

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chair Melvin Neufeld at 9:00 a.m. on March 20, 2003, in Room 514-S of the Capitol.

All members were present.

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 Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached

- Attachment 1 Comparison of FY 2003-FY 2004 Recommended Expenditures
Governor's Recommendation and House Recommendation
House Adjustments to the Governor's Recommendation, FY 2003/2004
Governor's Recommendation and Senate Recommendation
Senate Adjustments to the Governor's Recommendation, FY 2003/2004
- Attachment 2 Children's Initiatives Fund, FY 2003 & FY 2004
- Attachment 3 Proviso preventing Kansas University Medical Center from transferring control
of the Landon Center on Aging to the Department of Neurology
- Attachment 4 Proviso preventing expenditures from the Department of Health and
Environment to issue permit for any landfill within five miles of any surface
water in Kansas
- Attachment 5 Proviso moving \$32,906 from the Attorney General's budget to the Kansas
Bureau of Investigation's budget.
- Attachment 6 Proviso concerning "Dispense as Written"
- Attachment 7 Memo from SRS opposing the "Dispense as Written" Proviso
- Attachment 8 FY 2003/2004 Economic Development Initiatives Fund
- Attachment 9 Amendment to HB 2444, Adding \$300,000 to KDHE budget
- Attachment 10 Proviso prohibiting KDHE from expending money for licensure requirements
for after-school programs for FY 2003 and FY 2004.
- Attachment 11 Proviso allowing hospitality expenditures for the Children's Cabinet Fund
- Attachment 12 Proviso concerning Kansas, Inc.
- Attachment 13 Amendment concerning expenditures of the Department of Commerce and
Housing
- Attachment 14 Proviso concerning the appropriation of moneys in the Interstate Water
Litigation Fund
- Attachment 15 Amendment concerning the Horse Fair Racing Benefit Fund
- Attachment 16 Proviso concerning the Hospital Closure of the Department of Social and
Rehabilitation Services
- Attachment 17 Proviso directing the Secretary of Aging to implement a base-year model of

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MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on March 20, 2003, in Room 514-S of the Capitol

reimbursement for nursing facilities

MORNING SESSION

9:00 A.M.

Representative Clark Shultz moved that the Committee introduce legislation to change the date of final state payment to school districts to the first July. The motion was seconded by Representative McLeland. Motion carried.

The Chair recognized J. G. Scott, Legislative Research Department, to give the Committee an update on any budget progress made by the House, as well as progress from the Senate, compared to the Governor's recommendations, as well as House Adjustments to the Governor's Recommendation for FY 2003 and FY 2004 (Attachment 1).

Discussion and Action on HB 2444—Appropriations for FY 2003, FY 2004, and FY 2005 for state agencies and biennially-budgeted agencies

Representative Bethell moved to amend the FY 2004 Children's Initiatives Fund budget by removing \$1 million from Smart Start Kansas - Children's Cabinet and adding \$300,000 to the Infants and Toddlers Program for a total of \$800,000 and adding \$700,000 to Juvenile Justice Authority's (JJA) Juvenile Prevention Program Grants so that the Commissioner of Juvenile Justice can purchase beds from foster care contractors to allow for flexibility to meet the purposes of the program grants in that area (Attachment 2). The motion was seconded by Representative Landwehr. Motion carried.

Representative Landwehr moved to delete the funding of the FY 2004 Ombudsman of Corrections budget in the amount of \$169,745 from the State General Fund and \$15,000 All Other Funds, for a total of \$184,745 (Page 4 of the House Adjustments to the Governor's Recommendations—Attachment 1). The motion was seconded by Representative Bethell. The motion carried.

Representative Feuerborn moved to add funding of \$180,000 to fund the Visitor Centers at the four major correctional centers. The motion was seconded by Representative Minor. The motion failed.

Representative Merrick moved to add a proviso to prevent KUMC from transferring control of the Landon Center on Aging to the Department of Neurology: "No expenditures may be made from any funds appropriated to the above agency for the fiscal years ending June 30, 2003, and June 30, 2004, for the purpose of transferring control of any physical, fiscal or operational assets currently under the control of the Theo and Alfred Landon Geriatric Center on Aging to any other center, program or division of the University of Kansas Medical Center" (Attachment 3). The motion was seconded by Representative Gatewood. The motion carried.

Representative McCreary moved to add a proviso to disallow any expenditures from the Department of Health and Environment for FY 2003, FY 2004 and FY 2005 for the purpose of issuing any permits for landfills within five miles of any surface water in Kansas (Attachment 4). The motion was seconded by Representative Shriver.

With the permission of the second, Representative McCreary amended his motion by striking line 8 and line 9 of the proviso and replacing with "of any surface water in Harper County which contains exceptional state water as defined by Kansas Administrative Regulation No. 28-16-28(b) and amendments thereto." The motion failed.

Representative Light moved to direct the \$32,906 rent savings from unused building space in the Attorney General's budget, to the budget of the Kansas Bureau of Investigation. The motion was seconded by Representative Minor. The motion carried.

A memo from the Legislative Research Department was distributed to the Committee which explains the amount of space not being used by the Attorney General and the amount of savings from the rent (Attachment 5).

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Representative Landwehr moved to add a proviso regarding "Dispense as Written" to the Department of Social and Rehabilitation Services (Attachment 6). The motion was seconded by Representative Bethell. The motion carried.

A memo from the Social and Rehabilitation Services, which opposes the "Dispense as Written" proviso, was distributed to the Committee (Attachment 7).

Representative Nichols moved to lapse the Governor's recommendation of a \$1,715,645 adjustment to the State Economic Development Initiatives Fund's (EDIF) Kansas Technology Enterprise Corporation (KTEC) FY 2003 budget and give the Director of the Budget, the authority to lapse this amount over the FY 2003 and FY 2004 budgets; \$110,000 would be appropriated to Department of Human Resources for the Neighborhood Improvement and Youth Employment Act and \$1,605,645 returned to the State General Fund (SGF). The motion was seconded by Representative Klein. The motion carried. Representative Gatewood and Representative Howell asked to be recorded as voting "no."

