

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 11, 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
Michele Alishahi, Legislative Research
Nicoletta Buonasera, Legislative Research
Susan Kannarr, Legislative Research
Melissa Calderwood, 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 Budget Committee Report on Kansas Department of Health and Environment (KDHE)
- Attachment 2 Budget Committee Report on Board of Nursing, State Bank Commissioner, Department of Credit Unions, Real Estate Appraisal Board, Kansas Real Estate Commission, Securities Commissioner and Board of Veterinary Examiners
- Attachment 3 Budget Committee Report on Board of Accountancy
- Attachment 4 Budget Committee Report on Behavioral Sciences Regulatory Board and Board of Healing Arts
- Attachment 5 Budget Committee Report on Board of Barbering, Board of Cosmetology, Board of Mortuary Arts, Kansas Dental Board, Board of Hearing Aid Examiners, Board of Optometry, Board of Pharmacy
- Attachment 6 Budget Committee Report on Abstracters Board of Examiners
- Attachment 7 Budget Committee Report on Board of Technical Professions

Representative Shultz moved to introduce legislation concerning school finance. The motion was seconded by Representative McLeland. Motion carried.

Representative Landwehr, Chair of the House Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Health and Environment for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 1). The motion was seconded by Representative Shriver. Motion carried.

Representative Ballard, member of the House Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Health and Environment for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 1). The motion was seconded by Representative Bethell.

Representative Bethell moved to amend the Budget Committee report by striking Item No. 1 from the FY 2005 recommendation. The motion was seconded by Representative Landwehr. Motion carried.

Representative Ballard renewed the motion to adopt the Budget Committee report for the Department of

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 11, 2004 in Room 514-S of the Capitol.

Health and Environment for FY 2005 as amended. The motion was seconded by Representative Bethell. Motion carried.

In an effort to control the size of a Budget Committee report, Chairman Neufeld ruled that information on supporting documents could be noted in the Budget Committee report and made available but not included as a part of the report.

Hearing on HB 2912 - Biennial budgeting for certain state agencies.

J. G. Scott, Legislative Research Department, explained that **HB 2912** would add two agencies, Emergency Medical Services Board and the Health Care Stabilization Fund Board of Governors, to the list of agencies who file biennial budgets. Both agencies are fully funded by fees.

The Committee voiced an opinion that perhaps biennial budgeting is an appropriate direction for the Legislature to look at in the future for nearly all budgets. With no proponents or opponents to appear before the Committee, the Chair closed the hearing on **HB 2912**.

Representative Minor moved to recommend **HB 2912** favorable for passage and placement on the consent calendar. The motion was seconded by Representative Sharp. Motion carried.

Representative Schwartz, Chair of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Nursing for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 2). The motion was seconded by Representative Gatewood. Motion carried.

Representative Schwartz, Chair of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Nursing for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 2). The motion was seconded by Representative Gatewood. Motion carried.

The Committee voiced concern with the sweep of fee funds to the State General Fund (SGF) from fee funded agencies. Under the law, fee fund agencies are taxed 20 percent of their collected fees with these funds being swept to the SGF. According to Jim Wilson, Revisor of Statutes, there are now two provisions affecting the fee fund agencies: (1) the BEST recommendation which would sweep a little more than the 20 percent; and (2) a sweep of the balances in the fee funds at the end of FY 2005.

Representative Gatewood, member of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Bank Commissioner for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 2). The motion was seconded by Representative Osborne. Motion carried.

Representative Gatewood, member of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Bank Commissioner for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 2). The motion was seconded by Representative Osborne. Motion carried.

Representative Osborne, member of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Credit Unions for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 2). The motion was seconded by Representative Schwartz. Motion carried.

Representative Osborne, member of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Credit Unions for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 2). The motion was seconded by Representative Schwartz. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 11, 2004 in Room 514-S of the Capitol.

Representative Campbell moved to amend the Budget Committee report by disallowing the sweep of \$147,036 in fee funds to the State General Fund (SGF) for the Department of Credit Unions for FY 2005 and allow the agency to move forward on a rate reduction. The motion was seconded by Representative Merrick. Motion failed.

Chairman Neufeld ruled that rather than the Committee continue to discuss the issue of the sweeping of fee funds to the SGF as it pertains to each Budget Committee report, this would be discussed as a global issue when the Committee works the total budget bill.

Representative Schwartz, Chair of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Real Estate Appraisal Board for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 2). The motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz, Chair of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Real Estate Appraisal Board for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 2). The motion was seconded by Representative Osborne. Motion carried.

Representative Gatewood, member of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Real Estate Commission for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 2). The motion was seconded by Representative Osborne. Motion carried.

Representative Gatewood, member of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Real Estate Commission for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 2). The motion was seconded by Representative Schwartz. Motion carried.

Representative Schwartz, Chair of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Securities Commissioner for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 2). The motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz, Chair of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Securities Commissioner for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 2). The motion was seconded by Representative Gatewood. Motion carried.

The meeting was recessed at 10:30 a.m. and reconvened at 1:00 p.m.

Representative Schwartz, Chair of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Veterinary Examiners for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 2). The motion was seconded by Representative Gatewood. Motion carried.

Representative Schwartz, Chair of the House Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Veterinary Examiners for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 2). The motion was seconded by Representative Gatewood. Motion carried.

Representative McCreary, Chair of the House Tax, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Accountancy for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2004 and FY 2005 (Attachment 3). The motion was seconded by Representative Klein. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 11, 2004 in Room 514-S of the Capitol.

Representative McLeland, member of the House Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Behavioral Sciences Regulatory Board for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2004 and FY 2005 (Attachment 4). The motion was seconded by Representative Shultz. Motion carried

Representative McLeland, member of the House Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Healing Arts for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2004 and FY 2005 (Attachment 4). The motion was seconded by Representative Huebert. Motion carried.

Representative Pottorff, Chair of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Barbering for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2004 and FY 2005 (Attachment 5). The motion was seconded by Representative Feuerborn. Motion carried.

Representative Shriver, member of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Cosmetology for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2004 and FY 2005 (Attachment 5). The motion was seconded by Representative Howell. Motion carried.

Representative Howell, member of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Mortuary Arts for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2004 and FY 2005 (Attachment 5). The motion was seconded by Representative Pottorff. Motion carried

Representative Pottorff, Chair of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Dental Board for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 5). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff, Chair of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Dental Board for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 5). The motion was seconded by Representative Howell. Motion carried.

Representative Shriver, member of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Hearing Aid Examiners for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2004 and FY 2005 (Attachment 5). The motion was seconded by Representative Pottorff. Motion carried.

Representative Howell, member of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Optometry for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 5). The motion was seconded by Representative Pottorff. Motion carried.

Representative Howell, member of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Optometry for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 5). The motion was seconded by Representative Huebert. Motion carried

Representative Pottorff, Chair of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Pharmacy for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 5). The motion was seconded by Representative Shriver. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 11, 2004 in Room 514-S of the Capitol.

Representative Pottorff, Chair of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Pharmacy for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 5). The motion was seconded by Representative Howell. Motion carried. Representative Campbell requested to be reported as voting "no".

Representative Campbell moved to amend the report to recommend that the Board of Pharmacy encumber \$500,000 for litigation purposes from the FY 2005 budget. The motion was seconded by Representative Merrick. Motion failed.

Representative Merrick, member of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Abstracters Board of Examiners for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2004 and FY 2005 (Attachment 6). The 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 Board of Technical Professions for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 7). The 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 Board of Technical Professions for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 7). The motion was seconded by Representative Light.

Representative Sharp, member of the House Public Safety Budget Committee, presented a minority report and moved for a substitute motion to adopt the minority report for the Board of Technical Professions for FY 2005. The motion was seconded by Representative Minor. Motion carried.

