital Closure Commission for possible closure of a Mental Health Institution and a Developmental Disability Institution. (Budget Committee Recommendation).	0	0	0	0.0
Add a proviso insuring administrative savings in the CDDO system are a result of true administrative savings, and not just reductions to service provider payments. (Budget Committee Recommendation).	0	0	0	0.0
Add proviso that allows the use of the Dispense as Written (D.A.W.) waiver for the drug formulary requirements in FY 2004. (Budget Committee Recommendation).	0	0	0	0.0
Reinstate DRG outlier payments to 75.0 percent level and reduce all DRG's by 1.6 percent to maintain the \$2.1 million SGF savings. (Budget Committee Recommendation).	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Neurological Institute</u>				
Restore proviso language relating to use of salary and wages' funds for other operating expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Larned State Hospital</u>				
Restore proviso language relating to use of salary and wages' funds for other operating expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Osawatomie State Hospital</u>				
Restore proviso language relating to use of salary and wages' funds for other operating expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Parsons State Hospital</u>				
Restore proviso language relating to use of salary and wages' funds for other operating expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>

10-3

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Rainbow Mental Health Facility</u>				
Restore proviso language relating to use of salary and wages' funds for other operating expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Education</u>				
Add a proviso to the special education line item allowing USDs to count Reading Recovery Teacher Leaders for special education teacher reimbursement, up to an aggregate limit of \$180,000.	0	0	0	0.0
Continue to fund special education as a separate categorical aid program, not as a weight in the school finance formula.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Corrections</u>				
Include proviso authorizing 1-year continuation of the reduction in annual training requirement for correctional officers, from 80 hours to 40 hours, resulting in \$763,000 SGF savings. (Savings are already reflected in Governor's recommendation.)	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Adjutant General</u>				
Add SGF financing due to the elimination of vehicle accident repair costs being charged to Fed/State Cooperative agreements.	12,000	0	12,000	0.0
Add SGF financing to provide additional funding for travel related expenses.	5,000	0	5,000	0.0
Technical Correction. Removal of non-expenses bond proceeds from the Governor's FY 2004 recommendation.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$17,000</i>	<i>\$0</i>	<i>\$17,000</i>	<i>0.0</i>
<u>State Fire Marshal</u>				
Convert 1.0 non-FTE position to an FTE position due to a lawsuit by a fire investigator.	0	0	0	1.0
Direct all transfers from the Fire Marshal Fee Fund be made in two disbursements during FY 2004, with those dates being: July 1 and January 1.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>1.0</i>
<u>Emergency Medical Services Board</u>				
Increase the agency expenditure limitation by \$51,269 through the use of the agency's EMS Operating Fund balance (\$188,560).	0	51,269	51,269	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$51,269</i>	<i>\$51,269</i>	<i>0.0</i>
<u>Ombudsman of Corrections</u>				
Fund the Ombudsman budget at the level recommended by the Governor for FY 2003. NOTE: SGF money is "new money", derived from room/board reimbursements from 62 new work release beds. Remaining \$15,000 is from Inmate Benefit Fund, as in past years.	169,745	15,000	184,745	3.5
<i>Agency Subtotal</i>	<i>\$169,745</i>	<i>\$15,000</i>	<i>\$184,745</i>	<i>3.5</i>
<u>Kansas Department of Agriculture</u>				
Create a no-limit information technology fund to deposit IT monies from the Kansas Water Office and the State Conservation Commission.	0	0	0	0.0
Eliminate 4.0 FTE positions which were not funded in FY 2004.	0	0	0	(4.0)
Include a proviso for the agency to continue providing technical and marketing assistance (including periodic updates to the marketing manual) to meat locker owners.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(4.0)</i>
<u>State Conservation Commission</u>				
Add a proviso to reappropriate any unencumbered balance of a SWPF appropriation to that fund for the following fiscal year.	0	0	0	0.0
Direct that any released encumbrances up to \$300,000 be appropriated to the Multipurpose Small Lakes program for the HorseThief Reservoir project.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>

10-4

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Kansas Water Office</u>				
Include a proviso allowing the agency director to transfer items of appropriation within the SWPF for the agency with certification to DOB, KLRD, and the House Budget Committee and Senate Subcommittee.	0	0	0	0.0
Include a proviso authorizing the agency to borrow money from the PMIB.	0	0	0	0.0
Include a proviso creating a fund for receiving and passing through federal cost-share match funds.	0	0	0	0.0
Include a proviso creating the Water Supply Storage Assurance District Fund.	0	0	0	0.0
Include a proviso prohibiting the release of water of Cedar Bluff Reservoir for environmental, domestic, municipal, industrial, or irrigation purposes and to explore transferring water ownership to the Dept. of Wildlife and Parks.	0	0	0	0.0
Include a proviso prohibits the purchase of water at Milford, Perry and Tuttle Creek Lakes.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Wildlife and Parks</u>				
Add a proviso regarding Cedar Bluff Reservoir with various requirements for the Dept. of Wildlife and Parks as well as the Kansas Water Office. Require a Governor's task force to report next session on long-range plans for the lake.	0	0	0	0.0
Add a proviso regarding land acquisition on the Kansas River to require the Secretary of Wildlife and Parks to secure adjacent land owners' permission to use the property for river access.	0	0	0	0.0
Make technical corrections in capital improvements bill to reflect Governor's recommendations.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
TOTAL	(\$59,440)	\$711,479	\$652,039	(.5)
FY 2005				
<u>Real Estate Appraisal Board</u>				
Eliminate 1.0 FTE position that has been vacant since 1999; position not funded.	0	0	0	(1.0)
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(1.0)</i>
<u>Commission on Veterans Affairs</u>				
As a technical adjustment, add \$587,825 for capital improvements federal match appropriated in the 2002 session.	0	587,825	587,825	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$587,825</i>	<i>\$587,825</i>	<i>0.0</i>
TOTAL	\$0	\$587,825	\$587,825	(1.0)