Representative Landwehr moved to amend HB 2444 by adding \$300,000 to the FY 2004 Department of Health and Environment (DHE) budget (Attachment 9). The motion was seconded by Representative Howell. Division was called for. The motion carried.

Representative Nichols moved to adopt an amendment to clarify that the lapse money (\$1,715,645) taken from KTEC's budget would not come from the Centers for Excellence budget. The motion was seconded by Representative Gatewood. The motion carried.

Representative Campbell moved to amend the Budget Committee's report to include a request to have the Department of Transportation (DOT) report back to the Committee, prior to Omnibus, on the savings realized by using asphalt as opposed to concrete in DOT projects. The motion was seconded by Representative Osborne. The motion carried.

Representative Landwehr moved to adopt a proviso to prohibit DHE from making any expenditures from the SGF or any special revenue funds for the fiscal years ending June 30, 2003, and June 30, 2004, for the licensure requirements for after-school programs (Attachment 10). The motion was seconded by Representative Pottorff. The motion carried.

Representative Landwehr moved to adopt a proviso to allow hospitality expenditures for the Children's Cabinet Fund not to exceed \$1,500 (Attachment 11). The motion was seconded by Representative Nichols. The motion carried.

Because the 1.5% pay increase was omitted from the budget, the Chair explained that the Committee needed to give direction as to how it should be handled. The Committee asked to have the opportunity to visit with staff of the Division of the Budget before making a decision.

Representative Shultz moved to allow the Fiscal staff of the Legislative Research Department and Office of the Revisor of Statutes to make any technical adjustments as necessary to the budget documents. The motion was seconded by Representative Nichols. The motion carried.

The meeting was recessed and will reconvene at 1:30 p.m.

AFTERNOON SESSION

Representative Minor moved to introduce legislation allowing state agencies and political subdivisions to sell naming rights. The motion was seconded by Representative Feuerborn. The motion carried.

Representative Light moved to introduce legislation allowing the Department of Corrections to donate land to the City of Hutchinson. The motion was seconded by Representative Pottorff. The motion carried.

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Continued Discussion and Action on HB 2444—Appropriations for FY 2003, FY 2004 and FY 2005 for state agencies and biennially-budgeted agencies.

Representative Shultz moved to make funding available for thirty students in the Medical Student Loan Program at the University of Kansas Medical Center, from existing funds. The motion was seconded by Representative McLeland. The motion carried.

Representative Pottorff moved to adopt a proviso concerning Kansas, Inc.; To not make the transfer of any unencumbered balance from the operations account of the State Economic Development Initiatives Fund to the SGF (Attachment 12). The motion was seconded by Representative Shriver. Motion carried.

The Chair recognized Julian Efird, Legislative Research Department, who informed the Committee that there is a conflict in the Alcoholic Beverage Control (ABC) budget as they have historically been assigned to the Department of Revenue by statute. The Governor's report recommends moving ABC to the Kansas Highway Patrol (KHP) and shows their budget within the KHP budget to be funded from the State Highway Fund transfer to KHP. No legislation has been introduced to transfer the Alcoholic Beverage Control unit to the Kansas Highway Patrol.

Representative Klein moved to defer to Omnibus, the entire budget for Alcohol Beverage Control and leave it under the Department of Revenue. The motion was seconded by Representative Light. The motion carried.

Representative Pottorff moved to adopt an amendment concerning expenditures of the Department of Commerce and Housing (Attachment 13). Motion was seconded by Representative Howell. Motion carried.

Representative Nichols moved to approve the introduction a bill to address the special education and medicaid funding issue concerning the Kansas School for the Deaf. The motion was seconded by Representative Campbell. Motion carried.

After discussion, the Committee took no action on the Kansas Highway Patrol pay increase.

Representative Schwartz moved to adopt a proviso concerning the appropriation of moneys in the Interstate Water Litigation Fund (Attachment 14). The motion was seconded by Representative Osborne. Motion carried.

Representative Henry moved to amend the budget by dedicating \$1.3 million from the KTEC budget; dedicating \$400,000 to the Senior Care Act, \$400,000 to the Developmentally Disabled State Aid Grants Program, \$400,000 to the Kansas Mental Health Grant Program, and \$100,000 to the Prison Fellowship Program at Ellsworth Correctional Facility. The motion was seconded by Representative Feuerborn. Motion carried.

The Chair recognized Louis Chabira, Assistant Director, Division of the Budget, who responded to questions from the Committee on the proposed pay plan. Mr. Chabira explained that the Governor's recommendation is to develop the pay plan through the Finance Council; he also noted that there is no money appropriated in **HB 2444** regarding pay increases in the legislative or judiciary branches.

The meeting was recessed for Republican and Democrat Caucuses and reconvened at 2:45 p.m.

Representative Landwehr moved to request the General Govt & Commerce Budget Committee to review, before Omnibus, a recommendation made by the Senate Ways and Means to transfer \$300,000 from the Horse Fair Racing Benefit Fund, which is funded from one-third of the parimutuel tax for simulcast races, to the State General Fund to fund the Eureka and Anthony operating grants in the summer of 2004; and request the Budget Committee to make a recommendation to the Committee about a policy change (Attachment 15). The motion was seconded by Representative McLeland. Motion carried.

The Committee requested the Public Safety Budget Committee study the feasibility of converting the Kansas Juvenile Correctional Complex to an adult drug treatment facility. Representative Light indicated the issue

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would be on the agenda at in the next meeting of the Public Safety Budget Committee.

Representative Landwehr moved to adopt a proviso concerning the proposed hospital closure. The motion was withdrawn.

Representative Klein moved to adopt a proviso concerning the hospital closure issue in the Department of Social and Rehabilitation Services FY 2004 budget (Attachment 16) and to make technical adjustments to the proviso. (1) Line 8 - change 14 members to 9; change 10 members to 5 members; (2) (3) Page 3, Line 3 - insert "services and program" before the word "policies" (4) Page 3, Line 18, delete the words "eight members of". The motion was seconded by Representative Landwehr. Motion carried. Representative Nichols and Representative Howell asked to be recorded as "no" votes.

