

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on February 16, 2004 in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research
J. G. Scott, Legislative Research
Amy VanHouse, Legislative Research
Nicoletta Buonasera, Legislative Research
Susan Kannarr, Legislative Research
Melissa Calderwood, Legislative Research
Robert Waller, Legislative Research
Amy Deckard, 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 List.

- Attachment 1 House Budget Committee report on Kansas Parole Board
- Attachment 2 House Budget Committee report on State Fire Marshal
- Attachment 3 House Budget Committee report on Adjutant General, Board of Emergency Medical Services, Highway Patrol, Sentencing Commission and Kansas Bureau of Investigation (KBI)
- Attachment 4 Information on KBI reclassification of FTE positions, prepared by Legislative Research Department
- Attachment 5 Draft copy of legislation introduced by House Public Safety Budget Committee
- Attachment 6 Governor's Budget Amendment No. 1

Representative Gatewood moved to introduce legislation concerning explosives for fireworks. The motion was seconded by Representative Campbell. Motion carried.

Representative Gatewood moved to introduce legislation allowing statutory authority for licensor, assessment of fees and background checks for explosive manufacturers. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Sharp, member of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Parole Board for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 1). Motion was seconded by Representative Minor. Motion carried.

Representative Sharp, member of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Parole Board for FY 2005 and moved for the adoption of the Budget Committee recommendation with notations for FY 2005 (Attachment 1). Motion was seconded by Representative Minor. Motion carried.

In response to questions from the Committee concerning Veteran Administration (VA) benefits as addressed in recommendation #1a, the Chair recognized Marilyn Scafe, Kansas Parole Board, who stated that the Parole Board is actively working with the VA to make veteran benefits available to veterans housed in the Department of Corrections system. Ms. Scafe indicated that no legislation pertaining to this process, is

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on February 16, 2004 in Room 514-S of the Capitol.

required at this time.

Representative Sharp, member of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Fire Marshal for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendations for FY 2004 and FY 2005 (Attachment 2). Motion was seconded by Representative Light. Motion carried.

Representative Merrick, member of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Adjutant General for FY 2004 and moved for the adoption of the Budget Committee recommendations with adjustments for FY 2004 (Attachment 3). Motion was seconded by Representative Minor. Motion carried.

Responding to a question from the Committee concerning the seven unclassified positions referred to in Item #1 of the Budget Committee recommendation, the Chair recognized Colonel Tod M. Bunting, Adjutant General, who indicated that the requested seven unclassified positions would not be associated with the emergency medical response team, but would be assigned as Homeland Security coordinators. The Colonel noted that this action would constitute an enhancement rather than a duplication of services.

Representative Merrick, member of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Adjutant General for FY 2005 and moved for the adoption of the Budget Committee recommendation with adjustments for FY 2005 (Attachment 3). Motion was seconded by Representative Light. Motion carried.

In response to a question from the Committee concerning a job description for the deputy adjutant general position, the Budget Committee stated that the position and qualifications are set by statute. The Committee asked for Staff to provide the number of this statute. The Budget Committee noted that this position should only be filled if federal dollars are available.

Representative Minor, member of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Sentencing Commission for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2004 and FY 2005 (Attachment 3). Motion was seconded by Representative Light. Motion carried.

The Committee requested that either the Appropriations Committee or the Legislative Budget Committee be updated on the status of the possible release of inmates who have been incarcerated for possession of meth labs and notified of any legislation concerning this possible release.

Representative Merrick, member of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Emergency Medical Services for FY 2004 and moved for the adoption of the Budget Committee recommendation with adjustments for FY 2004 (Attachment 3). Motion was seconded by Representative Minor. Motion carried.

Representative Merrick, member of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Emergency Medical Services for FY 2005 and moved for the adoption of the Budget Committee recommendation with notations for FY 2005 (Attachment 3). Motion was seconded by Representative Minor. Motion carried.

The Committee noted that there is a \$29 million fiscal note attached to the proposal to move from four regional councils to six regional councils.

Representative Minor, member of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Highway Patrol for FY 2004 and moved for the adoption of the Budget Committee recommendation with adjustments for FY 2004 (Attachment 3). Motion was seconded by Representative Light. Motion carried.

Representative Minor, member of the House Public Safety Budget Committee, presented the Budget

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on February 16, 2004 in Room 514-S of the Capitol.

Committee report on the Governor's budget recommendation for the Highway Patrol for FY 2005 and moved for the adoption of the Budget Committee recommendation with adjustments for FY 2005 (Attachment 3). Motion was seconded by Representative Light. Motion carried.

Representative Light, Chair of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Bureau of Investigation for FY 2004 and moved for the adoption of the Budget Committee recommendation with adjustment for FY 2004 (Attachment 3). Motion was seconded by Representative Minor. Motion carried.

Representative Light, Chair of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Bureau of Investigation for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 3). Motion was seconded by Representative Minor. Motion carried

The Committee voiced considerable concern that the Kansas Bureau of Investigation (KBI) was able to reassign FTE agents and scientist positions to non-FTE permanent positions in order to provide a salary increase to these positions from balances in the record fee fund, lab fee fund and State General Fund (SGF) moneys at the end of FY 2003 and after the end of the 2003 Legislative Session without notification to the Legislature. The Committee requested information on the balances in these fee funds. The Budget Committee stated that the action by the KBI was not illegal; however, felt that KBI should have informed the Legislature of the excess fee moneys and their intent to reclassify the positions. A handout from Legislative Research Department relating to the reclassification of FTE positions, was distributed to the Committee (Attachment 4). The Committee also voiced concern with regard to KBI's request for the increase in lab fees which put an additional burden on local government and resulted in the excess balance in the fee fund.

Robert Waller, Legislative Research Department, explained legislation, which is proposed by the Budget Committee, to address the procedure for agencies to use relating to certain state employee salary increases (Attachment 5).

The Chair recognized J. G. Scott, Legislative Research Department, who presented an explanation of the Governor's Budget Amendment No. 1 (Attachment 6).

Representative McLeland moved to approve as written, the minutes of the February 4, 2004, meeting. The motion was seconded by Representative Sharp. Motion carried.

The meeting was adjourned at 10:30 a.m. The next meeting will be held at 9:00 a.m. on February 17, 2004.



Melvin Neufeld, Chairman

HOUSE APPROPRIATIONS COMMITTEE

February 16, 2004

9:00 A.M.

NAME	REPRESENTING
Pat Lehman	KS Fire Service Alliance
Karl Mc Norton	KSF 170
George Carter	KSFMO
WALT DARLING	KHP
TERRY MARLE	KHP
WILLIAM SECK	KHP
Janice Harper	Adjutant General
Tod Bunting	Adjutant General
Mary E. Mutryon	Bd of EMS
DAVID LAKE	KBEMS
Vicki Lynn Hessel	DOP
Ethan Erickson	DOP
Karen Watney	DPS

House Safety Budget Committee Report

FY 2004-FY 2005

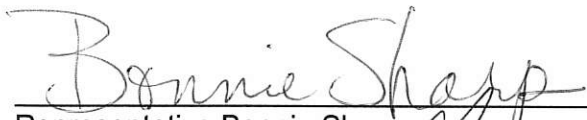
Kansas Parole Board


Representative Bill Light, Chairperson


Representative Rob Boyer


Representative Ray Merrick


Representative Melvin Minor


Representative Bonnie Sharp


Representative Joshua Svaty


Representative Lee Tafenelli

HOUSE APPROPRIATIONS

DATE 2-16-2004
ATTACHMENT 1

House Budget Committee Report

Agency: Kansas Parole Board

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 2-327 **Budget Page No.** 952

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Rec's FY 04</u>	<u>House Committee Adjustments</u>
State General Fund:			
State Operations	\$ 431,241	\$ 431,241	\$ 0
FTE Positions	3.0	3.0	3.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>

Agency Estimate/Governor's Recommendation

Kansas Parole Board estimates \$431,241 for FY 2004 operating expenditures which is an increase of \$4,402 (1.0 percent) from the amount approved by the 2003 Legislature. The estimate includes an unlimited reappropriation of FY 2003 State General Fund savings which exceeded the anticipated reappropriation by \$4,110. Also included in the estimate is an increase of \$9,947 for capital outlay. The increase is comprised of (1) the reappropriation of \$4,110 and (2) the amounts totaling \$5,837 that have been reallocated from salaries and wages and rents. The agency estimates \$354,639 in salaries and wages to fund 3.0 FTE positions and other operating expenditures totaling \$76,602.

The Governor concurs with the agency request.