10-5

Senate Adjustments to the Governor's Recommendation
(Reflects Senate Adjustments for FY 2003 and FY 2004)

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
FY 2003				
<u>Legislature</u>				
Limit funding for session at 90 days.	(300,000)	0	(300,000)	0.0
Limit out of state travel.	(172,055)	0	(172,055)	0.0
Limit the number of days spent in interim committees.	(150,000)	0	(150,000)	0.0
Shift expenditures from SGF to special revenue fund.	(60,000)	60,000	0	0.0
<i>Agency Subtotal</i>	<i>(\$682,055)</i>	<i>\$60,000</i>	<i>(\$622,055)</i>	<i>0.0</i>
<u>Division of Post Audit</u>				
Add language which eliminates certain restrictions on the use of any salary savings by an agency.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Health Care Stabilization Fund Board</u>				
Add \$23,000 in salaries and wages to allow the agency to replace the retiring Compliance Section Supervisor.	0	23,000	23,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$23,000</i>	<i>\$23,000</i>	<i>0.0</i>
<u>Judicial Council</u>				
Continue proviso to allow the agency to use Publications Fee Fund for items not directly related to cost of publications.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Administration</u>				
Appropriate the "Digital Orthophoto Project -- Federal Fund" with a no-limit expenditure limitation.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Lottery</u>				
Add technical amendment to fix provisos with inconsistent transfer language.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Inc.</u>				
Exempt the agency from requirement that the ending balance of its EDIF account be transferred to the State General Fund and provide reappropriation authority.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Technology Enterprise Corp.</u>				
Exempt the agency from the requirement that the ending balance of its EDIF account be transferred to the State General Fund and include reappropriation authority.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>State Bank Commissioner</u>				
Add \$65,215 (Bank Fee Fund) for salary upgrades for Financial Examiners.	0	65,215	65,215	0.0
Shift \$95,830 from KSIP funds to Bank Fee Fund for capital outlay expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$65,215</i>	<i>\$65,215</i>	<i>0.0</i>
<u>Kansas Real Estate Commission</u>				
Add \$200 for official hospitality limitation on the Real Estate Fee Fund account within the agency's existing resources.	0	0	0	0.0
Restore supplemental request for purchase of electronic data base system. Agency to use KSIP funds.	0	29,500	29,500	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$29,500</i>	<i>\$29,500</i>	<i>0.0</i>
<u>Kansas Neurological Institute</u>				
Delete proviso relating to the use of salary and wages' funds for OOE.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Larned State Hospital</u>				
Delete proviso relating to the use of salary and wages' funds for OOE.	0	0	0	0.0
Technical adjustment to SB 62: amend lapse amount from \$642,296 to \$141,634.	0	0	0	0.0