Representative Bethel moved to adopt a proviso directing the Secretary of Aging to implement a FY 2000 base-year model of reimbursement for nursing facilities beginning in FY 2004 (Attachment 17). The motion was seconded by Representative Landwehr. Motion carried.

Representative Shultz moved to delete \$1,076,232 from the FY 2003 Department of Education budget and add this amount to Moundridge USD 423; delete \$4,467,946 from the FY 2004 Department of Education budget and add this amount to Moundridge USD 423 to fund their Charter School. The motion was seconded by Representative Landwehr.

This amount of money is being withheld by the Department of Education from the Moundridge School District Charter School, because they reportedly were not following the guidelines of the Department of Education for charter schools. The funds to replace these funds in the Moundridge School District would come from the Department of Education's General State Aid appropriations.

With the approval of the Chair, Representative Nichols requested division of the motion into two separate motions:

Part A: The funding of the FY2003 Moundridge USD 423 Charter School from the FY 2003 Department of Education budget. Motion failed. Representative Landwehr asked to be recorded as a "yes" vote.

Part B: The funding of the FY 2004 Moundridge USD 423 Charter School. The motion was withdrawn.

Representative Shultz moved to revisit the FY 2003 and FY 2004 Moundridge USD 423 issue during Omnibus. The motion was seconded by Representative Nichols. Motion carried.

Representative Gatewood moved to use the \$35,000 deleted from the budget of the Ombudsman of Corrections budget to the Kansas Animal Health Department for the salary of an animal control officer. The motion was seconded by Representative Schwartz. Division was requested and the motion failed.

Jim Wilson, Revisor of Statutes' Office, advised the Committee that Section 130, Page 217 of **HB 2444** concerning expenditures of the Department of Human Resources is not among the matters permitted to be included within an appropriation act, under the Kansas Constitution and current case law advised the Committee the section may be unconstitutional.

Representative Howell moved to delete Section 130, Page 217 of **HB 2444** and introduce a bill by the Committee to cover the unemployment issue. The motion was seconded by Representative Pottorff. Division was requested; The motion carried. Representatives Klein, Henry, Minor, Shriver, Feuerborn, Nichols and Gatewood asked to be recorded as voting "no".

Representative Newton moved that any receipts over expenditures be dedicated to the ending balance or surpluses of the State budget. The motion was seconded by Representative Campbell. With permission from the second, the motion was withdrawn.

Representative Campbell moved to remove the proposed 1.5% pay increases for state employees from the

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budget. The motion was seconded by Representative Light. Division was requested. The motion carried. The vote will be recorded as fourteen "yes" votes and seven "no" votes. Representatives Gatewood, Feuerborn, Nichols, Minor, Shriver, Henry and Klein asked to be reported as voting "no".

The Committee discussed funding for the Death and Disability within KPERS and asked to return to this issue at a later date.

Representative Landwehr moved to report **HB 2444** as amended favorably for passage. The motion was seconded by Representative Shultz. Motion carried.

The Chair thanked the Committee for their hard and diligent work on **HB 2444**.

The Meeting was adjourned at 5:15 p.m. The next meeting will be March 21, 2003 at 9:00 a.m.



Melvin Neufeld, Chair

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: March 20, 2003

NAME	REPRESENTING
Michelle Peterson	K Governmental Consulting
Randy M. Maxwell	Kansas Judicial Council
Dore Wilson	KS Arts Commission
Bill Schaper	KDHR
Bill Watts	KDOT
Lois Weeks	SRS
John	KWO
Craig Kolen	KAAAA
Kim Fauler	Judicial Branch
Jan Brasher	KSC
Mark Tallman	KASB
Andy Shaw	KSTA
Bob Harris	HCSE
Amy Campbell	KMTA
Jane Rly	KCDD
Shah Adams	Keys for Networking
Joyce Cussimann	K's Children's Cabinet
Stephen Feinstein	NAME Kansas
Keith Haxton	SEAK

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: March 20, 2003

NAME	REPRESENTING
Cindy Bartrager	KBOE
Jerry Sloan	Judicial Branch
Keith Broadshaw	Budget
Vicki [unclear]	Budget
Tom [unclear]	PSU
Michelle Schneider	
Jeffrey Black	Speaker Pro Tem

**COMPARISON OF FY 2003-FY 2004 RECOMMENDED EXPENDITURES
GOVERNOR'S RECOMMENDATION AND HOUSE COMMITTEE RECOMMENDATION**

FY 2003:

	State General Fund	All Funds	FTE Positions
Governor's Recommendation	\$ 4,358,312,173	\$ 10,228,332,808	39,490.4
House Committee Recommendation	\$ 4,358,329,173	\$ 10,228,343,024	39,486.4
<i>Difference From Governor's Recommendation</i>	\$ 17,000	\$ 10,216	(4.0)

FY 2004:

	State General Fund	All Funds	FTE Positions
Governor's Recommendation *	\$ 4,493,432,144	\$ 10,231,081,074	39,500.1
House Committee Recommendation	\$ 4,493,339,798	\$ 10,231,700,207	39,499.6
<i>Difference From Governor's Recommendation</i>	\$ (92,346)	\$ 619,133	(0.5)

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

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
AS RECOMMENDED BY HOUSE COMMITTEE**

In Millions

	Actual FY 2002	House Comm. Rec. FY 2003 Nov. 2002 Consensus	House Comm. Rec. FY 2003 <i>March 2003 Gov. Est.</i>	House Comm. Rec. FY 2004 Nov. 2002 Consensus	House Comm. Rec. FY 2004 <i>March 2003 Gov. Est.</i>
Beginning Balance	\$ 369.9	\$ 12.1	\$ 12.1	\$ 0.4	\$ (104.6)
Released Encumbrances	0.0	0.0	0.0	0.0	0.0
Receipts (November 2002 Consensus)	4,108.3	4,152.0	4,047.0	4,525.7	4,400.7
Governor's Recommended Receipt Adjustments	0.0	194.6	194.6	(32.2)	(32.2)
House Committee Recommended Receipt Adjustments	0.0	0.0	0.0	0.1	0.1
Adjusted Receipts	4,108.3	4,346.6	4,241.6	4,493.6	4,368.6
Total Available	\$ 4,478.2	\$ 4,358.7	\$ 4,253.7	\$ 4,494.0	\$ 4,264.0
Less Expenditures	4,466.1	4,358.3	4,358.3	4,493.3	4,493.3
Ending Balance	\$ 12.1	\$ 0.4	\$ (104.6)	\$ 0.7	\$ (229.3)
Ending Balance as a Percentage of Expenditures	0.3%	0.0%	-2.4%	0.0%	-5.1%