House Budget Committee Recommendation

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

House Budget Committee Report

Agency: Kansas Parole Board

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol.2-327

Budget Page No. 952

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Rec's FY 05</u>	<u>House Committee Adjustments</u>
State General Fund:			
State Operations	\$ 432,521	\$ 433,043	\$ 0
FTE Positions	3.0	3.0	3.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>

Agency Estimate/Governor's Recommendation

Kansas Parole Board estimates \$432,521 for FY 2005 operating expenditures which is an increase of \$1,280 (0.3 percent) from the 2004 estimate. The agency submitted a reduced resource package of other operating adjustments totaling \$21,626 from the State General Fund. The request includes \$361,049 in salaries and wages to fund 3.0 FTE positions, \$63,815 for contractual services, \$2,055 for commodities and \$5,602 for capital outlay.

The Governor recommends funding for FY 2005 of \$433,043, an increase of \$1,802 (0.4 percent) from the FY 2004 recommendation. The recommendation includes a portion of the agency's reduction package totaling \$9,302. Also included in the recommendation are adjustments for a 3.0 percent pay plan increase of \$10,070 and reductions in other operating expenditures as recommended by the Budget Efficiency Teams (BEST) of \$246. The Governor recommends \$371,119 for salaries and wages, \$60,105 for contractual services, \$1,819 for commodities and no funds for capital Outlay.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$64,135 State General Fund.

House Budget Committee Recommendation

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

1. The House Budget Committee notes several items from the testimony of Paul Feleciano, Parole Board Member.
 - a. About 1,500 inmates and 650 parolees, who are honorably discharged veterans, are currently not able to access VA benefits. The Parole Board is actively researching contacts to find ways to provide these benefits to veterans housed in the Department of Corrections (DOC) system and

parolees in the community. This would increase the DOC program options and assist offenders in a successful re-entry into the community.

- b. The available resources and how they are used for the placement of offenders impacts the Board's potential parole decisions. The Board is concerned that significant cuts in DOC programs adversely affect some decisions to parole.
- c. The Board believes that the current law needs to be changed to address new law parole violators in the same manner as old law violators. The post release penalty of 180 days should be eliminated and, the Board would have discretion to hold violators accountable up to their maximum sentence date. The penalty of 180 days creates a revolving door scenario in DOC because when offenders violate their conditions of release they usually only serve 90 days after good time is accounted for and released back into the community. The Board believes the offender is not encouraged to complete programs and strive to be productive members of the community if there is a set sentence.

House Budget Committee

Report on

State Fire Marshal

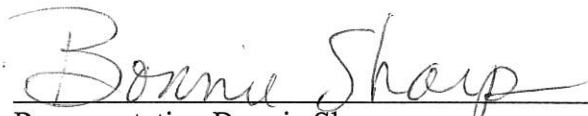
FY 2004 and FY 2005



Representative Bill Light, Chair

Representative Rob Boyer


Representative Ray Merrick


Representative Melvin Minor


Representative Bonnie Sharp


Representative Joshua Svaty


Representative Lee Pafanelli

HOUSE APPROPRIATIONS

DATE 2-16-2004
ATTACHMENT 2

House Budget Committee Report

Agency: State Fire Marshal

Bill No.

Bill Sec.

Analyst: Kannarr

Analysis Pg. No.

Budget Page No. 163

Expenditure Summary	Agency Rec. FY 2004	Governor's Recommendation FY 2004	Budget Committee Adjustments
All Funds:			
State Operations	\$ 3,619,816	\$ 3,619,816	\$ 0
Aid to Local Units	0	0	0
Other Assistance	275,100	275,100	0
TOTAL	\$ 3,894,916	\$ 3,894,916	\$ 0
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0
FTE Positions	49.0	49.0	0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	51.0	51.0	0.0

Agency Rec./Governor's Recommendation

The **agency's** revised FY 2004 budget of \$3,894,916 and 49.0 FTE is an increase of \$354,104 (10.0 percent) and 2.0 FTE from the budget approved by the 2003 Legislature. Expenditures of \$2,954,366 from the Fire Marshal Fee Fund are an increase of \$85,053 from approved expenditures.

The **Governor** concurs with the agency estimate of expenditures for FY 2004.

House Budget Committee Recommendation

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

House Budget Committee Report

Agency: State Fire Marshal

Bill No.

Bill Sec.

Analyst: Kannarr

Analysis Pg. No.

Budget Page No. 163

Expenditure Summary	Agency Rec. FY 2005	Governor's Recommendation FY 2005	Budget Committee Adjustments
All Funds:			
State Operations	\$ 4,918,072	\$ 3,783,773	\$ 0
Aid to Local Units	0	0	0
Other Assistance	250,000	250,000	0
TOTAL	\$ 5,168,072	\$ 4,033,773	\$ 0
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0
FTE Positions	67.0	49.0	0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	69.0	51.0	0.0

Agency Rec./Governor's Recommendation

The **agency** requests an FY 2005 budget of \$5,168,072, an increase of \$1,273,156, 32.7 percent, from the revised FY 2004 budget. The request includes \$3,943,283 from the Fire Marshal Fee Fund, an increase of \$988,917, 33.5 percent, from the FY 2004 revised request. The requested FY 2005 budget includes six enhancements totaling \$1,167,549 financed almost entirely from the Fire Marshal Fee Fund. The enhancement package also includes 18.0 FTE positions. Absent enhancements, the request of \$4,000,523 is an increase of \$105,586, 2.7 percent, from the FY 2004 revised request.

The **Governor** recommends expenditures of \$4,033,773 for FY 2005. The Governor's budget includes adjustments for BEST recommendations (reduction of \$36,727) and salary plan (addition of \$69,977). The Governor does not recommend the enhancement package. The recommendation also includes a transfer of \$500,000 to the State General Fund and a transfer of \$750,000 to the Fire Service Training Fund at the University of Kansas.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Public Safety Budget Committee Report

FY 2004-FY 2005

Adjutant General
Board of Emergency Medical Services
Kansas Highway Patrol
Kansas Sentencing Commission
Kansas Bureau of Investigation


Representative Bill Light, Chairperson



Representative Rob Boyer


Representative Ray Merrick


Representative Melvin Minor


Representative Bonnie Sharp


Representative Joshua Syaty


Representative Lee Tafanelli

HOUSE APPROPRIATIONS

DATE 2-16-2004
ATTACHMENT 3

HOUSE BUDGET COMMITTEE REPORT

Agency: Sentencing Commission

Bill No. - -

Bill Sec. - -

Analyst: Robert Waller

Analysis Pg. No. 1013

Budget Page No. 375

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 634,256	\$ 634,256	\$ 0
Aid to Local Units	4,057,130	4,057,130	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 4,691,386	\$ 4,691,386	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 4,691,386</u></u>	<u><u>\$ 4,691,386</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 534,243	\$ 534,243	\$ 0
Aid to Local Units	3,842,047	3,842,047	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 4,376,290	\$ 4,376,290	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 4,376,290</u></u>	<u><u>\$ 4,376,290</u></u>	<u><u>\$ 0</u></u>
FTE Positions	7.0	7.0	0.0
Unclassified Temp. Positions	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>
TOTAL	<u><u>10.0</u></u>	<u><u>10.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency's estimated FY 2004 budget totals \$4,691,386. This is an increase of \$274,309 or 6.2 percent above the Legislature's approved funding. The State General Fund estimate increases by \$9,213 (0.2 percent) due to re-appropriated balances carried forward from FY 2003. All other funds increase from \$50,000 to \$315,096 (530.2 percent) from the approved amount. The increase can be attributed to funding received as reimbursement from offenders participating in drug treatment programs under 2003 SB 123, and the agency's supplemental appropriation request. The number of FTE positions remains the same, while the number of non-FTE permanent unclassified positions increase due to the supplemental appropriation request.

FY 2004 Supplemental Appropriation Requests. The current year estimated supplemental appropriation request totals \$53,513:

Additional Positions. The agency requests \$53,513 (from special revenue funds) to finance 2.0 other unclassified positions. The first one will perform Juvenile Justice Authority projections (\$21,654). The funding is to be provided through a transfer from the Juvenile Justice Authority. The other unclassified position is an accountant (\$31,859) to be responsible for the substance abuse treatment provider payment and management process of 2003 SB 123. Funding is to be provided by the Department of Corrections from supervision dollars allocated for the provisions of SB 123.

The Governor concurs.