Agency / Item	State General Fund	All Other Funds	All Funds	AS
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Osawatomie State Hospital</u>				
Delete proviso relating to the use of salary and wages' fund for OOE.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Parsons State Hospital</u>				
Delete proviso relating to the use of salary and wages' funds for OOE.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Rainbow Mental Health Facility</u>				
Delete proviso relating to the use of salary and wages' funds for OOE.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Adjutant General</u>				
Add SGF financing due to the elimination of vehicle accident repair costs being charged to Fed/State Cooperative agreements.	12,000	0	12,000	0.0
Create an Inaugural Expense Fund to pay for expenses associated with state active duty activities in support of the inaugural ceremony.	0	0	0	0.0
<i>Agency Subtotal</i>	\$12,000	\$0	\$12,000	0.0
<u>Department of Wildlife and Parks</u>				
Delete a FY 2003 proviso to exempt the municipality of St. George regarding land acquisition on the Kansas River. The Senate Committee believes it is unnecessary since the city bought the land, not the Department.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>All Agencies</u>				
Delete 2002 session proviso requiring any unspent State General Fund financed salary and wages be captured and returned to the State General Fund at the end of the fiscal year.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
TOTAL	(\$670,055)	\$177,715	(\$492,340)	0.0
FY 2004				
<u>Legislature</u>				
Add funding needed for increases in fringe benefit rates and longevity bonuses.	57,642	0	57,642	0.0
<i>Agency Subtotal</i>	\$57,642	\$0	\$57,642	0.0
<u>Legislative Coordinating Council</u>				
Add funding needed for increases in fringe benefit rates and longevity bonuses.	8,546	0	8,546	0.0
<i>Agency Subtotal</i>	\$8,546	\$0	\$8,546	0.0
<u>Legislative Research Department</u>				
Add funding needed for increases in fringe benefit rates and longevity bonuses.	43,770	0	43,770	0.0
Reduce salary and wage shrinkage.	133,862	0	133,862	0.0
<i>Agency Subtotal</i>	\$177,632	\$0	\$177,632	0.0
<u>Revisor of Statutes</u>				
Add funding needed for increases in fringe benefit rates and longevity bonuses.	18,029	0	18,029	0.0
<i>Agency Subtotal</i>	\$18,029	\$0	\$18,029	0.0
<u>Division of Post Audit</u>				
Add funding needed for increases in fringe benefit rates and longevity bonuses.	14,184	0	14,184	0.0
Reduce salary and wage shrinkage.	28,859	0	28,859	0.0
<i>Agency Subtotal</i>	\$43,043	\$0	\$43,043	0.0
<u>Attorney General</u>				
Delete \$80,000 and transfer to the KBI to fund a KBI agent's assignment to the KC area FBI Cyber-Crime Task Force.	(80,000)	0	(80,000)	0.0
<i>Agency Subtotal</i>	(\$80,000)	\$0	(\$80,000)	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Insurance Department</u>				
Add \$168,623 to the Insurance Department's budget as the Committee felt that the 5.9 percent operating reduction should only be applied to the Regulation Program and not the entire agency. This is a \$168,623 reduction to SGF revenue.	0	168,623	168,623	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$168,623</i>	<i>\$168,623</i>	<i>0.0</i>
<u>Health Care Stabilization Fund Board</u>				
Add \$15,330 in salaries and wages from the Healthcare Stabilization Fund to avoid the potential layoff of an employee.	0	15,330	15,330	0.0
Add \$60,000 from the Healthcare Stabilization Fund to allow the agency to upgrade their database.	0	60,000	60,000	0.0
Restore \$57,385 in expenditures to be made from the Healthcare Stabilization Fund, but still transfer \$57,385 from the Healthcare Stabilization Fund to the State General Fund.	0	57,385	57,385	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$132,715</i>	<i>\$132,715</i>	<i>0.0</i>
<u>Judicial Council</u>				
Continue proviso to allow the agency to use Publications Fee Fund for items not directly related to cost of publications.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Judicial Branch</u>				
Add \$1,804,435 for Judicial Branch operations, which is the net change due to adding \$2,182,435 for mandated fringe benefit increases and deleting \$378,000 in death and disability benefits.	1,804,435	0	1,804,435	0.0
Delete \$114,400 for capital improvements to the Judicial Center for the purpose of renovating a judicial suite for the 12th judge to be added to the Court of Appeals. The Senate Committee recommends that expansion of the Court be delayed by one year.	(114,400)	0	(114,400)	0.0
<i>Agency Subtotal</i>	<i>\$1,690,035</i>	<i>\$0</i>	<i>\$1,690,035</i>	<i>0.0</i>
<u>Governmental Ethics Commission</u>				
Add \$6,910 (5.9 percent operating reduction) to the Governmental Ethics Fee Fund, but still have the agency transfer \$6,910 to the State General Fund.	0	6,910	6,910	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$6,910</i>	<i>\$6,910</i>	<i>0.0</i>
<u>Department of Administration</u>				
Appropriate the "Digital Orthophoto Project -- Federal Fund" with a no-limit expenditure limitation.	0	0	0	0.0
Shift funding of \$29,447 from the State General Fund to the budget of the agency's Long-Term Care Ombudsman program. Reduce funding from the agency's other divisions to provide for the shift.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Revenue</u>				
By proviso allow financing from State Highway Fund to be used for ABC, Division of Taxation, and indirect costs of administration and operations.	0	0	0	0.0
By proviso allow financing from the Electronic Databases Fee Fund to be used for administrative and operating expenses.	0	0	0	0.0
By proviso allow financing from the VIPS/CAMA Fund to be used for administrative and operating expenses.	0	0	0	0.0
Finance ABC by a transfer from the State Highway Fund.	0	0	0	0.0
Retain the Division of Alcoholic Beverage Control (ABC) within the Department of Revenue.	0	1,805,122	1,805,122	38.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$1,805,122</i>	<i>\$1,805,122</i>	<i>38.0</i>
<u>Kansas Lottery</u>				
Concur with the Governor to transfer \$542,800 to the SGF, and transfer an additional \$2.5 million to the SGF in FY 2004 based on savings for online vendor and telecommunication contracts. These amounts are in addition to the \$10.3 million from SGRF.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Racing and Gaming Commission</u>				
Note that the Horse Fair Racing Benefit Fund has a growing balance in excess of \$500,000, and transfer \$300,000 to the SGF in FY 2004 on October 1, 2003.	0	0	0	0.0

10-8

Agency Item	State General Fund	All Other Funds	All Funds	
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Department of Commerce and Housing</u>				
Delete \$169,350 (\$55,328 EDIF) and 1.0 FTE position which had been recommended as a part of the merger with Kansas, Inc.	0	(169,350)	(169,350)	(1.0)
Delete \$469,992 EDIF in connection with the transfer of the Division of Housing to KDFA (ERO 30). The deleted funding is to be transferred to Kansas, Inc. and KTEC.	0	(469,992)	(469,992)	0.0
<i>Agency Subtotal</i>	\$0	(\$639,342)	(\$639,342)	(1.0)
<u>Kansas Inc.</u>				
Add \$451,755 (\$200,000 EDIF) and 4.0 FTE positions to reverse the Governor's recommendation to merge the agency with the Department of Commerce and Housing.	0	451,755	451,755	4.0
<i>Agency Subtotal</i>	\$0	\$451,755	\$451,755	4.0
<u>Kansas Technology Enterprise Corp.</u>				
Add \$325,320 EDIF in funds transferred from the Department of Commerce and Housing to provide additional funding for the agency's programs.	0	325,320	325,320	0.0
<i>Agency Subtotal</i>	\$0	\$325,320	\$325,320	0.0
<u>State Bank Commissioner</u>				
Add \$124,594 (Bank Fee Fund) for salary upgrades for Financial Examiners.	0	124,594	124,594	0.0
Transfer \$358,775 to the State General Fund from existing balances from the Bank Fee Funds, instead of reducing expenditures by 5.9 percent.	0	358,775	358,775	0.0
<i>Agency Subtotal</i>	\$0	\$483,369	\$483,369	0.0
<u>Behavioral Sciences Regulatory Board</u>				
Restore \$5,000 in capital outlay removed by the Governor.	0	5,000	5,000	0.0
<i>Agency Subtotal</i>	\$0	\$5,000	\$5,000	0.0
<u>Kansas Real Estate Commission</u>				
Add \$200 for official hospitality limitation on the Real Estate Fee Fund account within the agency's existing resources.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Board of Technical Professions</u>				
Add \$10,288 to restore voluntary reduction the agency had taken in FY 2004.	0	10,288	10,288	0.0
<i>Agency Subtotal</i>	\$0	\$10,288	\$10,288	0.0
<u>Board of Veterinary Examiners</u>				
Add \$15,000 resulting from revised agency revenue projection.	0	15,000	15,000	0.0
<i>Agency Subtotal</i>	\$0	\$15,000	\$15,000	0.0
<u>Commission on Veterans Affairs</u>				
As a technical adjustment, add \$587,825 for capital improvements federal match appropriated in the 2002 session.	0	587,825	587,825	0.0
<i>Agency Subtotal</i>	\$0	\$587,825	\$587,825	0.0
<u>Social and Rehabilitation Services</u>				
Shift \$1.0 million from the new urban acute care mental health services program to grants to Community Mental Health Centers (CMHC's).	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Department of Education</u>				
Add a proviso to the special education line item allowing USDs to count Reading Recovery Teacher Leaders for special education teacher reimbursement, up to an aggregate limit of \$180,000.	0	0	0	0.0
Continue to fund special education as a separate categorical aid program, not as a weight in the school finance formula.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>School for the Deaf</u>				
Reduce capital improvements by \$2,021 for FY 2004.	0	(2,021)	(2,021)	0.0
<i>Agency Subtotal</i>	\$0	(\$2,021)	(\$2,021)	0.0
<u>Board of Regents</u>				
Increase systemwide rehabilitation and repair (Capital Improvements).	0	3,000,000	3,000,000	0.0