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 1

HOUSE APPROPRIATIONS
DATE 3-20-2003
ATTACHMENT 1

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>	<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>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>	<i>\$0</i>	<i>(\$6,784)</i>	<i>(\$6,784)</i>	<i>0.0</i>
<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>	<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 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>				
Delete proviso relating to the 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>				
Delete proviso relating to the 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>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>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<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>	<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
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>	<i>\$17,000</i>	<i>\$0</i>	<i>\$17,000</i>	<i>0.0</i>

Agency Item	State General Fund	All Other Funds	All Funds	
<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)
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FY 2004

Legislature

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>

Legislative Coordinating Council

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>

Legislative Research Department

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>

Revisor of Statutes

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>

Division of Post Audit

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>

Attorney General

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
Delete funding for rent of 2,210 square feet of now-vacant office space formerly occupied by victims rights programs that have been transferred to the Governor's Office.	(32,906)	0	(32,906)	0.0
<i>Agency Subtotal</i>	<i>(\$32,906)</i>	<i>\$0</i>	<i>(\$32,906)</i>	<i>0.0</i>

Health Care Stabilization Fund Board

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>Item</u>	<u>State General Fund</u>	<u>All Other Funds</u>	<u>All Funds</u>	
<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
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
Delete the proviso in the Governor's recommendation which authorizes the Secretary of Administration to sell or raze Dillon House.	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>				
	0	0	0	0.0
Add a proviso creating a Hospital Closure Commission for possible closure of a Mental Health Institution and a Developmental Disability Institution.	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.	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.	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>

Agency Item	State General Fund	All Other Funds	All Funds	
<u>State Hospital</u>				
Restore proviso language relating to use of salary and wages' funds for other operating expenditures.	0	0	0	0.0
<hr/>				
Agency Subtotal	\$0	\$0	\$0	0.0
<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
<hr/>				
Agency Subtotal	\$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
<hr/>				
Agency Subtotal	\$0	\$0	\$0	0.0
<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
<hr/>				
Agency Subtotal	\$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
Technical Correction. Removal of non-expenses bond proceeds from the Governor's FY 2004 recommendation.	0	0	0	0.0
<hr/>				
Agency Subtotal	\$17,000	\$0	\$17,000	0.0
<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
<hr/>				
Agency Subtotal	\$0	\$0	\$0	1.0
<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
<hr/>				
Agency Subtotal	\$0	\$51,269	\$51,269	0.0
<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
<hr/>				
Agency Subtotal	\$169,745	\$15,000	\$184,745	3.5
<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
<hr/>				
Agency Subtotal	\$0	\$0	\$0	(4.0)
<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

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>F.</i>
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>
<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	(\$92,346)	\$711,479	\$619,133	(.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)

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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 19, 2003**

FY 2003:	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
Governor's Recommendation	\$ 4,358,312,173	\$ 10,228,332,808	39,490.4
Senate Committee Recommendation	\$ 4,357,353,118	\$ 10,227,551,468	39,490.4
<i>Difference From Governor's Recommendation</i>	\$ (959,055)	\$ (781,340)	0.0
FY 2004:	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
Governor's Recommendation *	\$ 4,493,432,144	\$ 10,231,081,074	39,500.1
Senate Committee Recommendation	\$ 4,526,542,336	\$ 10,241,228,121	39,540.1
<i>Difference From Governor's Recommendation</i>	\$ 33,110,192	\$ 10,147,047	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**

	<u>Actual FY 2002</u>	<u>Senate Comm. Rec. FY 2003</u>	<u>Senate Comm. Rec. FY 2004</u>
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	\$ 4,526.5
Less Expenditures	4,466.1	4,357.4	4,526.5
Ending Balance	<u>\$ 12.1</u>	<u>\$ 1.3</u>	<u>\$ -</u>
Ending Balance as a Percentage of Expenditures	0.3%	0.0%	0.0%

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

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	State General Fund	All Other Funds	All Funds	F1
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Osawatomic 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>Emporia State University</u>				
Reading Recovery Program savings	(240,000)	0	(240,000)	0.0
<i>Agency Subtotal</i>	(\$240,000)	\$0	(\$240,000)	0.0
<u>Board of Regents</u>				
Distinguished Professor Program savings	(49,000)	0	(49,000)	0.0
<i>Agency Subtotal</i>	(\$49,000)	\$0	(\$49,000)	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	(\$959,055)	\$177,715	(\$781,340)	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

<i>Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>LS</i>
<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>	<i>(\$80,000)</i>	<i>\$0</i>	<i>(\$80,000)</i>	<i>0.0</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