The meeting was adjourned at 1:45 p.m. The next meeting will be held at 9:00 a.m. on March 12, 2004.



Melvin Neufeld, Chairman

HOUSE APPROPRIATIONS COMMITTEE

March 11, 2004

9:00 A.M.

NAME	REPRESENTING
Twila Drybread	DOB
Pat Johnson	Board of Tech Prof.
Beth Jess	" " " "
Dusty Jensen	Board of Accountancy
Vicki Lynn Nessel	Budget
Ellen Erickson	DOB
Nancy Lindberg	Ks Children's Campaign
Patricia Heersberg	KAC
Bill Henry	Ks Credit Union Assn
Ron Secher	Hein Law Firm
Teresa Schwab	Oral Health Kansas
Mary Bluberg	KS BN
Christa Schenck	BSRB
Rocky Vacek	Ks BOARD OF BARBERING
Penny Bowie	KS Board of Optometry
Mack Smith	KS ST Bd of Mortuary Arts
Mary Lou Davis	Ks Bd of Cosmetology
Tom Hammel	EDHE
BOB HAYES	HCSF
Doug Forrester	KDHE
Chick & Andy	KDHE
Susan Kay	KDHE

HOUSE APPROPRIATIONS COMMITTEE

March 11, 2004

9:00 A.M.

NAME	REPRESENTING
Don Karbone	Ks State Board of Tech. Profs.
Heather Stone	Dapron & Associates
Debra Billingsley	KS Bd of Pharmacy
Karen Halton	" "
Kevin Colandemini	Office of State Bank Comm.
Clancy Norris	" " ?

Social Services Budget Committee

Report on

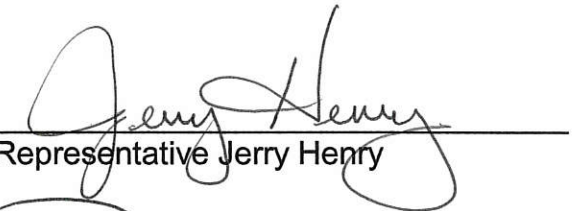
Kansas Department of Health and Environment

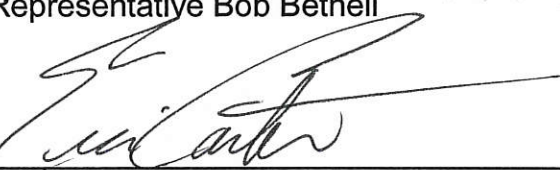
FY 2004 and FY 2005

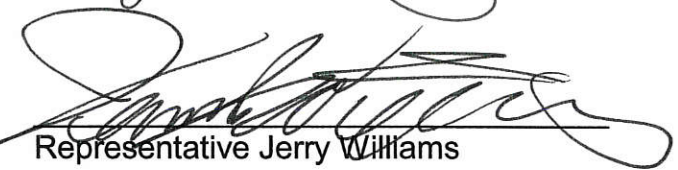

Representative Brenda Landwehr


Representative Barbara Ballard


Representative Bob Bethell


Representative Jerry Henry


Representative Eric Carter


Representative Jerry Williams


Representative Willa DeCastro


Representative John Edmonds


Representative Melvin Neufeld

HOUSE APPROPRIATIONS

DATE 3-11-2004
ATTACHMENT 1

Senate Subcommittee Report

Agency: Kansas Department of
Health and Environment

Bill No. 536

Bill Sec. 32, 33

Analyst: Kannarr

Analysis Pg. No. Vol. II, 1141 **Budget Page No.** 171

Expenditure Summary	Agency Est. FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 116,635,012	\$ 116,412,793	\$ 0
Aid to Local Units	43,774,607	43,796,826	0
Other Assistance	28,500,000	29,500,000	0
TOTAL	\$ 189,909,619	\$ 189,709,619	\$ 0
State General Fund:			
State Operations	\$ 16,731,046	\$ 16,531,046	\$ 0
Aid to Local Units	9,581,482	9,581,482	0
Other Assistance	0	0	0
TOTAL	\$ 26,312,528	\$ 26,112,528	\$ 0
FTE Positions	894.0	894.0	0.0
Non FTE Uncl. Perm. Pos.	158.5	158.5	0.0
TOTAL	1,052.5	1,052.5	0.0

Agency Estimate/Governor's Recommendation

The **agency** estimates operating expenditures of \$189,909,619 in FY 2004, an increase of \$21,662,169 from the amount approved by the 2003 Legislature. The request includes: State General Fund spending of \$26,312,528, an increase of \$71,485 from the approved amount due to reappropriations; expenditures of \$1,550,000 from the **Children's Initiative Fund**, the same amount as approved by the 2003 Legislature; expenditures of \$3,469,453 from the **State Water Plan Fund**, an increase of \$44,620 from the approved amount, representing a reappropriation of the same amount; and 894.0 **FTE positions**, an increase of 5.5 FTE from the approved amount. The request includes \$127,057,931 for **Health** functions (Administration, the Center for Health and Environment Statistics, the Division of Health and the Homeland Security Program are included in this function) and \$62,850,688 for **Environment** functions (Division of Environment and Health and Environment Laboratories are included in this function).

The remainder of the change from the approved budget is from agency fee funds, federal funds and trust fund accounts, none of which have set expenditure limitations. Major items included in these changes are the State Homeland Security Program - \$17,554,336 in federal funds for the State Homeland Security Program; Federal Immunization Grant Funds - \$2,191,870 increase in expenditures due to the availability of additional federal funds; Health Resources and Services Administration (HRSA) - Emergency Medical Services for Children (EMSC) Partnership grant -

\$1,017,856 in new federal funds to support the enhancement of the capability of the EMS system to handle the unique needs of children in emergency situations; Underground Petroleum Storage Tank Release Trust Fund - \$2,005,965 increase in expenditures; Federal Women/Infants/Children Health Program Fund - \$4,979,452 decrease in expenditures due to changes in demand for services.

The **Governor** recommends expenditures of \$189,709,619, including \$26,112,528 from the State General Fund, and 894.0 FTE positions. The recommendation is a decrease of \$200,000 SGF in state operations from the agency estimate. The recommendation includes \$126,634,635 for **Health** functions, including \$16,809,183 from the State General Fund, an all funds decrease of \$423,296, 0.3 percent, from the agency estimate and \$63,074,984 for **Environment** functions, including \$9,303,345 from the State General Fund, an all funds increase of \$224,296, 0.4 percent, from the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendation.

House Budget Committee Report

Agency: Kansas Department of Health and Environment

Bill No. 536

Bill Sec. 32, 33

Analyst: Kannarr

Analysis Pg. No. Vol. II, 1141 **Budget Page No.** 171

Expenditure Summary	Agency Est. FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 116,635,012	\$ 116,412,793	\$ 0
Aid to Local Units	43,774,607	43,796,826	0
Other Assistance	28,500,000	29,500,000	0
TOTAL	\$ 189,909,619	\$ 189,709,619	\$ 0
State General Fund:			
State Operations	\$ 16,731,046	\$ 16,531,046	\$ 0
Aid to Local Units	9,581,482	9,581,482	0
Other Assistance	0	0	0
TOTAL	\$ 26,312,528	\$ 26,112,528	\$ 0
FTE Positions	894.0	894.0	0.0
Non FTE Uncl. Perm. Pos.	158.5	158.5	0.0
TOTAL	1,052.5	1,052.5	0.0

Agency Estimate/Governor's Recommendation

The **agency** estimates operating expenditures of \$189,909,619 in FY 2004, an increase of \$21,662,169 from the amount approved by the 2003 Legislature. The request includes: State General Fund spending of \$26,312,528, an increase of \$71,485 from the approved amount due to reappropriations; expenditures of \$1,550,000 from the **Children's Initiative Fund**, the same amount as approved by the 2003 Legislature; expenditures of \$3,469,453 from the **State Water Plan Fund**, an increase of \$44,620 from the approved amount, representing a reappropriation of the same amount; and 894.0 **FTE positions**, an increase of 5.5 FTE from the approved amount. The request includes \$127,057,931 for **Health** functions (Administration, the Center for Health and Environment Statistics, the Division of Health and the Homeland Security Program are included in this function) and \$62,850,688 for **Environment** functions (Division of Environment and Health and Environment Laboratories are included in this function).