Item	State General Fund	All Other Funds	All Funds	FTEs
<u>Adjutant General</u>				
<i>Agency Subtotal</i>	\$0	\$3,000,000	\$3,000,000	0.0
Add SGF financing due to the eliminating of vehicle accident repair costs being charged to Fed/State Cooperative agreements.	12,000	0	12,000	0.0
Technical Correction. Removal of non-expense bond proceeds from the FY 2004 recommendation.	0	0	0	0.0
<i>Agency Subtotal</i>	\$12,000	\$0	\$12,000	0.0
<u>State Fire Marshal</u>				
Convert 1.0 other unclassified position to an FTE position due to a lawsuit by a fire investigator.	0	0	0	1.0
Direct all transfers from the Fire Marshal Fee Fund be made in two disbursements during FY 2004, with those dates being: July 1 and January 1.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	1.0
<u>Highway Patrol</u>				
Reduce \$280,000 (from the State Highway Fund) in operating expenditures (\$268,639 of that amount are capital improvement expenses).	0	(280,000)	(280,000)	0.0
Transfer the remaining \$30,685,704 in State Highway Fund financing from the Highway Patrol operating fund to the State General Fund and finance agency operating expenses from SGF.	30,685,704	(30,685,704)	0	0.0
<i>Agency Subtotal</i>	\$30,685,704	(\$30,965,704)	(\$280,000)	0.0
<u>Emergency Medical Services Board</u>				
Transfer \$51,269 from the State General Fund to the EMS Operating Fund and increase the agency's expenditure limitation by that amount.	0	51,269	51,269	0.0
<i>Agency Subtotal</i>	\$0	\$51,269	\$51,269	0.0
<u>Sentencing Commission</u>				
Add funding for operating expenditures due to the transfer of federal Byrne administrative monies from the Sentencing Commission to the Governor's Office.	167,311	(19,806)	147,505	0.0
Delete 4.0 positions (2.0 FTE and 2.0 other unclassified positions) due to the transfer of federal Byrne grants to the Governor's Office.	0	0	0	(2.0)
Transfer federal law enforcement related grants (RSAT, LLEBG, and NCHIP) from the Sentencing Commission to the Governor's Office.	0	(359,854)	(359,854)	0.0
<i>Agency Subtotal</i>	\$167,311	(\$379,660)	(\$212,349)	(2.0)
<u>Kansas Department of Agriculture</u>				
Create a no-limit information technology fund to deposit IT monies from the Kansas Water Office and the State Conservation Commission.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Kansas Water Office</u>				
Include a proviso allowing the agency director, with KWA approval, to transfer items of appropriation within the SWPF for the agency with certification to DOB, KLRD, and the House Budget Committee and Senate Subcommittee.	0	0	0	0.0
Include a proviso authorizing the agency to borrow money from the PMIB.	0	0	0	0.0
Include a proviso creating a fund for receiving and passing through federal cost-share match funds.	0	0	0	0.0
Include a proviso creating the Water Supply Storage Assurance District Fund.	0	0	0	0.0
Include a proviso prohibits the purchase of water at Milford, Perry and Tuttle Creek Lakes.	0	0	0	0.0
Include a proviso recommending the Governor establish a task force to study the future of Cedar Bluff Reservoir and to report to the Legislature by January 12, 2004.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Department of Wildlife and Parks</u>				
Add a proviso regarding Cedar Bluff Reservoir to require a Governor's task force to report next session on long-range plans for the lake.	0	0	0	0.0
Add a proviso regarding land acquisition on the Kansas River to secure adjacent land owners' permission for river access, and add that when property is within a municipality, the Secretary must only obtain governing bodies permission.	0	0	0	0.0

10-10

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>Fees</i>
Make technical corrections in capital improvements bill to reflect Governor's recommendations.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
TOTAL	\$32,779,942	(\$24,943,531)	\$7,836,411	40.0

FY 2005

Behavioral Sciences Regulatory Board

Restore \$7,200 in capital outlay removed by the Governor.	0	7,200	7,200	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$7,200</i>	<i>\$7,200</i>	<i>0.0</i>

Kansas Real Estate Commission

Add \$200 for official hospitality limitation on the Real Estate Fee Fund account within the agency's existing resources.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>