Agency Item	State General Fund	All Other Funds	All Funds	
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<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
<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 K DFA (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>/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>AS</i>
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$2,021)</i>	<i>(\$2,021)</i>	<i>0.0</i>
<u>University of Kansas</u>				
Proviso for KU to be reimbursed \$530,500 from DOA's Construction Defects Recovery Fund when sufficient monies have been accumulated in the fund.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>University of Kansas Medical Center</u>				
Medical Student Loan Program	0	428,136	428,136	0.0
Pediatric Biomedical Research	0	800,000	800,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$1,228,136</i>	<i>\$1,228,136</i>	<i>0.0</i>
<u>Wichita State University</u>				
Aviation Research Initiative	0	1,000,000	1,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$1,000,000</i>	<i>\$1,000,000</i>	<i>0.0</i>
<u>Board of Regents</u>				
Increase systemwide rehabilitation and repair (Capital Improvements).	0	3,000,000	3,000,000	0.0
Midwest Higher Education Commission Dues	41,250	41,250	82,500	0.0
Student Financial Aid Funding Shift	289,000	(289,000)	0	0.0
<i>Agency Subtotal</i>	<i>\$330,250</i>	<i>\$2,752,250</i>	<i>\$3,082,500</i>	<i>0.0</i>
<u>Adjutant General</u>				
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>	<i>\$12,000</i>	<i>\$0</i>	<i>\$12,000</i>	<i>0.0</i>
<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>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>1.0</i>
<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>	<i>\$30,685,704</i>	<i>(\$30,965,704)</i>	<i>(\$280,000)</i>	<i>0.0</i>
<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>	<i>\$0</i>	<i>\$51,269</i>	<i>\$51,269</i>	<i>0.0</i>
<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>	<i>\$167,311</i>	<i>(\$379,660)</i>	<i>(\$212,349)</i>	<i>(2.0)</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
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>

Agency	State General Fund	All Other Funds	All Funds	F
Kansas Water Office				
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
Department of Wildlife and Parks				
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
Make technical corrections in capital improvements bill to reflect Governor's recommendations.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
TOTAL	\$33,110,192	(\$22,963,145)	\$10,147,047	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>	\$0	\$7,200	\$7,200	0.0
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>	\$0	\$0	\$0	0.0
Board of Veterinary Examiners				
Add \$65,000 resulting from revised agency revenue projection.	0	65,000	65,000	0.0
<i>Agency Subtotal</i>	\$0	\$65,000	\$65,000	0.0
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>	\$0	\$587,825	\$587,825	0.0
Board of Regents				
Systemwide rehabilitation and repair (Capital Improvements).	0	13,000,000	13,000,000	0.0
<i>Agency Subtotal</i>	\$0	\$13,000,000	\$13,000,000	0.0
TOTAL	\$0	\$13,660,025	\$13,660,025	0.0

FY 2003
Children's Initiatives Fund
(Tobacco)
 3/19/2003

Agency/Program	Actual FY 2002	Gov. Rec. FY 2003	Senate Adjustments FY 2003	House Adjustments FY 2003
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
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				
	Actual FY 2002	Gov. Rec. FY 2003	Senate Adjustments FY 2003	House Adjustments FY 2003
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	\$45,618	\$45,618

HOUSE APPROPRIATIONS

DATE 3-20-2003
 ATTACHMENT 2

FY 2004
Children's Initiatives Fund
(Tobacco)
3/19/2003

Agency/Program	Children's Cabinet Rec. FY 2004	Gov. Rec. FY 2004	Senate Adjustments FY 2004	House Adjustments FY 2004
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	750,000	500,000	0	0
Smoking Cessation/Prevention Program Grants	1,225,000	500,000	0	0
Subtotal - KDHE	\$2,225,000	\$1,250,000	\$0	\$0
Juvenile Justice Authority				
Juvenile Prevention Program Grants	\$6,000,000	\$5,414,487	\$0	\$0
Juvenile Graduated Sanctions Grants	0	3,585,513	(272,000) **	0
Subtotal - JJA	\$6,000,000	\$9,000,000	(\$272,000)	\$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	5,000,000	5,000,000	0	0
Therapeutic Preschool	1,000,000	1,000,000	0	0
Community Services - Child Welfare	2,600,000	3,106,230	0	0
Child Care Services	0	1,400,000	0	0
Children's Cabinet Accountability Fund	1,500,000	550,000	0	0
HealthWave	0	2,000,000	0	0
Smart Start Kansas - Children's Cabinet	6,000,000	4,300,000	(300,000) **	0
Children's Medicaid Increases	0	3,000,000	0	0
Immunization outreach	0	500,000	0	0
Family Preservation	0	2,243,770	0	0
Grants to CMHC's to develop childrens programs	0	2,000,000	0	0
School Violence Prevention	0	228,000	(228,000) **	0
Experimental wrap-around services	228,000	0	0	0
Subtotal - SRS	\$18,128,000	\$27,128,000	(\$528,000)	\$0
Department of Education				
Parent Education	\$2,500,000	\$2,500,000	\$0	\$0
Four-Year -Old At-Risk Programs	4,500,000	4,500,000	0	0
School Violence Prevention	0	0	0	0
Vision Research	400,000	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
Subtotal - Dept. of Ed.	\$7,400,000	\$8,525,000	\$0	\$0
University of Kansas Medical Center				
Tele-Kid Health Care Link	\$250,000	\$250,000	\$0	\$0
Pediatric Biomedical Research*	1,000,000	0	800,000	0
Subtotal - KU Medical Center	\$1,250,000	\$250,000	\$800,000	\$0
Transfer to State General Fund	\$0	\$0	\$0	\$0
TOTAL	\$35,003,000	\$46,153,000	\$0	\$0

Resource Estimate

	Children's Cabinet Rec. FY 2004	Gov. Rec. FY 2004	Senate Adjustments FY 2004	House Adjustments FY 2004
Beginning Balance	\$45,618	\$45,618	\$45,618	\$45,618
KEY Fund Transfer	46,125,000	46,125,000	46,125,000	46,125,000
Total Available	46,170,618	46,170,618	46,170,618	46,170,618
Less: Expenditures and Transfers	35,003,000	46,153,000	46,153,000	46,153,000
ENDING BALANCE	\$11,167,618	\$17,618	\$17,618	\$17,618

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

** Items not yet officially approved by the committee.

MeerickProvisoKUMC.wpd

(For KUMC's portion of the bill)

Draft proviso to prevent KUMC from transferring control of the Landon Center on Aging to the Department of Neurology.

() No expenditures may be made from any funds appropriated to the above agency for the fiscal years ending June 30, 2003 and June 30, 2004 for the purpose of transferring control of any physical, fiscal or operational assets currently under the control of the Theo and Alfred Landon Geriatric Center on Aging to any other center, program or division of the University of Kansas Medical Center.