House Budget Committee Recommendation

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

HOUSE BUDGET COMMITTEE REPORT

Agency: Sentencing Commission

Bill No. --

Bill Sec. --

Analyst: Robert Waller

Analysis Pg. No. 1013

Budget Page No. 375

<u>Expenditure Summary</u>	<u>Agency Request FY 2005</u>	<u>Gov. Rec. FY 2005</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 676,588	\$ 669,817	\$ 0
Aid to Local Units	6,136,849	5,651,549	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 6,813,437	\$ 6,321,366	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 6,813,437</u></u>	<u><u>\$ 6,321,366</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 544,967	\$ 543,647	\$ 0
Aid to Local Units	5,776,741	5,291,441	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 6,321,708	\$ 5,835,088	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 6,321,708</u></u>	<u><u>\$ 5,835,088</u></u>	<u><u>\$ 0</u></u>
FTE Positions	7.0	7.0	0.0
Unclassified Temp. Positions	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>
TOTAL	<u><u>10.0</u></u>	<u><u>10.0</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The agency's FY 2005 operating budget request totals \$6,813,437, which is \$2,122,051 or 45.2 percent above the FY 2004 estimate. Requested State General Fund expenditures increase by \$1,945,418 or 44.5 percent due to additional funding for 2003 SB 123. All other funds increase by \$176,633 or 56.1 percent. The increase can be attributed to an increase in funding received by the agency from offenders participating in the drug treatment programs under 2003 SB 123, and the agency's enhancement package.

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

- \$492,324 for salaries and wages
 - 7.0 FTE positions
- \$164,839 for contractual services
- \$11,425 for commodities
- \$8,000 for capital outlay

- \$6,136,849 for aid to local units

Absent the agency's requested FY 2005 enhancements, operating expenditures total \$6,731,816. This is an increase of \$2,093,943 or 45.1 percent above the FY 2004 estimate, with the exclusion of the supplemental package.

The Governor recommends operating expenditures which total \$6,321,366. This is an increase of \$1,629,980 or 34.7 percent above the revised FY 2004 recommendation. State General Fund expenditures increase by \$1,458,798 or 33.3 percent with the inclusion of full year funding for 2003 SB 123, and the Governor's recommended pay plan adjustments. All other funds increase by \$171,182 or 54.3 percent due to funding received by the agency from offenders participating in the drug treatment programs under 2003 SB 123, transfers from other state agencies, and the Governor's enhancement package. This is offset by slight reductions from BEST.

The Governor's operating budget recommendation includes:

- \$505,593 for salaries and wages
 - 7.0 FTE positions
- \$148,904 for contractual services
- \$10,320 for commodities
- \$5,000 for capital outlay
- \$5,651,549 for aid to local units

Fiscal Impact of 2003 SB 123. The following table shows the **FY 2005 request** of \$6,226,536 for implementing SB 123. **The Governor** recommends expenditures totaling \$5,741,239.

<u>Sentencing Commission</u> (includes enhancements)*	<u>State</u> <u>General Fund</u>	<u>All Other</u> <u>Funds</u>	<u>Total</u> <u>Agency Req.</u>
KSC - Treatment Grants Adm.	\$ 5,776,741	\$ 360,108	\$ 6,136,849
KSC - Net Admin./Evaluation	41,866	0	41,866
KSC - Accountant	0	47,824	47,824
TOTAL	\$ 5,818,607	\$ 407,932	\$ 6,226,539

<u>Governor's Recommendation</u>	<u>State General Fund</u>	<u>All Other Funds</u>	<u>Total Gov. Rec.</u>
KSC - Treatment Grants Adm.	\$ 5,291,441	\$ 360,108	\$ 5,651,549
KSC - Net Admin./Evaluation	41,866	0	41,866
KSC - Accountant	0	47,824	47,824
TOTAL	\$ 5,333,307	\$ 407,932	\$ 5,741,239

Under the Governor's FY 2005 statutory budget recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$864,188 or a State General Fund operating total of \$4,970,900.

House Budget Committee Recommendation

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

HOUSE BUDGET COMMITTEE REPORT

Agency: Adjutant General

Bill No. - -

Bill Sec. - -

Analyst: Robert Waller

Analysis Pg. No. 974

Budget Page No. 1

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 21,827,276	\$ 21,536,230	\$ 0
Aid to Local Units	22,413,520	22,413,520	0
Other Assistance	171,186	171,186	0
Subtotal - Operating	\$ 44,411,982	\$ 44,120,936	\$ 0
Capital Improvements	215,000	215,000	0
TOTAL	\$ 44,626,982	\$ 44,335,936	\$ 0
State General Fund:			
State Operations	\$ 4,320,634	\$ 4,320,634	\$ 0
Aid to Local Units	1,057,856	1,057,856	0
Other Assistance	46,186	46,186	0
Subtotal - Operating	\$ 5,424,676	\$ 5,424,676	\$ 0
Capital Improvements	215,000	215,000	0
TOTAL	\$ 5,639,676	\$ 5,639,676	\$ 0
FTE Positions	222.0	215.0	0.0
Unclassified Temp. Positions	122.0	122.0	0.0
TOTAL	344.0	337.0	0.0

Agency Estimate/Governor's Recommendation

The revised FY 2004 agency estimate totals \$44,411,982, which is \$7,383,522 or 19.9 percent above the FY 2004 approved amount. The FY 2004 estimate includes \$5,424,676 from the State General Fund, which is \$442,283 or 8.9 percent above approved. The change is due to the reappropriation of \$444,059 in FY 2004, of which \$442,283 is expended in the current year and \$1,776 is expended in FY 2005. All other funds increase by \$6,941,239 over the approved amount. The increase can be attributed to additional funding needed to finance costs associated with the disasters that occurred in 2002. The number of FTE positions increase from 215.0 to 222.0 due to the agency's supplemental appropriation request.

Staff Note: On November 20, 2003, the State Finance Council authorized emergency funds in the amount of \$2,103,577 from the State Emergency Fund to cover the costs of several disasters (including the January 2002 Ice Storm and tornadoes in the Kansas City area). Therefore, the amount of \$2,084,876 previously requested by the agency as a FY 2004 supplemental request was withdrawn.

FY 2004 Supplemental Appropriation Requests Revised. The current year estimated supplemental appropriation requests totaling \$291,046:

Regional Homeland Security Offices. The agency requests \$291,046 (from special revenue funds) and 7.0 FTE positions to finance the expansion of Division of Emergency Management Staff and operating costs to locate seven regional coordinators around the state to create effective and responsive emergency management systems in conjunction with the passage of 2002 SB 629.

The Governor recommends an FY 2004 operating budget of \$44,120,936. This is \$7,092,476 or 19.2 percent above the approved amount. Recommended State General Fund financing remains the same as those approved by the 2003 Legislature. Recommended all other fund expenditures increase by \$6,650,193 or 20.8 percent due to additional funding needed to finance costs associated with the disasters that occurred in 2002 (the \$2,103,577 authorized by the State Finance Council from the State Emergency Fund is included within that amount). **The Governor** does not recommend the agency's supplemental, but does concur with the balance of the agency's estimate.

Kansas Savings Incentive Program (KSIP) Expenditures

- There are no KSIP expenditures for this agency.

House Budget Committee Recommendation

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

1. 2002 SB 629 authorized the creation of a Terrorism Preparedness Program and Regional Emergency Medical Response Teams under the Adjutant General's Office. The Terrorism Preparedness Program would consist of the Kansas Division of Emergency Management (DEM) providing training on how to prevent and respond to emergencies and disaster situations across that state. The 2002 Legislature passed the bill, however did not include any funding for the regional teams. Within the agency's FY 2004 budget, 7.0 other unclassified Homeland Security Planner positions were requested along with federal dollars to finance the positions. The Governor did not recommend the positions nor the funding initially due to the fact that the federal funding had not be confirmed. However, during House Budget Committee hearings, the Committee was notified that the agency would receive the funding in FY 2004 and FY 2005, and the Governor was prepared to issue a Governor's Budget Amendment to add the positions and funding. Therefore, the House Budget Committee concurs with the forthcoming Governor's Budget Amendment (GBA) to add 7.0 other unclassified Homeland Security Planner positions and related expenditures. **The Governor** is set to add \$562,000 (federal funds) and 7.0 other unclassified positions in FY 2004.