The remainder of the change from the approved budget is from agency fee funds, federal funds and trust fund accounts, none of which have set expenditure limitations. Major items included in these changes are the State Homeland Security Program - \$17,554,336 in federal funds for the State Homeland Security Program; Federal Immunization Grant Funds - \$2,191,870 increase in

1-4

expenditures due to the availability of additional federal funds; Health Resources and Services Administration (HRSA) - Emergency Medical Services for Children (EMSC) Partnership grant - \$1,017,856 in new federal funds to support the enhancement of the capability of the EMS system to handle the unique needs of children in emergency situations; Underground Petroleum Storage Tank Release Trust Fund - \$2,005,965 increase in expenditures; Federal Women/Infants/Children Health Program Fund - \$4,979,452 decrease in expenditures due to changes in demand for services.

The **Governor** recommends expenditures of \$189,709,619, including \$26,112,528 from the State General Fund, and 894.0 FTE positions. The recommendation is a decrease of \$200,000 SGF in state operations from the agency estimate. The recommendation includes \$126,634,635 for **Health** functions, including \$16,809,183 from the State General Fund, an all funds decrease of \$423,296, 0.3 percent, from the agency estimate and \$63,074,984 for **Environment** functions, including \$9,303,345 from the State General Fund, an all funds increase of \$224,296, 0.4 percent, from the agency estimate.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas Department of
Health and Environment

Bill No. 538

Bill Sec. 29,30

Analyst: Kannarr

Analysis Pg. No. Vol. II, 1141 **Budget Page No.** 171

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 116,382,063	\$ 116,534,962	\$ (1,272,272)
Aid to Local Units	42,682,376	42,204,595	0
Other Assistance	30,500,000	30,500,000	0
TOTAL	\$ 189,564,439	\$ 189,239,557	\$ (1,272,272)
State General Fund:			
State Operations	\$ 18,220,763	\$ 17,507,953	\$ (263,661)
Aid to Local Units	9,638,568	9,160,787	0
Other Assistance	0	0	0
TOTAL	\$ 27,859,331	\$ 26,668,740	\$ (263,661)
FTE Positions	894.0	894.0	1.0
Non FTE Uncl. Perm. Pos.	157.5	157.5	0.0
TOTAL	1,051.5	1,051.5	1.0

* Includes a reduction of \$1,322,272, including \$313,661 from the State General Fund, for deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency** requests an FY 2005 budget of \$189,564,439 including \$27,859,331 from the State General Fund. The request is a net decrease of \$345,180 from the agency's revised FY 2004 estimate with a State General Fund increase of \$1,546,803. The request includes:

- **State Water Plan Fund** spending of \$3,424,833, a decrease of \$44,620 from the FY 2004 estimate;
- **Children's Initiative Fund** spending of \$1,550,000, the same amount as in FY 2004. This amount includes an increase of \$300,000 added by the 2003 Legislature beginning with FY 2004;
- **Enhancement Package** of \$1,153,948 from the State General Fund detailed below. Absent the enhancement, the FY 2005 request is a net all fund decrease of \$1,499,128 including an increase of \$392,855 from the State General Fund.;
- **Health** function expenditures of \$124,242,172 (Administration, the Center for Health and Environment Statistics, the Division of Health and the Homeland Security Program are included in this function); and
- **Environment** function expenditures of \$65,322,267 (Division of Environment and Health and Environment Laboratories are included in this function).

The **Governor** recommends expenditures of \$189,239,557, including \$26,668,740 from the State General Fund. The recommendation is an all funds increase of \$470,062 from the FY 2004 recommendation and a decrease of \$324,882, 0.2 percent, from the agency request. The Governor's State General Fund recommendation is an increase of \$556,212 from the FY 2004 recommendation and a decrease of \$1,190,591, 4.2 percent, from the agency request. The recommendation includes:

- **Adjustments** for the statewide pay plan, BEST reductions and motor vehicle moratorium detailed below;
- **A reduction of \$375,184 State General Fund** for part of the agency's suggested reduced resource package which converts funding for 11.0 clerical positions in the Division of Environment from State General Fund to special revenue funds;
- Funding of **\$557,843 from the State General Fund** to allow the Division of Environment to proceed with the Stream Segment II enhancement described below;
- **A reduction of \$425,000 from the State General Fund** in the Division of Health including \$300,000 due to the elimination of the Pregnancy Maintenance program and \$125,000 from contractual services in the Administration program;
- **State Water Plan** spending of \$3,192,667, a reduction of \$232,166, 6.8 percent, from the agency estimate. Of this amount, \$75,000 was the result of a natural resources sub-cabinet agreement on the allocation of State Water Plan funds;
- **Children's Initiatives Fund** expenditures of \$1,550,000 which matches the agency request;
- **Health** function expenditures of \$124,264,811, including \$16,908,412 from the State General Fund, an all funds increase of \$22,639, 0.01 percent, from the agency request; and
- **Environment** function expenditures of \$64,974,746, including \$9,760,328 from the State General Fund, an all funds decrease of \$347,521, 0.5 percent, from the agency request.

Budget Efficiency Savings Teams (BEST) Reductions

The FY 2005 Governor's recommendation for executive branch agencies includes savings of \$26.7 million (including \$6.5 million from the State General Fund) anticipated to be realized by recommendations of the BEST teams. These amounts are related to information technology and purchases. To determine the FY 2005 reductions, expenditure object codes related to those two categories were identified, and four years of actual expenditures for each object code by agency were obtained. This allowed for the identification of a four-year average expenditure amount. The reduction recommended by the Governor is equivalent to 10 percent of that four-year average amount. The special revenue fund reductions will be transferred to the State General Fund. It is the recommendation of the Governor that these savings be used to offset the State General Fund portion of the Governor's recommended 3.0 percent salary increase for all state employees. **For this agency, the recommended BEST reduction totals \$369,420, including \$95,824 from the State General Fund.**

Statutory Budget Submission

KSA 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2005. To comply with this provision, Volume 1 of the Governor's Budget Report includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this

requires a 14.8 percent reduction to the FY 2005 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education or to the Board of Regents and its institutions. **For this agency, the reduction to the Governor's recommended FY 2005 State General Fund budget would total \$3,949,693, including \$1,445,524 for Environment and \$2,504,169 for Health.**

New Vehicle Moratorium

On November, 13, 2003, The Governor imposed a moratorium on the purchase of new vehicles for the next two years (with the exception of certain law enforcement vehicles). Due to the deadline for budget submission, funds to purchase these vehicles had already been included in the agencies' budget submissions. Therefore, the requested moneys were removed from agency budgets by reducing \$415,562 in State General Fund appropriations and by reducing expenditure authority and transferring \$2,745,750 from special revenue funds. **For this agency, the reduction totals \$25,788 of which \$12,139 is from the State General Fund. All of the reduction is the Environment Division.**

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment**—Delete \$1,322,272, including \$313,661 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **State Dental Office**—Add \$50,000 State General Fund and 1.0 FTE to support the creation of a State Dental Office. The Subcommittee continues to believe in the importance of improving oral health in Kansas and that the absence of a state dental director hinders such efforts. Kansas is consistently ranked near the bottom of states for children's oral health, heavily influenced by the fact that it does not have a state dental director or a state dental office, one of only seven states. Oral health status has been shown to have a strong link to overall health and well-being throughout life and especially for children where it has been linked to school performance. United Methodist Health Ministries Fund (UMHMF) has a continued belief in the value of a state oral health program and has offered to provide \$150,000 over three years to support the activities of an Oral Health Office at KDHE. This money will assist the Department in drawing down additional matching dollars and is contingent upon state funds being appropriated for this purpose.