Board of Veterinary Examiners

Add \$65,000 resulting from revised agency revenue projection.	0	65,000	65,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$65,000</i>	<i>\$65,000</i>	<i>0.0</i>

Commission on Veterans Affairs

As a technical adjustment, add \$587,825 for capital improvements federal match appropriated in the 2002 session.	0	587,825	587,825	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$587,825</i>	<i>\$587,825</i>	<i>0.0</i>

Board of Regents

Systemwide rehabilitation and repair (Capital Improvements).	0	13,000,000	13,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$13,000,000</i>	<i>\$13,000,000</i>	<i>0.0</i>

TOTAL	\$0	\$13,660,025	\$13,660,025	0.0
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10-11

**Items for Omnibus Consideration
(Referred by the House Committee)**

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
FY 2003				
<u>Insurance Department</u>				
Review the amounts the insurance companies rates may have to be increased in FY 2005 if "loans" from the Insurance Department's Special Revenue Funds are not repaid.	0	0	0	0.0
Review the details of the move of the SHICK program from Insurance Department to Aging and any impact it will have on the agency's budget.	0	0	0	0.0
<u>Board of Indigents' Defense Services</u>				
Review available cash balances of the Death Penalty Defense Unit and the Assigned Counsel Program.	0	0	0	0.0
<u>KPERS</u>				
Pending passage of SB 47 or similar legislation, review at Omnibus the \$6.1 million of state savings as an alternative source of financing for other programs.	0	0	0	0.0
<u>Board of Tax Appeals</u>				
Review the actual amount of salary savings realized due to SB 115 to ensure that the agency doesn't have to make up the reductions in other salary areas.	0	0	0	0.0
Review the microfilm contract with the Norton Correctional Industries and review the issue.	0	0	0	0.0
<u>Kansas Real Estate Commission</u>				
Consider restoring \$29,500 for purchase of electronic storage database. Agency will use \$18,500 KSIP funds.	0	29,500	29,500	0.0
<u>Department of Health and Environment</u>				
Review balances of the Underground Petroleum Storage Tank Release Trust Fund.	0	0	0	0.0
<u>Kansas Neurological Institute</u>				
Review education services provided for children and adolescents within the state hospital setting, prior to Omnibus.	0	0	0	0.0
Review federal funding for state hospitals, including DSH and Title XIX, prior to Omnibus.	0	0	0	0.0
<u>Larned State Hospital</u>				
Review education services provided for children and adolescents within the state hospital setting, prior to Omnibus.	0	0	0	0.0
Review federal funding for state hospitals, including DSH and Title XIX, prior to Omnibus.	0	0	0	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Osawatomie State Hospital</u>				
Review education services provided for children and adolescents within the state hospital setting, prior to Omnibus.	0	0	0	0.0
Review federal funding for state hospitals, including DSH and Title XIX, prior to Omnibus.	0	0	0	0.0
<u>Parsons State Hospital</u>				
Review education services provided for children and adolescents within the state hospital setting, prior to Omnibus.	0	0	0	0.0
Review federal funding for state hospitals, including DSH and Title XIX, prior to Omnibus.	0	0	0	0.0
<u>Rainbow Mental Health Facility</u>				
Review education services provided for children and adolescents within the state hospital setting, prior to Omnibus.	0	0	0	0.0
Review federal funding for state hospitals, including DSH and Title XIX, prior to Omnibus.	0	0	0	0.0
<u>Board of Regents</u>				
Re-evaluate the rationale for the proviso adopted last session which prohibits salary savings from being used for OOE.	0	0	0	0.0
<u>Adjutant General</u>				
Consider adding \$115,000 due to increased armory insurance costs.	115,000	0	115,000	0.0
TOTAL	\$115,000	\$29,500	\$144,500	0.0
FY 2004				
<u>State Treasurer</u>				
Review FY 2004 state operations financing.	0	0	0	0.0
<u>Insurance Department</u>				
Review the amounts the insurance companies rates may have to be increased in FY 2005 if "loans" from the Insurance Department's Special Revenue Funds are not repaid.	0	0	0	0.0
Review the details of the move of the SHICK program from Insurance Department to Aging and any impact it will have on the agency's budget.	0	0	0	0.0
<u>Judicial Council</u>				
Review additional funding needs and requests a five year financing plan from the agency in regards to projected publications revenue.	0	0	0	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Board of Indigents' Defense Services</u>				
Review of the agency's budget.	0	0	0	0.0
<u>KPERS</u>				
Pending passage of SB 47 or similar legislation, review at Omnibus the \$24.0 million of state savings as an alternative source of financing for other programs.	0	0	0	0.0
<u>Kansas Corporation Commission</u>				
Agency is to report back before Omnibus on well-plugging status and staffing of Chanute office.	0	0	0	0.0
<u>Department of Administration</u>				
Review the issue of KANS-A-N long distance fees at omnibus.	0	0	0	0.0
<u>Department of Revenue</u>				
Review ABC transfer issue during Omnibus and status of any pending legislation.	0	0	0	0.0
<u>Behavioral Sciences Regulatory Board</u>				
Review the possible reinstatement of \$5,000 in capital outlay expenditures.	0	0	0	0.0
<u>Board of Nursing</u>				
Request survey of all inactive nurses and why they left the profession and report the results back prior to Omnibus.	0	0	0	0.0
Review the long range plan and resources for nurse recruitment and the potential for federal money from the Nursing Act and when the proposed plan would end.	0	0	0	0.0
Review the plan to recruit nurses and any potential conflicts of interest.	0	0	0	0.0
<u>Board of Veterinary Examiners</u>				
Review expenditure levels resulting from agency's anticipated increase in revenue.	0	15,000	15,000	0.0
<u>Commission on Veterans Affairs</u>				
Provide copy of letter to Aquila Energy Resources to Budget Committee.	0	0	0	0.0
Review staffing levels at Kansas Soldiers' Home.	0	0	0	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Department of Health and Environment</u>				
Consider adding funding for community-based primary care clinics should additional funds be available.	1,000,000	0	1,000,000	0.0
Receive report on federal bioterrorism funding for FY 2004.	0	0	0	0.0
Receive report on the transfer of the nursing home regulation function from KDHE to the Dept on Aging.	0	0	0	0.0
Review fees charged by the Kansas Bureau of Investigation for criminal background checks of healthcare workers.	0	0	0	0.0
Review funding sources and effectiveness measures of the Tobacco Use Prevention Program.	0	0	0	0.0
Review Funeral Assistance Program (including potential funding sources).	0	0	0	0.0
Review possibility of transferring regulatory and inspection function for day care and foster care programs from KDHE to the Dept of Social and Rehabilitation Services.	0	0	0	0.0