HOUSE BUDGET COMMITTEE REPORT

Agency: Adjutant General

Bill No. - -

Bill Sec. - -

Analyst: Robert Waller

Analysis Pg. No. 974

Budget Page No. 1

<u>Expenditure Summary</u>	<u>Agency Request FY 2005</u>	<u>Gov. Rec. FY 2005</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 22,554,882	\$ 21,425,322	\$ 0
Aid to Local Units	14,313,507	13,345,616	0
Other Assistance	4,519	4,519	0
Subtotal—Operating	<u>\$ 36,872,908</u>	<u>\$ 34,775,457</u>	<u>\$ 0</u>
Capital Improvements	1,038,237	490,000	0
TOTAL	<u><u>\$ 37,911,145</u></u>	<u><u>\$ 35,265,457</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 4,752,676	\$ 4,123,259	\$ 0
Aid to Local Units	1,021,361	53,470	0
Other Assistance	4,519	4,519	0
Subtotal—Operating	<u>\$ 5,778,556</u>	<u>\$ 4,181,248</u>	<u>\$ 0</u>
Capital Improvements	768,688	490,000	0
TOTAL	<u><u>\$ 6,547,244</u></u>	<u><u>\$ 4,671,248</u></u>	<u><u>\$ 0</u></u>
FTE Positions	223.0	215.0	0.0
Unclassified Temp. Positions	125.0	122.0	0.0
TOTAL	<u><u>348.0</u></u>	<u><u>337.0</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

Staff Note: The *Governor's Budget Report* categorized FY 2003 actuals capital improvements payments as operations rather than capital improvements, as reflected in this analysis.

The agency's FY 2005 operating budget request totals \$36,872,908, which is \$7,539,074 or 17.0 percent below the revised FY 2004 estimate. Requested State General Fund expenditures total \$5,778,556. This is an increase of \$353,880 or 6.5 percent above the estimated FY 2004 amount due mostly to State General Fund financed enhancements requested by the agency, increased debt service expenditures, and additional salary and wage expenses. Requested all other fund expenditures decrease by \$7,892,954 or 20.2 percent from the FY 2004 estimate due to disaster-related funding being expended during the current year. Specifically, financing was provided by the federal government for disasters occurring in Kansas and State Emergency Fund financing expended in FY 2004

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

- \$14,389,732 for salaries and wages
 - 223.0 FTE positions requested
- \$6,668,761 for contractual services
- \$1,074,384 for commodities
- \$0 for capital outlay
- \$14,313,507 for aid to local units
- \$4,519 for other assistance
- \$422,005 in debt service payments

Absent requested FY 2005 enhancements, the agency's FY 2005 operating budget totals \$34,957,450 which is \$9,163,486 or 20.8 percent below the revised FY 2004 estimate, with the exclusion of the supplemental request. The number of requested FTE positions would remain the same.

The Governor recommends operating expenditures which total \$34,775,457, which is \$9,345,479 or 21.2 percent below the revised FY 2004 recommendation. State General Fund expenditures decrease by \$1,243,428 or 22.9 percent due mostly to aid to local unit funding for disasters that occurred in Kansas. The Governor does recommend \$53,470 in state matching funds to cover cost associated with the disasters. All other funds decrease by \$8,102,051 or 20.9 percent due to federal disaster related funding being expended during FY 2004.

The Governor's operating budget recommendation includes:

- \$14,024,039 for salaries and wages
 - 215.0 FTE positions recommended
- \$6,016,847 for contractual services
- \$962,431 for commodities
- \$0 for capital outlay
- \$13,345,616 for aid to local units
- \$4,519 for other assistance
- \$422,055 in debt service payments

Under the Governor's FY 2005 statutory budget recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$691,821 or a State General Fund operating total of \$3,979,427 including capital improvements.

House Budget Committee Recommendation

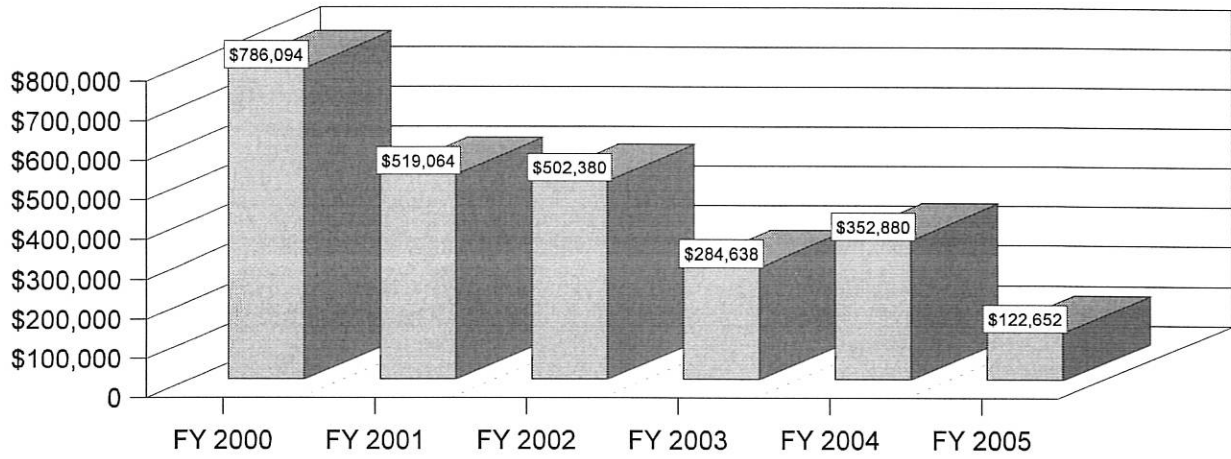
The House Budget Committee concurs with the Governor's recommendation, with the following adjustments:

1. The House Budget Committee concurs with the forthcoming Governor's Budget Amendment (GBA) to account for the recalculation of BEST Team reductions. The original calculation of the BEST Team reductions for the Adjutant General included the Military Fee Fund. Federal dollars were not intended to be part of the reduction, therefore, the Governor is set to recalculate the reduction for the

agency and add \$328,509 (\$289,085 from the State General Fund). The House Budget Committee brings the GBA to the attention of the House Appropriations Committee, however does not include the recalculation in the Committee's recommendation.

2. 2002 SB 629 authorized the creation of a Terrorism Preparedness Program and Regional Emergency Medical Response Teams under the Adjutant General's Office. The Terrorism Preparedness Program would consist of the Kansas Division of Emergency Management (DEM) providing training on how to prevent and respond to emergencies and disaster situations across that state. The 2002 Legislature passed the bill, however did not include any funding for the regional teams. Within the agency's FY 2005 budget, 7.0 other unclassified Homeland Security Planner positions were requested along with federal dollars to finance the positions. The Governor did not recommend the positions nor the funding initially due to the fact that the federal funding had not be confirmed. However, during House Budget Committee hearings, the Committee was notified that the agency would receive the funding in FY 2004 and FY 2005, and the Governor was prepared to issue a Governor's Budget Amendment to add the positions and funding. Therefore, the House Budget Committee concurs with the forthcoming Governor's Budget Amendment (GBA) to add 7.0 other unclassified Homeland Security Planner positions and related expenditures. **The Governor** is set to add \$736,000 (federal funds) and 7.0 other unclassified positions in FY 2005.
3. The House Budget Committee flags for Omnibus consideration the addition of 1.0 other unclassified Deputy Adjutant General position and \$92,332 (from federal Homeland Security Funds) to assist the Adjutant General is administering activities as the Homeland Security Officer as designated by the Governor.
4. The House Budget Committee flags for Omnibus consideration the addition of funds to provide the agency with additional financing for repair and rehabilitation costs in conjunction with the passage of 2000 SB 326 (the bill authorized the issuance of 15-year bonds for acquisition, construction, equipping, renovation, reconstruction, and repair of the state's 58 armories). The agency had estimated that along with the aggregate \$22,000,000 in bonding authority authorized by the bill, \$750,000 of funding normally utilized by the agency to provide repair and maintenance of armories, was also going to be available to finance the provisions of the bill. However, over the last five fiscal years, that funding has significantly decreased. Therefore, the House Budget Committee flags this item for Omnibus consideration in the event that additional funding is located, and draws attention to the following chart.

Armories Maintenance and Repair



HOUSE BUDGET SUBCOMMITTEE REPORT

Agency: Board of Emergency Medical Services **Bill No. - -**

Bill Sec. - -

Analyst: Robert Waller

Analysis Pg. No. 1024

Budget Page No. 157

Expenditure Summary	Agency Estimate FY 2004	Gov. Rec. FY 2004	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 857,155	\$ 857,155	\$ 0
Aid to Local Units	39,267	39,267	0
Other Assistance	77,500	77,500	0
Subtotal - Operating	\$ 973,922	\$ 973,922	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 973,922	\$ 973,922	\$ 0
FTE Positions	13.0	12.0	0.0
Unclassified Temp. Positions*	0.0	1.0	0.0
TOTAL	13.0	13.0	0.0

* Within the *Governor's Budget Report*, the Board of Emergency Medical Services Administrative position was inadvertently counted as a non-FTE permanent unclassified position.