Below are the Department's anticipated cost estimates associated with an oral health program according to the Department:

State Oral Health Program Cost Estimate		
	Year 1	Year 2
Salaries and Wages:		
Dental Director (6 mos. in year 1)	\$ 46,000	\$ 93,000
Assistant Dental Director	47,674	52,295
Fringe Benefits @ .12	11,241	17,499
Subtotal - Salaries and Wages	\$ 104,915	\$ 162,794
Other Operating Costs:		
Communications	\$ 2,400	\$ 2,400
Printing	500	500
Travel	4,000	4,000
Professional dental supplies	3,000	3,000
Office Supplies	500	500
Equipment	5,000	0
Contractual services - Oral Health Survey, Kansas 3rd Graders	52,879	0
	\$ 173,194	\$ 173,194
Financing:		
United Methodist Health Ministries Fund	\$ 49,972	\$ 50,000
Federal		
Medicaid	\$ 23,250	\$ 46,500
Maternal and Child Health	50,000	26,722
State General Fund	49,972	49,972
	\$ 173,194	\$ 173,194

3. **Fetal Alcohol Syndrome Diagnostic and Prevention Network Pilot Programs**
The 2001 Legislature passed H.B. 2059 (codified as K.S.A. 65-1,216) which established the Fetal Alcohol Syndrome Diagnostic and Prevention Network Pilot Programs initiative within the Kansas Department of Health and Environment. The provisions of this legislation will expire on July 1, 2004 under current law. Due to the early success of this initiative and the perceived interest of additional communities in establishing such programs, the Subcommittee recommends that the Department continue to support the initiative beyond the statutory expiration date using the program guidelines set out in K.S.A. 65-1,216. The Subcommittee further recommends that funding of up to \$100,000 be made available from existing resources in FY 2005 for grants to existing or future programs with grants of no less than \$20,000 per program if funds are available to do so.

4. **Community Water Fluoridation Legislation**—The Subcommittee recommends that legislation be introduced this session to encourage cities in Kansas to fluoridate water systems. The Legislation should include provisions that require communities fluoridate water when funding is available to do so. Community water fluoridation has been cited as one of the ten greatest public health achievements of the 20th Century. Since its introduction in 1945, water fluoridation has consistently been shown to be a safe, cost-effective way to reduce the incidence of dental carries particularly among children whose teeth are developing. Fluoridation has been credited with reducing tooth decay by 18-40

percent in recent years according to the CDC. Of the 50 largest US cities, 43 have community water fluoridation, Wichita is one of the 7 that does not. The CDC has set a goal to have 75 percent of people using public water systems receiving fluoridated water by 2010. Kansas is currently at about 63 percent and 26 states and the District of Columbia have met the goal. Opponents of fluoridation have challenged its safety and effectiveness but the claims have not been scientifically validated. The Subcommittee notes information received which indicates that fluoridation may also be a useful way of reducing medical expenditures, especially in programs like Medicaid as low-income people are less likely to receive regular dental care. Community water fluoridation has been cited as favorable to other prevention methods because no individual investment or choice has to be made. The CDC estimates that every \$1 spent on community water fluoridation saves \$7 to \$42 in treatment costs, depending on the size of the community. The annual per capita cost of fluoridation averages \$.50 to \$3.00 with smaller communities having a higher per capita cost according to information received by the Subcommittee. States have used a variety of methods to encourage fluoridation of public water systems which are generally managed locally. According to the CDC, 11 states currently mandate community water fluoridation through statutes, regulations or local initiatives while others have attempted to use public referenda or funding incentives. The Subcommittee endorses legislation that constitutes a mandate when funding is available.

5. **Public Water Supply Funding and Fluoridation**—The Subcommittee requests that the Department return at Omnibus with an identification of public water supply funding sources to communities that could be conditioned upon fluoridation.
6. **Childhood Immunizations**—The Subcommittee requests that the Department return at Omnibus with specific recommendations and performance measures for improving childhood immunization rates. Further, the Department should provide a thorough assessment of the resources (state, federal, local and private) needed to meet the performance measures. The Subcommittee received testimony that immunization rates are falling relative to other states and that Kansas currently ranks among the lowest six to ten states according to the Centers for Disease Control and Prevention Immunization Survey for some immunizations. The Subcommittee believes that immunizations are a cost-effective investment in the health of Kansans and finds the Department's performance unacceptable.
7. **Immunizations**—The Subcommittee commends the Department's efforts to add immunizations for Varicella and Hepatitis B to the list of immunizations required for school entry. The Subcommittee recommends a review at Omnibus to consider adding additional funding to the Department to support these immunization efforts.
8. **Food Inspection Transfer**—The Subcommittee notes Executive Reorganization Order No. 32 which transfers food inspection activities from KDHE to the Department of Agriculture. The Subcommittee wishes to emphasize the importance of communication between all parties. Further, the Subcommittee hopes that the transfer does not negatively impact the intensity of the inspections as they are an important piece of the state's responsibility to protect the public's health.

9. **Food Insecurity and Hunger**—The Subcommittee notes a recent report from the Kansas Health Institute on the issue of food insecurity and hunger in Kansas. According to the report one out of every ten Kansas households experiences food insecurity and nearly two-thirds of those households have at least one full-time worker in the family. Further, only half of the food-insecure, low-income Kansas families receive assistance from Food Stamps, WIC, or school meal programs and even fewer access community resources like food pantries and emergency kitchens. The agency indicated a willingness to explore options for new initiatives and to work with the Health and Human Services Cabinet team to assess ways to enhance access to food services and reduce the prevalence of food insecurity. The Subcommittee agrees with testimony from KDHE that this is not an issue one agency can address alone and that it will take a coordinated approach among state agencies, community organizations and other partners to address food insecurity and hunger in Kansas, especially among children.

The Subcommittee encourages the creation of a central point of leadership on the issue with the expectation that all state government efforts at reducing food insecurity and hunger will be coordinated effectively. Ultimately, the Subcommittee does not want government created barriers getting in the way of children receiving the nutrition they need. The Subcommittee acknowledges efforts among cabinet agencies in other areas to try and work together to address issues in the form of Sub-Cabinet level groups and encourages such cooperation on this issue.

10. **Infant - Toddler (Tiny K)** - The Subcommittee notes its continuing support of early childhood education and service programs. Under the Infant-Toddler (Tiny-K) program (Part C of the Individuals with Disabilities Education Act), the state is federally mandated to provide early intervention services to children aged birth to three years with or at risk of developmental disabilities/delays. While the subcommittee is encouraged by the fact that funding has now been re-stabilized after suffering cuts in the allotment process in FY 2003, it notes that the number of children who must be served continues to increase resulting in fewer dollars being available per child as illustrated by the chart below. Note that this chart does not show all funding for the Infant-Toddler program, only the amounts that go to local networks.