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 3

I move to amend HB 2444 by adding the following section

1 Sec. 1. No expenditures shall be made by the department of health and environment during
2 the fiscal years ending June 30, 2003, June 30, 2004, or June 30, 2005, from any moneys
3 appropriated for the department of health and environment from the state general fund or any special
4 revenue fund for fiscal year 2003, fiscal year 2004 or fiscal year 2005 by chapter 204 or chapter 205
5 of the 2002 Session Laws of Kansas, by this or other appropriation act of the 2003 regular session
6 of the legislature or by any appropriation act of the 2004 regular session of the legislature for
7 operating expenditures or for any other expense to issue any permit for any landfill within five miles
8 of any surface water in Kansas which contains exceptional state water, as defined by Kansas
9 Administrative Regulation No. 28-16-28b and amendments thereto.

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 4

Kansas Legislative Research Department

March 19, 2003

To: Representative Melvin Neufeld

From: Carolyn Rampey

Re: Rent in the Attorney General's Budget

The \$32,906 that is being paid for 2,210 square feet of office space formerly used for victims rights programs would be from the **State General Fund** in FY 2004. While the programs were in the Attorney General's Office, rent for the space they occupied was paid from federal funds, but once the programs were transferred to the Governor's Office, federal funding no longer is available and rent has to be paid from the State General Fund.

To put the payments in perspective, a total of \$489,544 is budgeted for rent in FY 2004, of which \$300,969 (61.5 percent) is from the State General Fund. The proposal to shift \$32,906 from the Attorney General's budget to the KBI would reduce the portion of rent paid from the State General Fund to \$268,063.

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 5

DRAFT PROVISIO - "Dispense As Written"

1 () 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 drugs and drug services under the state medicaid plan: *Provided*, That the department
8 of social and rehabilitation services shall reimburse, without prior authorization, for prescription
9 drugs and drug services under the state medicaid plan for drugs otherwise excluded from the state
10 medicaid preferred drug formulary pursuant to K.S.A. 2002 Supp. 39-7,121a, and amendments
11 thereto, where the prescriber has personally written "dispense as written" or "D.A.W.", or has signed
12 the prescriber's name on the "dispense as written" signature line in accordance with K.S.A. 65-1637
13 and amendments thereto.
14

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 6



JANET SCHALANSKY, SECRETARY

K A N S A S

KATHLEEN SEBELIUS, GOVERNOR

SOCIAL AND REHABILITATION SERVICES

March 19, 2003

House Appropriations Committee Members
Statehouse, Room 514-S
Topeka, KS 66612

Dear Appropriations Committee Members:

SRS is opposed to any actions which would limit the state's ability to contain the pharmaceutical costs within the Kansas Medicaid program. Medicaid expenditures are one of the fastest growing parts of the state budget in Kansas and in nearly every other state. According to a 2001 "Medicaid Survival Kit" produced by the National Conference of State Legislatures, "Unfortunately, there are no easy answers and no 'quick fixes' to the problem of health care financing for the poor." Numerous cost containment efforts have been implemented in the Kansas Medicaid pharmacy program over the last several years, and in these economic times, it is important that the state continue to have as many tools as possible available to limit state spending, while still providing the services and supports vulnerable Kansans need.

The current Dispense as Written provision expires at the end of fiscal year 2003. SRS does not support the continuation of this provision for two important reasons:

1. Continuing and/or expanding the Dispense as Written (DAW) provision would limit the state's ability to participate in a multi-state drug compact. On March 14th, Governor Sebelius announced that Kansas is pursuing a multi-state drug purchasing agreement which would combine the buying power of Michigan, South Carolina, Vermont, Wisconsin and Kansas. This multi-state compact would give Kansas access to many more tools which could save state dollars and help slow the growth of the Medicaid program. By continuing the DAW provision, Kansas' ability to take full advantage of such a multi-state agreement would be hindered.
2. The 2002 Legislature required SRS to create a Preferred Drug List (PDL) in order to ensure Medicaid beneficiaries can receive the pharmaceuticals they need, but at the lowest prices possible. The PDL was implemented in December 2002.

DOCKING STATE OFFICE BUILDING, 915 SW HARRISON STREET, 10th FLOOR, TC

Voice 785-296-3773 Fax 785-296-5507 www.srskansas.org

HOUSE APPROPRIATIONS

DATE 3-20-2003

ATTACHMENT 7

Continuing the DAW provision would greatly limit the projected savings which can be achieved as a result of the PDL.

SRS projects \$3.4 million (\$1.3 million SGF) will be saved through the PDL in state FY 2003 and \$5 million (\$1.975 million SGF) in state FY 2004.

The Preferred Drug List was developed with the assistance of an independent clinical advisory committee of practicing physicians and pharmacists who reviewed clinical evidence and determined if drugs within specific therapeutic drug classes are equivalent in terms of safety, efficacy and clinical outcomes. The advisory committee was not provided individual drug pricing information. Their recommendations were clinical in nature only. For the drugs determined by the advisory committee to be clinically equivalent, SRS then considered the net cost to the Medicaid program when establishing the PDL. The average cost for preferred drugs is significantly less than the average cost for non-preferred drugs.


Medicaid beneficiaries continue to have access to non-preferred drugs through the prior authorization (PA) process. That is, through the PA process, any beneficiary can receive any non-preferred drug if it is medically necessary. A PA can be for an extended period of time. Typically, a PA is granted for a 6 or 12-month period of time.

Since the implementation of the PDL the number of claims for preferred drugs has been increasing, while the number of claims for non-preferred drug has been decreasing. However, among the non-preferred drugs, claims written as "Dispense as Written" are increasing. In the first month of the PDL, of the claims that would have required prior authorization, about 40% were overridden with DAW from the prescriber. This has limited the savings which could be realized from the PDL.

The Dispense as Written provision impairs the clinical review process conducted by the independent PDL advisory committee and creates the potential for unnecessary and preventable over-utilization of more costly non-preferred drugs.

For these reasons, SRS does not support continuation of the Dispense as Written provision. We will be happy to provide the Committee with any additional information about the PDL or other pharmaceutical cost containment strategies we have employed.