Review Pregnancy Maintenance Initiative Program (including effectiveness measures).	0	0	0	0.0
<u>Department on Aging</u>				
Review combining all HCBS waivers into one waiver.	0	0	0	0.0
Review increasing the pool for health care.	0	0	0	0.0
Review raising the PASSAR score for the HCBS/FE waiver from 26 to 40.	0	0	0	0.0
Review shifting Adult Protective Services from SRS to Aging.	0	0	0	0.0
Review system of case management services for the HCBS waivers.	0	0	0	0.0
Review the disparity between self-directed and non self-directed care reimbursement rates.	0	0	0	0.0
Review the establishment of regulations to allow dollars to follow clients from institutions into the community.	0	0	0	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Social and Rehabilitation Services</u>				
Review capping HCBS waiver payments.	0	0	0	0.0
Review child care funding methodologies to maximize TANF match.	0	0	0	0.0
Review combining all waivers into a single waiver program.	0	0	0	0.0
Review eligibility criteria for the HCBS waivers.	0	0	0	0.0
Review elimination of disproportionate share payments to Children's Mercy hospital.	0	0	0	0.0
Review funding alternatives for the \$1.5 million SGF reduction to the University of Kansas Graduate Medical Education Program.	0	0	0	0.0
Review funding for the funeral assistance program.	0	0	0	0.0
Review implementation of legislation to prevent the hiding of assets to achieve Medicaid eligibility.	0	0	0	0.0
Review implementing a program to place liens on the homes of Medicaid recipients who have been in a nursing facility for a year, or persons receiving HCBS services, as well as requiring reverse mortgages on homes of Medicaid recipients.	0	0	0	0.0
Review increasing the PASSAR score for the HCBS/PD waiver from 26 to 32.	0	0	0	0.0
Review isolating adoption services and shifting all placement responsibility with foster care providers.	0	0	0	0.0
Review maximization of federal funds for job training programs statewide.	0	0	0	0.0
Review models of charging interest for back child support payments.	0	0	0	0.0
Review options, recommendations and ideas for providing services to high needs foster care children.	0	0	0	0.0
Review the child support enforcement program and its performance given the budget reductions.	0	0	0	0.0
Review the policy of splitting spousal income for Medicaid eligibility and implementation of a sliding fee scale for services based on both spouses income.	0	0	0	0.0
<u>Department of Education</u>				
If revenues become available, consider funding for statutory programs that are unfunded or underfunded in the Governor's budget: Mentor Teacher, Inservice Education, and Governor's Teaching Excellence Awards.	0	0	0	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>School for the Blind</u>				
Request an explanation of the differences in the cost per pupil between the School for Blind and School for Deaf prior to Omnibus.	0	0	0	0.0
Requests that the School look into utilizing KAN-ED to maximize effectiveness, and respond back prior to Omnibus.	0	0	0	0.0
Requests the School to report back on any potential increases in Medicaid funding (Special Subcommittee is working on this item, no recommendation have been made).	0	0	0	0.0
Review the School's funding at Omnibus, as the Committee feels that the manner in which the School was treated is inconsistent with how the rest of Education was treated.	0	0	0	0.0
<u>School for the Deaf</u>				
Request an explanation of the differences in the cost per pupil between the School for Blind and School and Deaf prior to Omnibus.	0	0	0	0.0
Requests that the School look into utilizing KAN-ED to maximize the effectiveness, and respond back before Omnibus.	0	0	0	0.0
Requests the School to report back on any potential increases in Medicaid funding (Special Subcommittee is working on this item, no recommendation have been made).	0	0	0	0.0
Review the School's funding at Omnibus, as the Committee feels the manner in which the School was treated is inconsistent with how the rest of Education was treated.	0	0	0	0.0
<u>KSU - Agricultural Extension & Research</u>				
Report to Budget Committee on efforts to include sustainable agriculture initiatives in the Universities 5 year research plan.	0	0	0	0.0
<u>University of Kansas Medical Center</u>				
Consider funding for Medical Student Loans.	850,000	0	850,000	0.0
Consider funding for Pediatric Biomedical Research.	0	1,000,000	1,000,000	0.0
<u>Wichita State University</u>				
Support for Aviation Research.	1,000,000	0	1,000,000	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Board of Regents</u>				
Board to report by Omnibus on how increased funding for the comprehensive grant program will be allocated between public and private universities.	0	0	0	0.0
Consider the Board's request for funding for alternative teacher education programs at ESU, FHSU, and PSU.	900,000	0	900,000	0.0
Report progress on KBOR's progress on analysis of numerous matters related to technical schools.	0	0	0	0.0
<u>Department of Corrections</u>				
Request Secretary of Corrections continue to review options that would result in restoring offender management beds and substance abuse services in FY 2004 and report back to Budget Committee before Omnibus for further consideration.	0	0	0	0.0
Request Secretary of Corrections examine options for keeping visitors' centers operational.	0	0	0	0.0
Request Secretary of Corrections review and report to Budget Committee at Omnibus regarding costs of not establishing day reporting center or equivalent in Kansas City area; report whether costs are reduced when centers are operational.	0	0	0	0.0
Request Secretary of Corrections to provide, at or before Omnibus, an update on amount needed to pay in full the amount owed in local jail payments.	0	0	0	0.0
<u>Kansas Bureau of Investigation</u>				
Review the elimination of the CJIS Project Manager's position.	97,632	0	97,632	0.0
<u>Sentencing Commission</u>				
Review Governor's recommendation to transfer Byrne Funding from Sentencing Commission and the financing remaining to operate the agency.	0	0	0	0.0
<u>Kansas Department of Agriculture</u>				
Report on progress or resolution of information technology funding with the Kansas Water Office and the State Conservation Commission.	0	0	0	0.0
<u>Animal Health Department</u>				
Update on funding of Animal Facilities Inspection program in relation to HB 2443 (rabies vaccination surcharge bill).	0	0	0	0.0
<u>State Conservation Commission</u>				
Report on progress or resolution of information technology funding with the Kansas Water Office and the Department of Agriculture.	0	0	0	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Kansas Water Office</u>				
Report on progress or resolution of information technology funding with the Department of Agriculture and the State Conservation Commission.	0	0	0	0.0
<u>Department of Wildlife and Parks</u>				
Review GBA on Cheyenne Bottoms for a \$2.0 million project if the Governor submits by Omnibus.	0	0	0	0.0
TOTAL	\$3,847,632	\$1,015,000	\$4,862,632	0.0