**Aid to Local Units for Infant-Toddler Programs
FY 2000 - FY 2005**

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Children's Initiatives Fund	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 800,000	\$ 800,000
State General Fund	<u>1,992,000</u>	<u>1,992,000</u>	<u>1,992,000</u>	<u>1,871,305</u>	<u>1,992,000</u>	<u>1,871,305</u>
Subtotal - State Funding	\$ 2,492,000	\$ 2,492,000	\$ 2,492,000	\$ 2,371,305	\$ 2,792,000	\$ 2,671,305
Allotment reduction & restoration adjustments	-	-	-	120,695	(120,695)	-
Adjusted subtotal - State funding	\$ 2,492,000	\$ 2,492,000	\$ 2,492,000	\$ 2,492,000	\$ 2,671,305	\$ 2,671,305
Federal	<u>2,764,859</u>	<u>3,042,831</u>	<u>3,414,224</u>	<u>3,499,633</u>	<u>3,199,639</u>	*
TOTAL	<u>\$ 5,256,859</u>	<u>\$ 5,984,831</u>	<u>\$ 5,906,244</u>	<u>\$ 5,991,633</u>	<u>\$ 5,870,944</u>	*
Children Served	1,884	2,187	2,485	2,738	2,828	*
Funding per Child	\$ 2,790	\$ 2,530	\$ 2,377	\$ 2,144	\$ 2,119	*
Percent funding per child change from previous year	10.6%	(9.3)%	(6.0)%	(9.8)%	(1.2)%	*

* This information is unknown at this time.

Note: Of the FY 2004 State General Fund amount, \$120,695 is actually state funding used to restore the allotment reduction for FY 2003 and the remaining \$179,305 is an increase to state funding. The practical effect of these adjustments is shown on the Allotment restoration adjustments line. The total state funding amount is maintained for FY 2005.

11. **Primary Health Care Clinics** -The Subcommittee notes that although state funding for primary health care clinics (e.g., Community Health Centers) has not been reduced, they are being asked to do more with less, particularly as the number of people without health insurance increases.

The Subcommittee commends the Department's efforts to work cooperatively with other groups to address this critical issue and undertake an effort to maximize Kansas's share of additional federal resources made available by the Bush administration. In January, two dozen stakeholders participated in a round-table discussion on expanding the health care safety net in Kansas. Out of that meeting, convened by the Kansas Health Institute and the Kansas Association for the Medically Underserved, with support from the Sunflower Foundation, a task group was selected to develop a set of immediate activities to maximize potential for successful applications by Kansas communities to receive federal Section 330, Community Health Center funding for new or expanded clinical operations. A six member task group was identified to begin identifying the potential grantee communities with both the evidence of unmet health care need and the readiness to develop new health center sites or expanded services. Future tasks will include the design and implementation of plans to provide technical assistance, consultation from experts, tools, templates and other resources that can be used by communities in planning of local health care projects and preparation of federal grant applications. The work of the task group is also the foundation for planning future health care safety net growth.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendation.

House Budget Committee Report

Agency: Kansas Department of Health and Environment

Bill No. 2900

Bill Sec. 29,30

Analyst: Kannarr

Analysis Pg. No. 1141

Budget Page No. 171

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 116,382,063	\$ 116,534,962	\$ 0
Aid to Local Units	42,682,376	42,204,595	0
Other Assistance	30,500,000	30,500,000	0
TOTAL	\$ 189,564,439	\$ 189,239,557	\$ 0
State General Fund:			
State Operations	\$ 18,220,763	\$ 17,507,953	\$ 0
Aid to Local Units	9,638,568	9,160,787	0
Other Assistance	0	0	0
TOTAL	\$ 27,859,331	\$ 26,668,740	\$ 0
FTE Positions	894.0	894.0	0.0
Non FTE Uncl. Perm. Pos.	157.5	157.5	0.0
TOTAL	1,051.5	1,051.5	0.0

Agency Request/Governor's Recommendation

The **agency** requests an FY 2005 budget of \$189,564,439 including \$27,859,331 from the State General Fund. The request is a net decrease of \$345,180 from the agency's revised FY 2004 estimate with a State General Fund increase of \$1,546,803. The request includes and enhancement package of \$1,153,948 from the State General Fund. Absent the enhancement, the FY 2005 request is a net all fund decrease of \$1,499,128 including an increase of \$392,855 from the State General Fund. The request includes health function expenditures of \$124,242,172 and environment function expenditures of \$65,322,267.

The **Governor** recommends expenditures of \$189,239,557, including \$26,668,740 from the State General Fund. The recommendation is an all funds increase of \$470,062 from the FY 2004 recommendation and a decrease of \$324,882, 0.2 percent, from the agency request. The Governor's State General Fund recommendation is an increase of \$556,212 from the FY 2004 recommendation and a decrease of \$1,190,591, 4.2 percent, from the agency request. The recommendation includes adjustments for the statewide pay plan, BEST reductions (\$369,420) and motor vehicle moratorium (\$25,788); a reduction of \$375,184 State General Fund for part of the agency's suggested reduced resource package which converts funding for 11.0 clerical positions in the Division of Environment from State General Fund to special revenue funds; enhancement funding of \$557,843 from the State General Fund to allow the Division of Environment to proceed with the Stream Segment II enhancement; and a reduction of \$425,000 from the State General Fund in the Division of Health including \$300,000 due to the elimination of the Pregnancy Maintenance program. The recommendation includes health function expenditures of \$124,264,811, including \$16,908,412 from the State General Fund, an all funds increase of \$22,639, 0.01 percent, from the agency request; and environment function expenditures of \$64,974,746, including \$9,760,328 from the State General Fund, an all funds decrease of \$347,521, 0.5 percent, from the agency request.

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 \$3,949,693 State General Fund.

House Budget Committee Recommendation

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

1. **Director of Health position qualifications** - The Budget Committee recommends the consideration of legislation similar to 2003 HB 2115.
2. **Immunizations and ERISA plans** - The Budget Committee believes that immunizations are a very valuable and cost effective investment in children's health and is concerned about the potentially high cost of immunizations for children who are covered by insurance but do not have first dollar coverage. The Budget Committee was informed that Kansas law requires first dollar coverage for immunizations by insurance plans under their regulatory control but that plans governed by ERISA rules do not have such a requirement. The consequence is that for children covered under such ERISA plans, parents must pay for the cost of immunizations up to their deductible. This can be a significant financial burden to parents and as a result, children may not receive proper immunizations. The Budget Committee recognizes the problems this insurance coverage issue causes and asks the Department to respond prior to **Omnibus** with information about options to ease the burden for families in these situations.
3. **Immunization coordination** - The Budget Committee requests additional information from the agency prior to **Omnibus** about the interaction between immunizations and the Women Infants and Children (WIC) program. Specifically, the Budget Committee is interested in recommendations for how interactions between the two programs could be enhanced to improve childhood immunization rates.
4. **Required immunizations**—The Budget Committee commends the Department's efforts to add immunizations for Varicella and Hepatitis B to the list of immuniza-

tions required for school entry and notes that funding for these immunizations is maintained from FY 2004.

5. **Child care regulations** - The Budget Committee requests additional information from the agency prior to **Omnibus** on the implementation status of new child care regulations concerning programs for school age children. The Budget Committee was informed that the agency has crafted a new version of the regulations for review of the Attorney General and interested parties with the belief that these latest changes should meet with the approval of both parties. The Budget Committee recommends that a **proviso** be added to the appropriations bill, similar to last year, that restricts the agency's enforcement of these regulations until agreement is reached between all interested parties on the appropriate level of regulation. The Committee will re-examine the need for this proviso after it is satisfied that the conditions have been met when the agency provides the additional information for Omnibus consideration.

A summary and full text of the most current regulations are attached to this report (Attachment 1).