Sincerely,


Janet Schalansky
Secretary

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.

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 8

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		(750,000)
WSU Aviation Research	-		1,000,000
National Guard Educational Assistance	250,000		(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

Proposed Amendment toHouse Bill No. 2444By Representative Landwehr

On page 71, in line 38, by striking "\$7,038,760" and inserting "\$7,338,760";

On page 79, following line 19, by inserting new material to read as follows:

“(1) In addition to the purposes for which expenditures may be made by the above agency from the operating expenditure account of the state general fund for the fiscal year ending June 30, 2004, as authorized by this or other appropriation act of the 2003 regular session of the legislature, expenditures may be made by the above agency from the operating expenditures account of the state general fund for fiscal year 2004 for a contract or contracts between the secretary of health and environment and not-for-profit organizations for programs that provide services for women which enable them to carry their pregnancies to term: *Provided*, That expenditures from the operating expenditures account of the department of health and environment for fiscal year 2004 shall be made pursuant to contracts for programs that provide services for women which enable them to carry their pregnancies to term, which are hereby authorized and directed to be entered into by the secretary of health and environment with the same not-for-profit organizations that the secretary entered into contracts with pursuant to section 93(a) of chapter 204 of the 2002 Session Laws of Kansas for fiscal year 2003: *Provided further*, That such contracted services may include an array of social services relating to pregnancy maintenance and that no individuals who are unable to pay shall be denied the delivery or provision of pregnancy maintenance services: *And provided further*, That no contract or contracts under pregnancy maintenance programs shall be entered into with any group performing, promoting, referring for or educating in favor of abortion: *And provided further*, That a not-for-profit organization awarded a contract under this proviso shall match state moneys under this contract on the basis of a 50% match from a not-for-profit organization and a 50% match from the department of health and environment: *And provided further*, That the secretary of health and environment shall submit a report to the legislature at the beginning of the regular session of the legislature in 2004 on the results and outcomes of such pregnancy maintenance programs: *And provided further*, That no part of the grant moneys shall be used for any political purposes: *And provided further*, That expenditures from the operating expenditures account of the state general fund for fiscal year 2004 for such purpose shall not exceed \$300,000.”

HOUSE APPROPRIATIONSDATE 3-20-2003
ATTACHMENT 9

Proposed Amendment to

House Bill No. 2444

By Representative Landwehr

On page 71, in line 38, by striking "\$7,038,760" and inserting "\$7,338,760";

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Proposed Amendment to

House Bill No. 2444

By Representative Landwehr

On page 71, in line 38, by striking "\$7,038,760" and inserting "\$7,338,760";

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House Appropriations Committee
March 19, 2003

PROVISO

Kansas Department of Health and Environment (Sec. ?)

Notwithstanding any other act of appropriation by the 2003 legislature for fiscal year 2003 and fiscal year 2004, the Kansas department of health and environment is hereby prohibited from making any expenditures from the state general fund or any special revenue funds for the fiscal years ending June 30, 2003 and June 30, 2004 for the following purposes related to licensure requirements;

Facilities, programs or services operated by a school on school property for children five years and older before and after the customary school day during the regular school term;

Non-residential programs or services designed for mental health treatment of children and adolescents provided by a community mental health center licensed pursuant to K.S.A. 75-3307b, and amendments thereto;

Drop-in recreation programs that are for children five years and older provided by a municipality, the salvation army, the boys and girls club of America where the children are free to come and go from the premises without being escorted by a parent or responsible person and short-term educational programs or classes for children in which the supervision and care of the children are incidental to their participation in the activity or training in specific subjects including, but not limited to, music, dance, religion and the program provider does not assume responsibility for the provision of daily child care outside the scheduled program;

Day camping or recreation programs for children five years and older which have as the primary emphasis outdoor education and recreation and are operated between school terms for no more than seven hours per day or which are accredited by the American camping association or other national standard-setting agency or church camp accreditation programs which must provide standards equivalent to the American camping association standards;

This proviso section shall not preclude any person who is not required to be licensed under K.S.A. 65-501 *et seq.*, and amendments thereto, from applying for a license nor shall this section preclude the secretary from issuing a license to any person not required to be licensed.

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 10

Proposed language for the proviso allowing hospitality expenditures for the Children's Cabinet and Trust Fund.

“Provided, that expenditures from the Family and Children Investment Fund for official hospitality shall not exceed \$1,500.”

(Note: this is for hospitality related to Parent Advisory Council meetings and Peer Review meetings required and paid for with Community-Based Family Resource and Support (CBFRS) federal funds.)

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 11

Kansas, Inc

The director of accounts and reports shall not make the transfer of any unencumbered balance from the operations (including official hospitality) account of the state economic development initiatives fund to the state general fund which was directed to be made on June 30, 2003, by section 16 of chapter 205 of the 2002 Session Laws of Kansas: Provided, that any unencumbered balance in excess of \$100 as of June 30, 2003, is hereby reappropriated to fiscal year 2004: Provided further, that any such reappropriation may include unexpended released encumbrances from prior fiscal years.

KTEC

The director of accounts and reports shall not make the transfer of any unencumbered balance from the operations, assistance and grants (including official hospitality) account of the state economic development initiatives fund to the state general fund which was directed to be made on June 30, 2003, by section 16 of chapter 205 of the 2002 Session Laws of Kansas: Provided, that any unencumbered balance in excess of \$100 as of June 30, 2003, is hereby reappropriated to fiscal year 2004: Provided further, that any such reappropriation may include unexpended released encumbrances from prior fiscal years.

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 12

PROPOSED AMENDMENT

DEPARTMENT OF COMMERCE AND HOUSING

March 20, 2003

I move to amend HB 2444 on page 66, following line 42, by inserting the following material to read as follows:

(i) In addition to the other purposes for which expenditures may be made by the department of commerce and housing from moneys appropriated from the state general fund or any special revenue fund for fiscal year 2003 for the department of commerce and housing as authorized by chapter 204 or chapter 205 of the 2002 Session Laws of Kansas this or other appropriation act of the 2003 regular session of the legislature, expenditures shall be made by the department of commerce and housing for fiscal year 2004 to prepare and submit proposed rules and regulations to the joint committee on administrative rules and regulations prior to July 1, 2003, setting forth an objective scoring matrix for the purpose of awarding housing tax credits under the Kansas private activity bond allocation act, K.S.A. 74-5058 through 74-5063, and amendments thereto, .