Agency Estimate/Governor's Recommendation

The agency's estimated FY 2004 budget totals \$973,922, which is \$97,554 or 11.1 percent above the approved amount. The change can be attributed to KSIP expenditures and funding provided by the Kansas Department of Health and Environment to assist rural communities in completing a "Community Planning Guide" EMS Project through the Kansas Rural Health Options Project (\$37,878). The purpose of the project is to help those communities build a stronger EMS system in the State of Kansas. The agency also received a federal grant from the Department of Health and Human Services (Rural Access to Emergency Devices Act Grant) to place automated external defibrillators in rural areas of Kansas (\$27,039).

FY 2004 Supplemental Request. The current year estimate also includes \$17,075 for:

Rent and Computer Usage. The agency requests \$17,075 (from special revenue funds) to finance increased office, storage space, and computer usage costs associated with the agency's relocation to Landon State Office Building.

The Governor concurs.

Kansas Savings Incentive Program (KSIP) Expenditures

- \$5,000 for professional development training
- \$10,562 in updated computer parts and equipment

House Budget Committee Recommendation

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

HOUSE BUDGET SUBCOMMITTEE REPORT

Agency: Board of Emergency Medical Services **Bill No.** - -

Bill Sec. - -

Analyst: Robert Waller

Analysis Pg. No. 1024

Budget Page No. 157

<u>Expenditure Summary</u>	<u>Agency Request FY 2005</u>	<u>Gov. Rec. FY 2005</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 832,250	\$ 843,051	\$ 0
Aid to Local Units	259,834	259,834	0
Other Assistance	116,250	116,250	0
Subtotal - Operating	\$ 1,208,334	\$ 1,219,135	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 1,208,334	\$ 1,219,135	\$ 0
FTE Positions	13.0	12.0	0.0
Unclassified Temp. Positions*	0.0	1.0	0.0
TOTAL	13.0	13.0	0.0

* Within the *Governor's Budget Report*, the Board of Emergency Medical Services Administrative position was inadvertently counted as a non-FTE permanent unclassified position.

Agency Request/Governor's Recommendation

The agency's FY 2005 operating budget request totals \$1,208,334, which is \$234,412 or 24.1 percent above the FY 2004 revised estimate. The agency is not financed with State General Fund monies due to the passage of 2002 Senate Sub. for S.B. 508 which provided the agency with 0.25 percent of fire insurance premium receipts collected by the Insurance Department. Additionally, the agency was granted direct access to regulatory fees to finance agency operations. The legislation sunsets at the end of FY 2004. The increase in agency operations can be attributed to the receipt of a grant from the Department of Health and Human Services to place automated external defibrillators in rural areas of Kansas, and the agency's enhancement package. The increase was partially offset by a reduction in capital outlay expenses.

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

- \$609,813 for salaries and wages
 - 13.0 FTE positions requested
- \$211,009 for contractual services
- \$10,678 for commodities
- \$750 for capital outlay
- \$116,250 for other assistance (Regional Councils)
- \$259,834 in aid to local units

Absent requested FY 2005 enhancements, the agency's request totals \$1,169,584. This is an increase of \$212,737 or 22.2 percent above FY 2004 estimates excluding the supplemental request.

The Governor recommends an operating expenditure total of \$1,219,135, which is \$245,213 or 25.2 percent above the FY 2004 amount. The Governor recommends no State General Fund financed expenditures for the Board of EMS due to the passage of 2002 Senate Sub. for SB 508. The recommendation for all other funds increases due to the recommended 3.0 percent salary increase for state employees, a grant received by the agency to provide automated external defibrillators in rural areas of Kansas from the Department Health and Human Services, and the agency enhancement request.

Staff note: In Volume 1 of the Governor's Budget Report, **the Governor recommends the agency be converted to a biennial budget beginning in FY 2006-2007.**

The Governor's operating budget recommendation includes:

- \$626,254 for salaries and wages
 - 13.0 FTE positions recommended
- \$207,306 for contractual services
- \$9,491 for commodities
- \$ 0 for capital outlay
- \$259,834 for aid to local units
- \$116,250 in funding for the Regional Councils

House Budget Committee Recommendation

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

1. The House Budget Committee concurs with the Governor's recommendation to move the Board of Emergency Medical Services to a biennial budgetary cycle beginning in FY 2006.
2. The House Budget Committee concurs with the agency's proposal to move from four Regional Council to six regional councils to match current Advisory Committee on Trauma regions, Emergency Management Regions, and the Hospital Bio-terrorism preparedness regions. Also, the Committee encourages the Regional Councils to provide financial data to the Board of Emergency Medical Services and recommends the Board establish criteria for reporting regional activities to the Legislature through the current budgetary process.

HOUSE BUDGET COMMITTEE REPORT

Agency: Kansas Highway Patrol

Bill No. - -

Bill Sec. - -

Analyst: Robert Waller

Analysis Pg. No. 1033

Budget Page No. 185

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 58,741,827	\$ 58,337,748	\$ 0
Aid to Local Units	15,650,000	15,650,000	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 74,391,827	\$ 73,987,748	\$ 0
Capital Improvements	<u>680,000</u>	<u>680,000</u>	<u>0</u>
TOTAL	<u>\$ 75,071,827</u>	<u>\$ 74,667,748</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 28,928,830	\$ 28,928,830	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 28,928,830	\$ 28,928,830	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 28,928,830</u>	<u>\$ 28,928,830</u>	<u>\$ 0</u>
FTE Positions	848.8	823.8	0.0
Unclassified Temp. Positions	<u>20.0</u>	<u>20.0</u>	<u>0.0</u>
TOTAL	<u>868.8</u>	<u>843.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's revised current year estimate for operating expenditures totals \$74,391,827, which is \$18,522,936 or 33.2 percent above the approved FY 2004 amount. The State General Fund estimate does not change; however all other funds are estimated to increase by the aforementioned amount. The change is due to an increase in federal homeland security and operations funding and the agency's utilization of special revenue fund balances to finance expenses in various subprograms of the agency. The number of FTE positions within the agency's estimated FY 2004 budget increases from 823.8 to 848.8 due to the agency's supplemental appropriation request.

FY 2004 Supplemental Requests. The current year estimated supplemental appropriation request totals \$398,970:

Community Oriented Policing Services (COPS) Grant Funding and Additional Troopers. The agency received a federal COPS Universal Hiring Program grant for 25.0 FTE Troopers positions. The funds are designated for salary and wage expenses only, and the grant

expires May 31, 2006. The agency requests \$398,970 (partial year) to finance the additional positions.

The Governor recommends an FY 2004 estimate of \$73,987,748. The Governor concurs with agency's State General Fund estimate of \$28,928,830. However, the Governor recommends an all other funds appropriation of \$45,058,918, which is \$18,118,857 or 67.3 percent greater than the approved amount and \$404,079 or 0.9 percent below the agency's estimate. The Governor adds funding from the Kansas Corporation Commission to finance additional Motor Carrier Safety Assistance Program (MCSAP) expenses (\$85,198), and reduces other operating expenditures within the Motor Carrier Inspection (MCI) and Data Processing programs. **The Governor** concurs with the agency request, however does not recommend the additional 25.0 FTE trooper positions.

House Budget Committee Recommendation

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

HOUSE BUDGET COMMITTEE REPORT

Agency: Kansas Highway Patrol

Bill No. - -

Bill Sec. - -

Analyst: Robert Waller

Analysis Pg. No. 1033

Budget Page No. 185

Expenditure Summary	Agency Request FY 2005	Gov. Rec. FY 2005	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 64,712,253	\$ 63,596,385	\$ 0
Aid to Local Units	20,350,000	20,350,000	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 85,062,253	\$ 83,946,385	\$ 0
Capital Improvements	950,961	994,995	0
TOTAL	\$ 86,013,214	\$ 84,941,380	\$ 0
State General Fund:			
State Operations	\$ 30,688,004	\$ 0	\$ 43,914,554
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 30,688,004	\$ 0	\$ 43,914,554
Capital Improvements	0	0	475,961
TOTAL	\$ 30,688,004	\$ 0	\$ 44,390,515
FTE Positions	848.8	823.8	0.0
Unclassified Temp. Positions	20.0	20.0	0.0
TOTAL	868.8	843.8	0.0

Agency Request/Governor's Recommendation

The agency's operating budget request totals \$85,062,253, which is \$10,670,426 or 14.3 percent above the FY 2004 revised estimate. Requested State General Fund expenditures total \$30,688,004 or 6.1 percent above the FY 2004 amount due mostly to a reduction in special revenue fee funds being utilized to finance contractual service expenses, and a 7.5 percent salary increase for Trooper positions (subject to appropriation per the agreement between the State of Kansas and the Kansas Trooper association signed in FY 2004). Requested expenditures from special revenue funds increase by \$8,911,252 or 14.3 percent from the FY 2004 amount of \$45,462,997. The change is due to the agency's enhancement package, and additional State Highway Funds (deposited within the Motor Carrier Inspection Fund) and federal homeland security and operational funding received in FY 2005. Also, the agency requests additional funds be transferred from the State Highway Fund (\$260,000) to finance operating expenditures.