FY 2005

Behavioral Sciences Regulatory Board

Review the possible reinstatement of \$7,200 in capital outlay expenditures. 0 0 0 0.0

Board of Nursing

Request survey of all inactive nurses and why they left the profession and report the results back prior to Omnibus. 0 0 0 0.0

Review the long range plan and resources for nurse recruitment and the potential for federal money from the Nursing Act and when the proposed plan would end. 0 0 0 0.0

Review the plan to recruit nurses and any potential conflicts of interest. 0 0 0 0.0

Board of Veterinary Examiners

Review expenditure levels resulting from agency's anticipated increase in revenue. 0 65,000 65,000 0.0

TOTAL	\$0	\$65,000	\$65,000	0.0
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GRAND TOTAL	\$3,962,632	\$1,109,500	\$5,072,132	0.0
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**Items for Omnibus Consideration
(Referred by the Senate Committee)**

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
FY 2003				
<u>Board of Indigents' Defense Services</u>				
Review of available cash balances in the Death Penalty Defense Unit.	0	0	0	0.0
<u>Board of Tax Appeals</u>				
Review progress of SB115/ HB2147 which reduces size of Board and any fiscal impact on current year appropriations.	0	0	0	0.0
<u>Board of Healing Arts</u>				
Review computer system upgrade plan and budget prior to Omnibus.	0	0	0	0.0
<u>School for the Blind</u>				
Requests that the School and the Department of Education discuss the advantages and disadvantages of placing the School within the School financing formula and report back prior to Omnibus.	0	0	0	0.0
<u>School for the Deaf</u>				
Requests that the School and the Department of Education discuss the advantages and disadvantages of placing the School within the school financing formula and report back prior to Omnibus.	0	0	0	0.0
<u>Adjutant General</u>				
Consider adding \$115,000 due to increased armory insurance costs.	115,000	0	115,000	0.0
TOTAL	\$115,000	\$0	\$115,000	0.0
FY 2004				
<u>State Treasurer</u>				
Review funding alternatives (to Governor's recommendation) to supplant SGF.	0	0	0	0.0
<u>Judicial Council</u>				
Note that there will be a \$60,000 shortfall for this agency and address the issue at conference or Omnibus.	0	0	0	0.0
<u>Board of Indigents' Defense Services</u>				
Review of the budget for the Death Penalty Defense Unit and Legal Services for Prisoners, Inc.	0	0	0	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Board of Tax Appeals</u>				
Review change in rent methodology by Department of Administration in the Docking State Office Building.	0	0	0	0.0
Review reduction in number of Board members and fiscal impact of new filing fees.	0	0	0	0.0
<u>Department of Revenue</u>				
Review during Omnibus period collections of accounts receivable and projections for other years.	0	0	0	0.0
Review during Omnibus period the budget cuts and effect on collecting taxes.	0	0	0	0.0
<u>Kansas Racing and Gaming Commission</u>				
Review during Omnibus information about salaries and work loads of commissioners per SB 6.	0	0	0	0.0
<u>Kansas Dental Board</u>				
Review agency's FY 2004 budget prior to Omnibus for adjustments related to moving costs.	0	0	0	0.0
<u>Board of Nursing</u>				
Review information regarding the impaired provider assistance program and the KNAP report.	0	0	0	0.0
Review the agency enhancement request to address nursing shortage issue.	0	0	0	0.0
Review the number of open cases, whether any are sent to the Attorney General due to the complexity, and how long an average case should be open.	0	0	0	0.0
<u>Securities Commissioner</u>				
Review before Omnibus current financial status as the 5.9 percent reduction may force the agency to layoff employees.	0	0	0	0.0
<u>Social and Rehabilitation Services</u>				
Review alternatives to the \$1.5 million reduction to the University of Kansas Graduate Medical Education Program.	0	0	0	0.0
Review alternatives to the \$10 fee for child abuse and neglect reports for not-for-profit organizations.	0	0	0	0.0
Review exclusion of Children's Mercy Hospital from the disproportionate share reimbursement pool.	0	0	0	0.0
Review funding options for administration for the Kansas Children's Cabinet.	0	0	0	0.0
Review provider tax options.	0	0	0	0.0
Review the agency Policy Options Discussion guide.	0	0	0	0.0
Review the status of child protection needs and services.	0	0	0	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Kansas Guardianship Program</u>				
Review of program's FY 2004 funding level.	0	0	0	0.0
<u>School for the Blind</u>				
Requests that the School and the Department of Education discuss the advantages and disadvantages of placing the School within the School financing formula and report back prior to Omnibus.	0	0	0	0.0
Review level of FY 2004 funding, especially the items in the reduced resources package.	0	0	0	0.0
<u>School for the Deaf</u>				
Requests that the School and the Department of Education discuss the advantages and disadvantages of placing the School within the school financing formula and report back prior to Omnibus.	0	0	0	0.0
Review FY 2004 funding, especially for those items that were in the reduced resources package.	0	0	0	0.0
<u>Department of Corrections</u>				
Request the Secretary of Corrections report on possible mechanisms to control inmate healthcare costs; specifically: Examine SRS, JJA, and other agencies' payment practices re: client hospital care, i.e., use of Medicaid rates as payment basis.	0	0	0	0.0
Review whether funding exists to continue the Visitors' Centers.	0	0	0	0.0
<u>Sentencing Commission</u>				
Review the elimination of the CJIS Project Manager's position.	97,632	0	97,632	1.0
<u>Ombudsman of Corrections</u>				
Request the Secretary of Corrections evaluate whether funding exists from any KDOC-related source, including the room/board reimbursements for the 62 new work release beds and the Inmate Benefit Fund balance, and report back on or before Omnibus.	0	0	0	0.0
<u>Animal Health Department</u>				
Review funding for humane society relinquishment fee.	5,000	0	5,000	0.0
Review funding for kennel inspector positions.	87,065	13,305	100,370	2.0
<u>Department of Wildlife and Parks</u>				
Review at Omnibus any GBA on Cheyenne Bottoms grant of \$2.0 million.	0	0	0	0.0
TOTAL	\$189,697	\$13,305	\$203,002	3.0