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 13

WaterLitigationFund.wpd

Add the following proviso to the appropriation of moneys in the Interstate Water Litigation Fund

On page 25, following line 39, by inserting the following material to read as follows:

Provided, That, in addition to the other purposes authorized by K.S.A. 82a-1802 and amendments thereto, expenditures may be made from the interstate water litigation fund for: (1) Litigation costs for the case of Kansas v. Colorado No. 105, Original in the Supreme Court of the United States, including repayment of past contributions; (2) expenses related to the appointment of a river master or such other official as may be appointed by the Supreme Court to administer, implement or enforce its decree or other orders of the Supreme Court related to this case; and (3) expenses incurred by agencies of the state of Kansas to monitor actions of the state of Colorado and its water users and to enforce any settlement, decree or order of the Supreme Court related to this case.

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 14

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

Rm. 545N-Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 ♦ FAX (785) 296-3824

kslegres@klrd.state.ks.us

<http://www.kslegislature.org/klrd>

March 20, 2003

To: Rep. Brenda Landwehr
From: Julian Efird, Principal Analyst
Re: Horse Fair Racing Benefit Fund

You asked about a Senate Ways and Means recommendation to transfer \$300,000 from the Horse Fair Racing Benefit Fund to the State General Fund. The source of receipts to this fund is one-third of the parimutuel tax for simulcast races. After October 1, 2003, there will be sufficient reserves to transfer \$300,000 to the SGF because the revenue stream, based on the past 10 years, will be sufficient to fund the two operating grants in the summer of 2004. Further study of this fund could be conducted for Omnibus in order to research and determine if additional money might be diverted to the SGF. There are two fairs that have received grants (Eureka and Anthony) from this fund.

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 15

DRAFT OF "CLOSURE COMMISSION" PROVISIO
March 20, 2003

Sec. 1.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

1
2 (a) In addition to the other purposes for which expenditures may be made by the department of social
3 and rehabilitation services from moneys appropriated from the state general fund or any special revenue fund
4 for fiscal year 2004 for the department of social and rehabilitation services as authorized by this or other
5 appropriation act of the 2003 regular session of the legislature, expenditures may be made by the department
6 of social and rehabilitation services from for fiscal year 2004 from the moneys appropriated from the state
7 general fund or any special revenue fund for the operating expenditures of a hospital closure study
8 commission which shall consist of 14 members appointed as follows: Ten members shall be appointed by
9 the governor; one member shall be appointed by the president of the senate; one member shall be appointed
10 by the minority leader of the senate; one member shall be appointed by the speaker of the house of
11 representatives; and one member shall be appointed by the minority leader of the house of representatives:
12 *Provided*, That, of the members appointed by the governor, five members shall be persons interested in
13 developmental disabilities and shall be appointed by the governor so that one represents a community
14 developmental disability organization (CDDO), one represents an affiliate community developmental
15 disability service provider, one is a person with a developmental disability who is a consumer of services
16 provided to meet the needs of persons with developmental disabilities, one is a parent, guardian or family
17 member of a person with a developmental disability, and one is an advocate for persons with developmental
18 disabilities and the provision of services to such persons: *Provided further*, That, of the members appointed
19 by the governor, five members shall be persons interested in mental illness and shall be appointed by the
20 governor so that one represents a community mental health center (CMHC), one represents a community
21 mental health service provider, one is a person with a mental illness who is a consumer of services provided

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 16

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

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

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

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

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

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

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

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

23 (A) A recommendation regarding developmental disabilities institution closure;

1 (B) a recommended date of any recommended closure for any such developmental disabilities
2 institution; and

3 (C) recommendations of policies and procedures to facilitate any such closure and to assist
4 developmental disabilities institution clients displaced by any such closure;

5 (8) in making its recommendations, the commission shall consider:

6 (A) the savings that would accrue to the state from closure of a developmental disabilities institution
7 and the impact on funding of community services for persons with developmental disabilities;

8 (B) the impact of closure of a developmental disabilities institution on clients of the institution and
9 their families and the availability of alternative services and facilities for clients of the developmental
10 disabilities institution and their families including recommendations on service and program changes to
11 ensure that such supports will be available at the community level to enable any potential closure
12 recommendations;

13 (C) the impact of closure of a developmental disabilities institution on the quality of services provided
14 to clients of the developmental disabilities institution and new ways to fund community-based services that
15 ensure that persons with disabilities are properly served; and

16 (D) the requirement that the funding follow the clients:

17 *And provided further*, That the commission shall work with stakeholders and providers as the commission
18 develops its recommendations: *And provided further*, That a majority vote of eight members of the
19 commission shall be required for any action of the commission: *And provided further*, That all
20 recommendations of the commission shall be advisory.

21 (b) As used in this section, (1) "commission" means the developmental disabilities institution closure
22 study commission created pursuant to this section, and (2) "developmental disabilities institution" means the
23 Parsons state hospital and training center or Kansas neurological institute.

“Provided. That the Secretary on Aging implement a base-year model of reimbursement for nursing facilities beginning in state fiscal year 2004: *Provided further,* That information from the 2000 cost reports be used to calculate the base year: *Provided further,* That increases in reimbursement rates for nursing facilities *may* be made annually on an incremental basis, and that the Secretary on Aging use a nationally recognized source to determine an appropriate inflationary factor in calculating such increases: *Provided further,* That the base year model allows for incentives and pass-through mechanisms to encourage desired behaviors from the nursing facility industry, and to recognize potential increases beyond the rate of normal inflation: *Provided further,* that any decision by the Secretary of Aging to initiate an incentive or pass-through mechanism will be done only in concert with direct appropriations.”

HOUSE APPROPRIATIONS

DATE 3-20-2003
ATTACHMENT 17