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

- \$48,184,583 for salaries and wages

- 847.8 FTE positions requested
- \$4,707,855 for contractual services
- \$3,900,502 for commodities
- \$7,591,506 for capital outlay
- \$20,350,000 in federal Homeland Security Funding
- \$327,807 for debt service interest payments

Absent requested FY 2005 enhancements, the agency's FY 2005 operating budget totals \$83,523,309 which is \$9,530,452 or 12.9 percent above the revised FY 2004 estimate, excluding the supplemental appropriation.

The Governor recommends operating expenditures which total \$83,946,385, which is \$9,958,637 or 13.5 percent above the FY 2004 revised recommendation. State General Fund expenditures are reduced to zero, due to Governor's recommendation to permanently finance Kansas Highway Patrol operational expenditures through the State Highway Fund beginning in FY 2005. The Governor's recommendation includes a 7.5 percent salary increase for the trooper classification (per an agreement with the Kansas Troopers Association and the Department of Administration), a 3.0 percent salary increase for all state employees, and an increase in federal Homeland Security Funding. These are offset by reductions in contractual and commodities expenses.

The Governor's operating budget request recommendation includes:

- \$48,064,362 for salaries and wages
 - 822.8 FTE positions recommended
- \$4,391,576 for contractual services
- \$3,636,214 for commodities
- \$7,161,578 for capital outlay
- \$342,655 for debt service interest payments
- \$20,350,000 in federal Homeland Security Funding

House Budget Committee Recommendation

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

1. The House Budget Committee transfers \$44,390,515 in State Highway Fund financing currently proposed to fund the Kansas Highway Patrol to the State General Fund. The House Budget Committee then transfers \$44,390,515 from the State General Fund to the agency's operating fund. The House Budget Committee makes no change in the amount of funding to be provided in FY 2005 to fund agency's operations.

HOUSE BUDGET SUBCOMMITTEE REPORT

Agency: Kansas Bureau of Investigation

Bill No. - -

Bill Sec. - -

Analyst: Robert Waller

Analysis Pg. No. 995

Budget Page No. 271

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 20,002,919	\$ 20,002,919	\$ 0
Aid to Local Units	1,491,793	1,491,793	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 21,494,712	\$ 21,494,712	\$ 0
Capital Improvements	210,000	210,000	0
TOTAL	<u><u>\$ 21,704,712</u></u>	<u><u>\$ 21,704,712</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 11,705,118	\$ 11,705,118	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 11,705,118	\$ 11,705,118	\$ 0
Capital Improvements	210,000	210,000	0
TOTAL	<u><u>\$ 11,915,118</u></u>	<u><u>\$ 11,915,118</u></u>	<u><u>\$ 0</u></u>
FTE Positions	200.0	200.0	0.0
Unclassified Temp. Positions	<u>97.0</u>	<u>97.0</u>	<u>0.0</u>
TOTAL	<u><u>297.0</u></u>	<u><u>297.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency's estimated FY 2004 operating budget totals \$21,494,712, which is \$2,350,326 or 12.3 percent above the 2003 Legislature's approved funding. While the State General Fund estimate remains the same as the approved amount, revised all other funds increase by \$2,350,326 due to the availability of additional federal grant funding. The number of FTE positions remains the same, while the number of non-FTE permanent unclassified positions increases by 21.5 positions. The additional positions are due to the reassignment of FTE scientist positions to non-FTE permanent positions to provide a salary increase. Non-FTE permanent unclassified positions are not subject to salary constraints imposed by the salary grid for state employees.

The Governor concurs.

House Budget Committee Recommendation

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

1. The House Budget Committee establishes a Kansas Bureau of Investigation Motor Vehicle Fund with an expenditure limitation of \$350,000 in FY 2004. During testimony, the agency informed the Committee that with the Governor's recommendation to eliminate the Department of Administration's motor pool, the agency had budgeted \$350,000 to pay for costs associated with leasing those vehicles. To enable the KBI maintain a viable fleet of vehicles to be used for enforcement operations, the House Budget Committee proposes to create a vehicle acquisition and resale program similar to the program active within the Kansas Highway Patrol, and utilize the resale of vehicle proceeds and operating funds to finance the program. However, the Committee notes that no additional funding stream outside the reselling of vehicles are recommended to finance the program.

HOUSE BUDGET SUBCOMMITTEE REPORT

Agency: Kansas Bureau of Investigation

Bill No. - -

Bill Sec. - -

Analyst: Robert Waller

Analysis Pg. No. 995

Budget Page No. 271

<u>Expenditure Summary</u>	<u>Agency Request FY 2005</u>	<u>Gov. Rec. FY 2005</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 20,211,661	\$ 18,658,420	\$ 0
Aid to Local Units	800,000	800,000	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 21,011,661	\$ 19,458,420	\$ 0
Capital Improvements	<u>1,375,000</u>	<u>230,000</u>	<u>0</u>
TOTAL	<u><u>\$ 22,386,661</u></u>	<u><u>\$ 19,688,420</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 13,769,068	\$ 12,242,058	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 13,769,068	\$ 12,242,058	\$ 0
Capital Improvements	<u>1,375,000</u>	<u>230,000</u>	<u>0</u>
TOTAL	<u><u>\$ 15,144,068</u></u>	<u><u>\$ 12,472,058</u></u>	<u><u>\$ 0</u></u>
FTE Positions	215.0	200.0	0.0
Unclassified Temp. Positions	<u>89.0</u>	<u>89.0</u>	<u>0.0</u>
TOTAL	<u><u>304.0</u></u>	<u><u>289.0</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The agency's FY 2005 operating budget request totals \$21,011,661, which is \$483,051 or 2.2 percent below the FY 2004 revised amount. The agency's requested operating total is comprised of \$13,769,068 from the State General Fund. This is an increase of \$2,063,950 or 17.6 percent above the FY 2004 State General Fund operating amount due mostly to the agency's enhancement request (\$2,055,421 excluding capital improvement enhancements), and an increase in salary and wage expenditures attributed to a full year of funding being provided for pay increases for agents and scientists (which began in FY 2004). Requested expenditures from all other funds decrease by \$2,547,001 or 26.0 percent from the FY 2004 figure. The change is due to a reduction in federal grants (High Intensity Drug Trafficking Area (HIDTA), National Criminal History Improvement (NCHIP), and other criminal justice related federal monies).

The agency's operating budget request includes:

- \$13,550,283 for salaries and wages
 - 215.0 FTE positions
- \$5,103,864 for contractual services
- \$1,127,109 for commodities
- \$346,500 for capital outlay
- \$83,905 for debt service interest
- \$800,000 for aid to local units

Absent requested FY 2005 enhancements, the operating budget totals \$18,956,240. This is a decrease of \$2,538,472 or 11.8 percent below FY 2004 estimates.

The Governor recommends an operating budget total of \$19,458,420. This is decrease of \$2,036,292 or 9.5 percent below the FY 2004 recommendation. State General Fund expenditures increase by \$536,940 or 4.6 percent due to the recommended 3.0 percent salary increase for state employees. This is offset by reductions in other operating expenses (BEST and other recommended deletions). Recommended all other funds decrease by \$2,573,232 or 26.3 percent from FY 2004 figures, due to a reduction in federal grants.

The Governor's operating budget recommendation includes:

- \$13,106,433 for salaries and wages
 - 200.0 FTE positions
- \$4,310,146 for contractual services
- \$824,836 for commodities
- \$333,100 for capital outlay
- \$83,905 for debt service interest
- \$800,000 for aid to local units

Under the Governor's FY 2005 statutory budget recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$1,847,136, leaving a State General Fund total of \$10,624,922 including capital improvements.