FY 2005

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
Board of Nursing				
Review information regarding the impaired provider assistance program and the KNAP report.	0	0	0	0.0
Review the agency enhancement request to address nursing shortage issue.	0	0	0	0.0
Review the number of open cases, whether any are sent to the Attorney General due to the complexity, and how long an average case should be open.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0
GRAND TOTAL	\$304,697	\$13,305	\$318,002	3.0

Items to be Resolved by House Committee

Department of Revenue/Kansas Highway Patrol

The Tax, Judicial, Transportation, and Retirement Budget Committee has recommended that the Alcoholic Beverage Control program be retained in the Department of Revenue Budget. The Public Safety Budget Committee concurs with the Governor's recommendation to transfer to the program to the Highway Patrol.

Pay Plan Adjustments

The Governor's FY 2004 recommendation includes funding totaling \$26.3 million (including \$12.9 million from the State General Fund) for a 1.5 percent base salary adjustment for classified employees, and an equivalent merit pool for unclassified employees of the Executive Branch. The House Committee recommended that employees of the Judicial and Legislative branches be treated the same as all other state employees for purposes of the 1.5 percent base salary adjustment. The 1.5 percent base salary adjustment is estimated at \$1,194,662 (State General Fund) for Judicial Branch employees, including judges, and \$155,723 (State General Fund) for Legislative Branch employees, including legislators. In addition, the House Committee recommended that Judicial (\$1,804,435 - State General Fund) and Legislative (\$131,541 - State General Fund) Branch employees be treated the same as Executive Branch employees regarding fringe benefit adjustments. *No action has been taken to add the funding for these amounts.*

Items to be Resolved by Senate Committee

Ombudsman for Corrections

The Department of Corrections Subcommittee Report recommends the transfer of \$183,000 from the State General Fund to a special revenue fund in the Ombudsman's budget (along with additional funding from fees charged to inmates who use the Ombudsman's services) to fund the budget in FY 2004. The report also indicates that State General Fund receipts are estimated to increase \$192,200 based on additional room and board payments from work release inmates). *No action has been taken to adjust expenditures in the Ombudsman's budget.*

Department of Revenue/Kansas Highway Patrol

The Department of Revenue Subcommittee Report recommends that the Alcoholic Beverage Control program be retained in the Department of Revenue. Under the Governor's recommendation, funding for the division is included in the budget of the Kansas Highway Patrol. *No action has been taken to reduce expenditures from that budget.*

Sentencing Commission/Governor's Office

The Sentencing Committee Subcommittee Report recommends the transfer of additional federal funding of \$359,854 from the Sentencing Commission budget. *No action has been taken to add that funding to the Governor's office budget.*

Attorney General/Kansas Bureau of Investigation

The Attorney General Subcommittee Report recommended the transfer of \$80,000 from the State General Fund from the Attorney General's budget to the budget of the Kansas Bureau of Investigation. *No action has been taken to add the funding to the KBI budget.*

Pay Plan Adjustments

The Governor's FY 2004 recommendation includes funding totaling \$26.3 million (including \$12.9 million from the State General Fund) for a 1.5 percent base salary adjustment for classified employees, and an equivalent merit pool for unclassified employees of the Executive Branch. The Senate Committee recommended that employees of the Judicial and Legislative branches be treated the same as all other state employees for purposes of the 1.5 percent base salary adjustment. The 1.5 percent base salary adjustment is estimated at \$1,194,662 (State General Fund) for Judicial Branch employees, including judges, and \$155,723 (State General Fund) for Legislative Branch employees, including legislators. *No action has been taken to add the funding for these amounts.*