6. **Bioterrorism contracts** - The Budget Committee understands that Kansas has contracted with Texas A&M University for training functions related to bioterrorism preparedness. The Budget Committee requests the Department submit information on the nature of this contract and the potential for such a contract with a Kansas university for **Omnibus** consideration.
7. **Oral health issues** - The Budget Committee received testimony regarding the status of the state's oral health program. According to the testimony, Kansas is one of only seven states that does not have a state Dental Director to coordinate oral health programs, assist in recruitment efforts for dentists and provide leadership to make the state eligible for private and federal grant opportunities. Kansas is consistently ranked near the bottom of states for children's oral health, heavily influenced by the fact that it does not have a state dental director or a state dental office. Oral health status has been shown to have a strong link to overall health and well-being throughout life and especially for children where it has been linked to school performance. The Budget Committee notes that funding has been made available by the United Methodist Health Ministries Fund (UMHMF) (\$150,000 over 3 years) to help support the creation of a state dental office provided that the state also agrees to appropriate state funding for this purpose. The Budget Committee recommends the issue of adding funding to support this position be considered at **Omnibus** as it believes that this position could be beneficial to improving the state's oral health. The Budget Committee also discussed the lack of a dental school in Kansas and the need to negotiate with surrounding states for seats at their dental schools as being one of the limiting factors in the availability of dentists in Kansas.
8. **Infant-Toddler program funding** - The Budget Committee believes that early childhood education and services, like Infant-Toddler (Tiny-K), are important for children. Under the Tiny-K program (Part C of the Individuals with Disabilities Education Act), the state is federally mandated to provide early intervention services to children aged birth to three years with or at risk of developmental disabilities/delays. Tiny-K is a comprehensive, statewide system of community-based, family-centered early intervention services for young children, ages 0-3, with disabilities and their families. Kansas has chosen to deliver these services

through a public-private partnership with local networks as opposed to centralized administration at the state level. There are 37 Kansas community early intervention networks that coordinate services locally. These self-defined, interagency, multi-disciplinary networks vary in size and membership based on the unique needs of each local community. Kansas has over 50 local interagency coordinating councils (LICC) which work in conjunction with the local community networks. The LICCs consist of parents and other key individuals from a variety of public and private agencies and organizations involved in the provision of services for children. They collaborate so that a community based system of early intervention services may be provided. Services are designed to meet the special needs of the child and family and are identified through a multi-disciplinary assessment process and provided through an Individualized Family Service Plan. Family members are important partners in this team approach to provision of services.

The Tiny-K program collaborates with other state and local agencies to assure a comprehensive system of early intervention services including: Social and Rehabilitation Services, Kansas State Department of Education, Kansas Insurance Department, local Community Developmental Disabilities Organizations, local health departments, mental health centers, Early Head Start, Head Start, Parents As Teachers, school districts, hospitals, physicians, and others.

The self-defined community networks across Kansas provide early intervention services, child find/public awareness activities, referral, eligibility determination via evaluation, development of an Individualized Family Service Plan, ongoing assessment, family services coordination, and transition planning. Early intervention services are available to eligible children and their families based on needs including speech, occupational and physical therapies; audiology, special instruction, family training, assistive technology, social work, vision, psychological, and nutrition services. There also are specific types of medical, health, nursing and transportation services available. A family service coordinator is available to assist families with the evaluation and eligibility determination, IFSP development and service provision, including transition services when the child reaches age 3.

Additional information regarding Infant-Toddler services can be found in the most recent annual report attached at the end of this report (Attachment 2).

The Budget Committee notes significant testimony received in support of Infant-Toddler services and the value these services have in potentially decreasing the need for special education services when entering school. The Budget Committee also recognizes requests for additional state support for these programs including a request to fund them on a per child basis at a level equal to school-based services for 3-5 year olds at an estimated cost of \$2.7 million in FY 2005 and a request to add \$120,695 SGF for FY 2005. As the table below illustrates, total funding for Tiny-K has increased since FY 2000 but the number of children who must be served has also increased resulting in fewer dollars being available per child.

The Budget Committee acknowledges testimony regarding the status of funding for Infant-Toddler programs in relation to funding added during the 2003 Session and provides the following clarifying information. In FY 2003, \$120,695 was cut from the SGF support for these programs as a part of the allotment process. The 2004 Legislature increased Children's Initiative Fund support by \$300,000 in FY 2004 with the direction that \$120,000 of the amount was a restoration of the

1-16

allotment. The result was an increase of \$179,305 in total state support. The understanding was that because of the overlap of the federal and state fiscal years, the addition of this money in FY 2004 could still be included in the FFY 2003 expenditures and any federal supplantation issues would be addressed. The table below illustrates the funding status.

Aid to Local Units for Infant-Toddler Programs FY 2000 - FY 2005 Gov. Rec.						
	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Children's Initiatives Fund	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$800,000+	\$ 800,000
State General Fund	<u>1,992,000</u>	<u>1,992,000</u>	<u>1,992,000</u>	<u>1,871,305</u>	<u>1,992,000</u>	<u>1,871,305</u>
Subtotal - State Funding	\$ 2,492,000	\$ 2,492,000	\$ 2,492,000	\$ 2,371,305	\$ 2,792,000	\$ 2,671,305
Federal Funds	<u>2,764,859</u>	<u>3,042,831</u>	<u>3,414,224</u>	<u>3,499,633</u>	<u>3,199,639</u>	*
TOTAL	<u>\$ 5,256,859</u>	<u>\$ 5,534,831</u>	<u>\$ 5,906,224</u>	<u>\$ 5,870,938</u>	<u>\$ 5,991,639</u>	*
Allotment restoration adjustments	-	-	-	<u>120,695</u>	<u>(120,695)</u>	-
Adjusted subtotal - State funding	\$ 2,492,000	\$ 2,492,000	\$ 2,492,000	\$ 2,492,000	\$ 2,671,305	\$ 2,671,305
Children Served	1,884	2,187	2,485	2,738	2,828	*
Funding per Child	\$ 2,790	\$ 2,530	\$ 2,377	\$ 2,144	\$ 2,119	*

* This information is unknown at this time.

+ Of the additional Children's Initiative Funding in FY 2004, \$120,000 was specifically designated by the 2003 Legislature as a restoration of an allotment reduction in FY 2003. In distributing funding to local networks, KDHE used the additional funding to restore the total allotment of \$120,695. This adjustment is illustrated in the allotment restoration line.

The Budget Committee requests additional information for **Omnibus** consideration in two areas: 1) a comparison of the Kansas program to surrounding states including Oklahoma, Missouri, Colorado, Iowa and Nebraska; and 2) a breakdown of funding and expenditures for all Tiny-K networks similar to information requested and received in the 2003 Session.

The Budget Committee recommends a review at **Omnibus** of the potential for using a sliding fee scale for services to help offset the cost of the services.

9. **Early childhood programs** - The Budget Committee requests the Legislative Coordinating Council assign to an interim committee the topic of examining all programs providing services for children birth to 5. Specifically, the interim committee would look at unifying the efforts of the programs under the purview of the Children's Cabinet. The goal of this recommendation is to identify any duplication between programs and increase coordination with the ultimate goal of improving services for children.

10. **Pregnancy maintenance initiative** - The Budget Committee notes the deletion of support for the Pregnancy Maintenance Initiative (PMI) (\$300,000 SGF) by the Governor from the agency budget. The PMI is a special grant program, begun in FY 2000, that provides services for women to help them carry their pregnancy to term. The program provides referrals for services such as medical care, housing, adoption guidance, drug and alcohol treatment and parenting education. Grants have been awarded to four providers (Catholic Charities, Inc., Bethlehem House, Family Life Services, and Gerard House) in eight counties. Funding for PMI was eliminated in the Governor's August 2002 SGF allotment but funding for FY 2004 was restored by the 2003 Legislature. The Budget Committee recognizes the importance of this program in providing prenatal care and recommends the other funding sources be identified to support the program and that such funding be considered during **Omnibus**.

Additional information about this program can be found at the end of this report as Attachment 3.