House Budget Committee Recommendation

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

1. The House Budget Committee recommends the introduction of language to address the issuance of salary increases to state employees without notifying the Legislature. During hearings, the Kansas Legislative Research Department informed the Committee of the reassignment of FTE agent and scientist positions to non-FTE permanent positions to provide a salary increase (Non-FTE permanent unclassified positions are not subject to salary constraints imposed by the salary grid for state employees). The House Budget Committee recommends passage of the legislation to monitor such salary increases that fall outside of any

recommended pay plan adjustment recommended by the Governor or promotions within the classified service provided to state employees.

2. During the 2003 Session, \$506,000 was reduced in network support from the Kansas Bureau of Investigation (KBI) to counties. Thus, passing those costs to the counties in maintaining connectivity to the KCJIS Network. The Kansas Bureau of Investigation subsequently reduced the amount being passed to local units of government by continuing to pay for circuit costs, but not the routers (\$252,000). The router costs, set forth by the Department of Administration Division of Information Services and Communication (DISC), are \$266.67 per site, with the Kansas Highway Patrol paying 25 percent of those costs. The remaining \$200 or 75 percent (which was previously be financed by the KBI) are now being passed to the local units of government.

K.S.A. 74-5702 mandates...."the committee (Kansas Criminal Justice Information Committee) shall establish and upgrade the law enforcement telecommunications network....to interconnect each county of the state into a unified electronic telecommunications system, with at least one designated outlet or terminal in each county....".

Believing that the statute provides a mandate to the Kansas Bureau of Investigation to maintain those sites, the House Budget Committee recommends the Kansas Bureau of Investigation re-initiate the financing of the remaining 75 percent of router costs, along with circuit costs (which the agency is currently financing) in continuing to provide local units of government access to KCJIS.

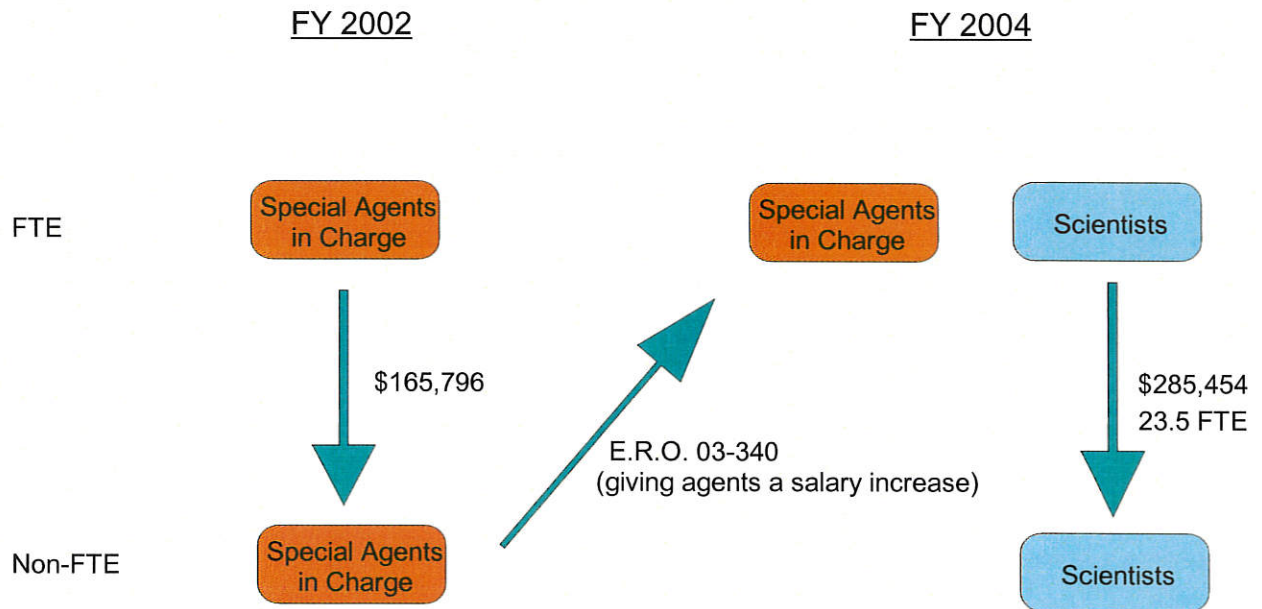
3. The House Budget Committee establishes a Kansas Bureau of Investigation Motor Vehicle Fund with an expenditure limitation of \$350,000 in FY 2005. During testimony, the agency informed the Committee that with the Governor's recommendation to eliminate the Department of Administration's motor pool, the agency had budgeted \$350,000 to pay for costs associated with leasing those vehicles. To enable the KBI maintain a viable fleet of vehicles to be used for enforcement operations, the House Budget Committee proposes to create a vehicle acquisition and resale program similar to the program active within the Kansas Highway Patrol, and utilize the resale of vehicle proceeds and operating funds to finance the program. However, the Committee notes that no additional funding stream outside the reselling of vehicles are recommended to finance the program.

To: House Appropriations

From: Robert Waller, Senior Fiscal Analyst

Re: House Budget Committee Recommendation

The House Budget Committee recommends the introduction of language to address the issuance of salary increases to state employees without notifying the Legislature. During hearings, the Kansas Legislative Research Department informed the Committee of the reassignment of FTE agent and scientist positions to non-FTE permanent positions to provide a salary increase (Non-FTE permanent unclassified positions are not subject to salary constraints imposed by the salary grid for state employees). The House Budget Committee recommends passage of the Legislation to monitor such salary increases that fall outside of any recommended pay plan adjustment recommended by the Governor or promotions within the classified service provided to state employees. The following graphics illustrate the procedures used:



By Committee on Appropriations

AN ACT concerning state employees; prescribing written reports relating to certain state employee salary increases.

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

Section 1. (a) A salary increase for any state officer or employee of a state agency in the unclassified service, or who moves from the classified service to the unclassified service, or who returns to a classified position from an approved leave of absence from the classified service to take a position in the unclassified service, in the executive branch of state government, which is not specifically authorized or approved by an appropriation act of the legislature or by general law shall not be effective unless the state agency proposing such salary increase prepares and submits a written report, as a condition precedent on such salary increase to the director of the legislative research department and the director of the division of the budget.

(b) Each such written report shall include each of the following:

- (1) The name of the state agency proposing such salary increase;
- (2) the job title of the position and name of the state employee the agency proposes to grant such salary increase;
- (3) the amount by which the annual base pay of the employee is being increased;
- (4) the percentage of increase of the annual base pay for the fiscal year in which such salary increase is proposed;
- (5) the name of the fund or funds which the state agency proposing the salary increase proposes to fund such increase.

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

HOUSE APPROPRIATIONS

DATE 2-16-2004
ATTACHMENT 5



DIVISION OF THE BUDGET
 DUANE A. GOOSSEN, DIRECTOR

KATHLEEN SEBELIUS, GOVERNOR

February 12, 2004

The Honorable Melvin Neufeld, Chairperson
 House Committee on Appropriations
 Room 514-S, Statehouse

and

The Honorable Steve Morris, Chairperson
 Senate Committee on Ways and Means
 Room 120-S, Statehouse

Dear Representative Neufeld:

As Governor's Budget Amendment No. 1, I offer the following corrections to the budget document submitted to the Legislature so that the intentions of the Governor can be reflected as accurately as possible. The adjustments correct errors made in posting the detailed budgets or publishing *The FY 2005 Governor's Budget Report*. Errors were identified through a cooperative process involving the Division of the Budget, state agencies, and your fiscal staff. We are thankful for their cooperation and assistance. Total adjustments to expenditures and positions are shown below.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ 1,995,001
All Other Funds	412,000	866,120
All Funds	<u>\$ 412,000</u>	<u>\$ 2,861,121</u>
FTE Positions	(73.0)	(3.8)
Non-FTE Unclassified Permanent	<u>78.0</u>	<u>78.0</u>
Total Positions	5.0	74.2

Sincerely,

Duane A. Goossen
 Director of the Budget

HOUSE APPROPRIATIONS

DATE 2-16-2004
 ATTACHMENT 6

Attorney General

1. Tort Claims Expenditures

The Attorney General's FY 2005 budget submission included a supplemental request to fund litigation expenses for House Resolution 6003 in FY 2004. The agency requested \$150,000 from the State General Fund and \$150,000 from the Tort Claims Fund. The Governor did not recommend adding funds for these expenditures. However, after reviewing the Attorney General's budget, it was found that only the State General Fund portion of the request had been deleted. This correction to *The FY 2005 Governor's Budget Report* will reduce the \$150,000 that should have been deleted from the Tort Claims Fund in FY 2004.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	(150,000)	--
All Funds	<u>\$ (150,000)</u>	<u>\$ --</u>

Racing & Gaming Commission

2. FTE Position Correction

The FTE positions for the Gaming Program of the Racing and Gaming Commission were mistakenly overreported as 25.0 in FY 2005. To correct this overreporting, 1.0 FTE position should be removed from the agency's total FTE position count.

	<u>FY 2004</u>	<u>FY 2005</u>
FTE Positions	--	(1.0)
Non-FTE Unclassified Permanent	--	--
Total Positions	<u>--</u>	<u>(1.0)</u>

Banking Department

3. FTE Position Correction

The Banking Department overstated its FTE limitation for FY 2005 by 1.0 FTE position when it submitted its budget on September 15, 2003. The error was discovered only after the Governor's recommendations were published. The total should have been 86.0, instead of 87.0 FTE positions.

	<u>FY 2004</u>	<u>FY 2005</u>
FTE Positions	--	(1.0)
Non-FTE Unclassified Permanent	<u>--</u>	<u>--</u>
Total Positions	--	(1.0)

Judiciary

4. Salary Plan Increase

The 3.0 percent salary increase for nonjudicial employees was inadvertently left out of the Judiciary's FY 2005 budget recommendation. Additional funding of \$1,731,930, including \$1,660,852 from the State General Fund, is recommended. This correction to *The FY 2005 Governor's Budget Report* will fund the salary plan at the Judiciary in the same manner as the rest of state government.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ 1,660,852
All Other Funds	<u>--</u>	<u>71,078</u>
All Funds	\$ --	\$ 1,731,930

Board of Veterinary Medical Examiners

5. Vehicle Purchase Moratorium Correction

As part of the Governor's moratorium on the purchase of vehicles, funds were removed from the FY 2005 budgets of a number of agencies based on their vehicle purchase costs over the past four actual fiscal years. The Board of Veterinary Medical Examiners was reduced by \$19,618 from the agency's fee fund in connection with this effort. It has been discovered that this reduction was in error. Under the methodology used, this agency should have been excluded from the reductions. Therefore, the \$19,618 needs to be restored to the Board's budget.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>19,618</u>
All Funds	\$ --	\$ 19,618

Larned State Hospital

6. Position Correction in the Sex Predator Treatment Program

Two corrections need to be made to the positions reported for Larned State Hospital. First, the Governor's recommendation included 72.0 FTE positions in FY 2004 to staff the Sex Predator Treatment Program. These positions should be switched from the FTE category to the non-FTE Unclassified Permanent category to reflect accurately how the positions are being filled. Second, the Governor's FY 2005 recommendation did not include the 72.0 positions because this program has grown rapidly and it is uncertain what resources will be needed in FY 2005. However, to acknowledge the likely need for positions in this program, this amendment adds 72.0 non-FTE Unclassified Permanent positions to FY 2005. When the staffing has stabilized, perhaps by FY 2006, these positions can be converted to regular FTE positions. The Governor's FY 2004 revised budget includes supplemental funding of \$2.0 million in addition to base funding of \$3.6 million for the Sex Predator Treatment Program. Any portion of the supplemental funding that is not needed in FY 2004 is intended to be carried forward for FY 2005. If necessary, further funding for FY 2005 will be recommended in a future budget amendment or as supplemental funding when the revised FY 2005 budget is submitted.

	<u>FY 2004</u>	<u>FY 2005</u>
FTE Positions	(72.0)	--
Non-FTE Unclassified Permanent	<u>72.0</u>	<u>72.0</u>
Total Positions	--	72.0

Department of Human Resources

7. FTE Position Correction

As part of the Governor's recommendations, 2.0 FTE positions were intended to be deleted from the Department of Human Resources in FY 2004 and FY 2005 compared to FY 2003. The funds for these positions were shifted elsewhere in the budget to finance an IT feasibility study that was needed by the agency. However, the FTE reduction was not included in *The FY 2005 Governor's Budget Report*. This amendment reflects the correct FTE position count for the agency, which totals 938.4.

	<u>FY 2004</u>	<u>FY 2005</u>
FTE Positions	(2.0)	(2.0)
Non-FTE Unclassified Permanent	<u>--</u>	<u>--</u>
Total Positions	(2.0)	(2.0)

Kansas Commission on Veterans Affairs

8. FTE Position Correction

The Kansas Commission on Veterans Affairs submitted its budget for FY 2005 with a .8 FTE position reduction for the Kansas Soldiers Home Non-Nursing Home Program. And the Governor's budget included this .8 reduction in the recommendation for FTE positions. The Commission later realized that it had inadvertently reduced one of its full-time employees to a .2 FTE position by making this reduction. It had not, however, reduced the funding for the position. This correction to *The FY 2005 Governor's Budget Report* will restore the total number of FTE positions to 557.8.

	<u>FY 2004</u>	<u>FY 2005</u>
FTE Positions	--	.8
Non-FTE Unclassified Permanent	<u>--</u>	<u>--</u>
Total Positions	--	.8

Adjutant General

9. BEST Team Reductions

The original calculation of expenditures used for determining reduction amounts for the BEST Team savings inadvertently included expenditures from a federal fund in the Adjutant General's budget. This inclusion created a disproportionately large reduction amount. When the reductions to expenditures were then spread across FY 2005 funding sources, which properly omitted the federal fund, the result was to increase the reduction from both the State General Fund and other funds in correspondingly large amounts. This correction to *The FY 2005 Governor's Budget Report* will restore the correct amount to the Adjutant General's budget.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ 289,085
All Other Funds	<u>--</u>	<u>39,424</u>
All Funds	\$ --	\$ 328,509

10. Homeland Security Planners

On January 21, 2004, the Governor signed Executive Directive 04-348, giving the Adjutant General expenditure authority for federal funds for 7.0 non-FTE Homeland Security Planners positions and related expenditures. These planners will provide training on how to prevent and respond to emergency and disaster situations across the state and interjurisdictional areas. The grant will provide \$562,000 in FY 2004 and \$736,000 for FY 2005. This amendment updates the budget for amounts that were not known at the time the Governor's budget was published. No action is needed by the Legislature.

6-5

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>562,000</u>	<u>736,000</u>
All Funds	\$ 562,000	\$ 736,000
FTE Positions	--	--
Non-FTE Unclassified Permanent	<u>7.0</u>	<u>7.0</u>
Total Positions	7.0	7.0

Emergency Medical Services Board

11. FTE Position Limitation

The FTE position limitation of the Emergency Medical Services Board was inadvertently reported as 12.0 in FY 2004 and FY 2005, and the non-FTE position limitation as 1.0 in both fiscal years. The correct FTE position limitation is 13.0 in each year with no non-FTE positions for either year.

	<u>FY 2004</u>	<u>FY 2005</u>
FTE Positions	1.0	1.0
Non-FTE Unclassified Permanent	<u>(1.0)</u>	<u>(1.0)</u>
Total Positions	--	--

Department of Agriculture

12. Salary Plan Increase

The financing included in the Governor's recommendation to implement the pay plan for this agency assumed a greater amount from fee funds than these funds can support. Therefore, proportionally more funding should have come from the State General Fund. This amendment adds \$45,064 from the State General Fund for FY 2005 to ensure that the pay plan is properly financed.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ 45,064
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 45,064

Animal Health Department

13. FTE Position Correction

FTE positions for FY 2005 were mistakenly overreported as 32.6 in *The FY 2005 Governor's Budget Report*. To correct this error, 1.6 FTE positions should be removed from the agency's total FTE position count. The correct FTE position total is 31.0.

	FY 2004	FY 2005
FTE Positions	--	(1.6)
Non-FTE Unclassified Permanent	--	--
Total Positions	--	(1.6)

Selected Agencies

14. Biennial Budget Revenue Transfers

The Governor recommends that the unencumbered balance in excess of \$200,000 at the end of FY 2005 for the fee funds of biennial agencies be transferred to the State General Fund. Since the Governor's budget was published, technical problems with four of the transfers have been discovered. In each case, the amount of the transfer is overstated because of a misreading of the estimated amount available in the fee fund. The language proposed in the appropriations bill to make these transfers would authorize the Director of the Budget to certify the amount of the transfer at the close of FY 2005, when the actual amounts are known. Compared to the amounts reported in the budget, if the transfers were certified using current estimates of fund balances, the transfer from the Dental Board Fee Fund to the State General Fund would be reduced from \$354,960 to \$42,841, the Banking Fee Fund from \$2,704,718 to \$1,751,028, the Credit Union Fee Fund from \$166,705 to \$147,036, and the Optometry Fee Fund from \$16,684 to \$0. This amendment acknowledges the adjustments that will need to be made, but the changes will be made as part of the certification process at the end of FY 2005.