11. **Fetal Alcohol Syndrome Diagnostic and Prevention Network Pilot Programs** The 2001 Legislature passed H.B. 2059 (codified as K.S.A. 65-1,216) which established the Fetal Alcohol Syndrome Diagnostic and Prevention Network Pilot Programs initiative within the Kansas Department of Health and Environment. The provisions of this legislation will expire on July 1, 2004 under current law. The Budget Committee recommends consideration for the continuation of this program at **Omnibus** and requests information from the Department prior to Omnibus on whether new statutory authority will be needed to continue this program into the future. The annual report submitted by KDHE to the 2004 Legislature about the performance of the current program as required by statute can be found at the end of this report as Attachment 4.
12. **Food Inspection Transfer**—The Budget Committee notes Executive Reorganization Order No. 32 which transfers food inspection activities from KDHE to the Department of Agriculture. The Budget Committee urges the transition team to take the current schedule of inspections into account when the programs are transferred to simplify the transition for entities currently inspected by KDHE. Further, the Budget Committee recommends a review of the inspection process and the effectiveness of the transfer by the 2005 Legislature.
13. **Contagious disease testing and reporting** - The Budget Committee has been concerned about the handling and reporting of West Nile Virus (WNV) cases, particularly with regard to the submission of tests from private laboratories and the reporting of cases to the public. The Committee received testimony on the Legislative Post Audit report and the Department response to the findings.

Figure OV-1 from the LPA Audit, included in this item, illustrates that only 30 in 150 people that contract West Nile will have symptoms and only 1 in 150 will have severe symptoms that are required to be reported to the CDC. Table I-1 from the LPA report, included below, illustrates the CDC reporting guidelines. Previously, KDHE has only reported these severe cases to the CDC and then only those that were confirmed by the state lab. The Budget Committee understands that the agency's reporting and communication policies have caused confusion about the prevalence of West Nile Virus in Kansas and doubt about whether the Department is effectively monitoring and reporting cases. A complicating factor is that there is not uniformity across states on which cases are reported or whether private lab results are included which can result in some states appearing to have significantly more or less cases than neighboring states.

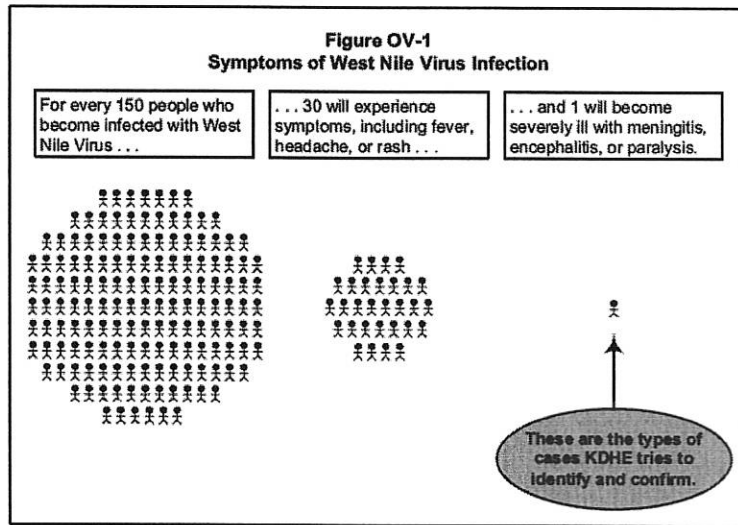


Table I-1
Summary of the Centers for Disease Control and Prevention's (CDC) West Nile Virus National Reporting Guidelines

Results of the Laboratory Test (a)			
	"Confirmed" Case of West Nile Virus	"Probable" Case of West Nile Virus	Not West Nile Virus
Severe Symptoms • Encephalitis • Meningitis	Reporting to CDC is Expected		Don't Report
Mild Symptoms • Rash • Headache • Fever	Reporting to CDC is Optional		

(a) The CDC allows each state to decide whether to accept results from commercial laboratories as confirmation, but specifies the types of tests and techniques that may be used.

Source: Centers for Disease Control and Prevention

The Department provided updated information on their policy regarding WNV reporting and communication. KDHE will continue to conduct surveillance for meningitis and encephalitis, the most severe manifestations of WNV infection. Possible cases will be identified through reports from health care providers and hospitals, and will be confirmed through laboratory tests performed at KDHE.

These cases will be reported to the CDC and KDHE will begin reporting probable cases, as recommended by Legislative Post Audit. In addition, KDHE will continue to confirm and report to the CDC cases of patients with acute flaccid paralysis, another severe manifestation of WNV infection. KDHE will encourage commercial laboratories to report WNV positive results and will publicly release information on those unverified WNV positive results that were not tested at the KDHE laboratory. KDHE will publicly release unverified WNV deaths identified through death certificates where the coroner or physician indicates that WNV was the cause of death. KDHE will publicly release results of the WNV screening program performed in blood donation centers statewide. The Budget Committee was informed that the objective of KDHE's approach will be to provide the best information it can to the public about the extent of the disease in the state while maintaining consistency with national standards for reporting case information to CDC.

The Budget Committee also discussed with the agency the issue of whether similar policies regarding the acceptance of private lab results and report will be followed for other newly emerging diseases. According to the agency, this issue is still being discussed at the national level.

14. **Isolation and quarantine legislation** - The Budget Committee notes that H.B. 2890 relating to isolation and quarantine is currently in House Appropriations. Clarification of authority and assurances of due process in the event of the need for large scale isolation and quarantine are very important issues for the Legislature to consider. According to KDHE the proposed legislation is aimed at balancing the need for the government to protect public health with the right of the citizens to have a legal review of decisions limiting their personal freedom.
15. **Foster home regulation** - The Budget Committee received testimony from the Department on the work of an interagency team looking at ways to improve the availability of foster care placements by examining the regulatory process. The Committee acknowledges the work done by the team to date and understands that a report is due to the Health and Human Services sub-cabinet team in May. Progress to date from the team reported to the Committee includes: Resolution on several 'hot topics' such as sleeping rooms, bodies of water, trampoline use, transportation and overnight stays; data gathering to identify children in "less than optimum placements" as defined by the team with targeted foster home recruitment to follow; producing streamlining ideas for various processes such as background checks; and exploring legal clarification regarding adoptive home licensure. The team has also been reviewing data around why foster homes close or do not complete the licensing process to identify areas where more work may be needed.
16. **Community health centers** -The Budget Committee acknowledges that state funding for primary health care clinics (e.g., Community Health Centers) has remained level for a number of years even though the demand for their services has increased with the increase in the number of people who are uninsured. The Committee believes these facilities are a critical part of the health care system in Kansas as they provide primary health care services for physical, mental and oral health needs for thousands of Kansas citizens.

The Committee believes the state should work to increase the availability of primary health care clinics and recognizes the Department's efforts to work with other groups to maximize the Kansas share of additional federal resources made available by the Bush administration. Earlier this year, KDHE and over twenty other stakeholders participated in a round-table discussion on expanding the health care safety net in Kansas. This meeting, convened by the Kansas Health Institute and the Kansas Association for the Medically Underserved, with support from the Sunflower Foundation, produced a task group assigned to develop a set of immediate activities to maximize potential for successful applications by Kansas communities to receive federal Section 330, Community Health Center funding for new or expanded clinical operations. The task group was charged with identifying the potential grantee communities with both the evidence of unmet health care need and the readiness to develop new health center sites or expanded services. Future tasks will include the design and implementation of plans to provide technical assistance, consultation from experts, tools, templates and other resources that can be used by communities in planning of local health care projects and preparation of federal grant applications. According to KDHE, the work of the task group is also the foundation for planning future health care safety net growth.

17. **Legislative materials** - The Budget Committee commends the agency on the current format of its legislative briefing materials as they are much easier to use and understand than previous formats.

**School Age Regulations
February 26, 2004**

What the Regulations Do:

1. Exempt Local Units of Government (Parks & Rec.'s) and School Districts from regulation of any type IF they are programs that operate less than 4 hours per day OR less than 2 weeks in duration.
 - a. If a local or school district program exceeds the maximum hours or days, they are required to become licensed.

2. Requires licensure for "Drop-in" programs, and creates regulations that require the following:
 - a. Complete an application including:
 - i. A description of activities and services to be offered
 - ii. A request for criminal history and abuse registry background check (Through KDHE—KBI) for employees, substitutes & regular volunteers
 - iii. A \$20 application fee
 - iv. Annual Renewal
 - b. The Secretary or designee is afforded immediate access to the premises and records in determining compliance with the regulations
 - c. Records retention including:
 - i. First & last name and DOB
 - ii. Name, address, & phone # for each parent or responsible adult
 - iii. Name of any persons authorized to pick up the child or youth
 - iv. Emergency contact information
 - v. Signed, written authorization for emergency medical care
 - d. An attendance & supervision policy requiring:
 - i. A policy that allows children to arrive and depart at unscheduled times
 - ii. That parents receive written notification describing activities & levels of supervision
 - iii. That programs provide "attentive" supervision

**Kansas Department of Health and Environment
Proposed Temporary New Regulation**

**Article 4. Maternal and Child Health
Drop-in Programs**

28-4-700. Definitions. (a) "Adult responsible for a child or youth" means any of the following adults who is other than the child's or youth's legal parent and who is responsible for the care and upbringing of the child or youth:

- (1) A stepparent;
- (2) a grandparent;
- (3) another relative; or
- (4) a foster parent.

(b) "Annual renewal date" means the date assigned to each licensee for the submission of the documents required to renew the license and payment of the annual license fee.

(c) "Applicant" means any person who has submitted an initial application for a license to operate a drop-in program but has not received a temporary permit or license.

(d) "Department" means the Kansas department of health and environment.

(e) "Drop-in program" means a child care facility that serves exclusively school-age children and youth and in which the operator permits children and youth to arrive at and depart from the program at their own volition and at unscheduled times.

(f) "Kindergarten-age child" means a child who is attending kindergarten or who has completed kindergarten and has not entered first grade.

(g) "License" means the document issued by the secretary that authorizes a person to operate a drop-in program.

(h) "Operator" means a person who holds a temporary permit or license to conduct a drop-in program.

(i) "Premises" means the location, including the building or buildings and adjoining grounds, for which the operator has a temporary permit or license to conduct a drop-in program.

(j) "School-age child" and "child" mean an individual who is of kindergarten age through the academic year in which the child is in the sixth grade and who is attending the program.

(k) "School-age youth" and "youth" mean an individual who meets the following conditions:

- (1) Has completed sixth grade or is 12 years of age or older;
- (2) is less than 18 years of age;
- (3) is attending the program; and
- (4) is not a volunteer or employee.

(l) "Secretary" means secretary of the Kansas department of health and environment.

(m) "Secretary's designee" means the person designated by the secretary to assess compliance with program regulations.

(n) "Staff member" means both of the following:

- (1) All personnel, including employees' substitutes, and volunteers, who provide administrative or direct services to children and youth; and
- (2) auxiliary personnel, including cooks, drivers, office workers, and housekeeping staff, who provide indirect services.

(o) "Temporary permit" means the document issued pursuant to K.S.A. 65-504, and amendments thereto, that authorizes a person to operate a drop-in program before receiving a license as required by K.S.A. 65-501, and amendments thereto. (Authorized by and implementing K.S.A. 65-508; effective, T-_____, _____.)

28-4-701. Licensure; application; renewal. (a) Each person shall have a temporary permit or license to operate a drop-in program before children or youth are in attendance.

(b) New temporary permit or license required. Each operator shall submit a new application, the required forms, and the license fee, and shall obtain a new temporary permit or license from the secretary, as follows:

- (1) Before a program that has been closed is reopened;
- (2) if there is a change in the location of the program; or
- (3) if there is a change of ownership of the program.

©) Application procedures.

(1) Each person wishing to conduct a drop-in program shall submit a complete application on forms supplied by the department. The application shall be submitted at least 90 calendar days before the planned opening date of the program and shall include the following:

- (A) A description of activities and services to be offered;
- (B) a request for a criminal history and child abuse registry background check as specified in K.A.R. 28-4-705; and
- ©) a nonrefundable license fee of \$20.00.

(d) Annual renewal.

(1) Before the annual renewal date, each licensee wishing to renew the license shall submit the annual nonrefundable license fee and shall complete and submit the following to the secretary on forms supplied by the department:

- (A) An application to renew the license; and
- (B) a request to conduct a criminal history and child abuse registry background check.

(2) Failure to submit the annual renewal documents and fee as required by paragraph (d) (1) of this regulation shall result in an assessment of a \$10.00 late fee payable to the secretary and may result in suspension of the license. Each late renewal fee assessed shall be paid upon request.

(e) Each individual submitting an application for a license shall be 21 years of age or older at the time of application.

(f) Each corporation applying for a license shall be in good standing with the Kansas secretary of state.

(Authorized by K.S.A. 65-508; implementing K.S.A. 65-501, 65-504, 65-505, and 65-516; effective, T-_____, _____.)

28-4-702. Inspections; investigations. Each applicant and each operator shall give the secretary or the secretary's designee immediate entry and access to the premises and to any records kept, to determine compliance with applicable statutes and drop-in program regulations.

(Authorized by K.S.A. 65-508; implementing K.S.A. 65-512; effective, T-_____, _____.)

28-4-703. Administration; training, recordkeeping. (a) Children and youth records.

(1) Each operator shall obtain the following information for each child or youth before or on the first day of attending the drop-in program:

- (A) The first and last name and date of birth; and
- (B) the name, address, and telephone number of each parent or other adult responsible for the child or youth, the names of any other persons authorized to pick up the child or youth, and emergency contact information.

(2) Each operator shall obtain written authorization for emergency medical care, signed by the parent or legal guardian of each child or youth, before attending the program or within the first week of attendance.

(Authorized by K.S.A. 65-508; implementing K.S.A. 65-507 and 65-508; effective, T-_____, _____.)

28-4-704. Attendance policy; supervision. (a) Each operator of a drop-in program shall meet the following requirements:

- (1) Each operator shall develop and implement a policy that allows children and youth to arrive at and depart the premises unsupervised, at unscheduled times and at their own volition.
- (2) The operator shall inform the parent or other adult responsible for each child or youth of this policy, and the parent and guardian of the children and youth utilizing the drop-in program shall

receive a written disclosure describing the activities in which the children and youth can participate and the level of supervision provided.

(b) Each staff member working with children and youth shall provide attentive supervision to protect the health, safety, and welfare of the children and youth, and to reduce the risk of injury, illness, or abuse.

(Authorized by and implementing K.S.A. 65-508; effective, T-_____,_____.)

28-4-705. Criminal history and child abuse registry background check. (a) Each applicant and each operator shall submit the identifying information that is necessary to complete a criminal history and child abuse registry background check for each individual who works, substitutes, or regularly volunteers in the program, as follows:

- (1) When applying for a license;
 - (2) when submitting an application to renew the license; and
 - (3) before allowing each new individual to work, substitute, or regularly volunteer in the program.
- (b) The identifying information shall be submitted on a form supplied by the department.

(Authorized by K.S.A. 65-508; implementing K.S.A. 65-516; effective, T-_____,_____.)

Attachment

1-26

"AD ASTRA PER ASPERA"

"TO THE STARS THROUGH DIFFICULTY"



KANSAS
INFANT – TODDLER SERVICES
2000 - 2001 Annual Report

1-27

Funding for this publication provided by:

United States Department of Education
Office of Special Education Programs

Individuals With Disabilities Education Act
Award # H181A010032
Federal Fiscal Year 2001

FOREWARD

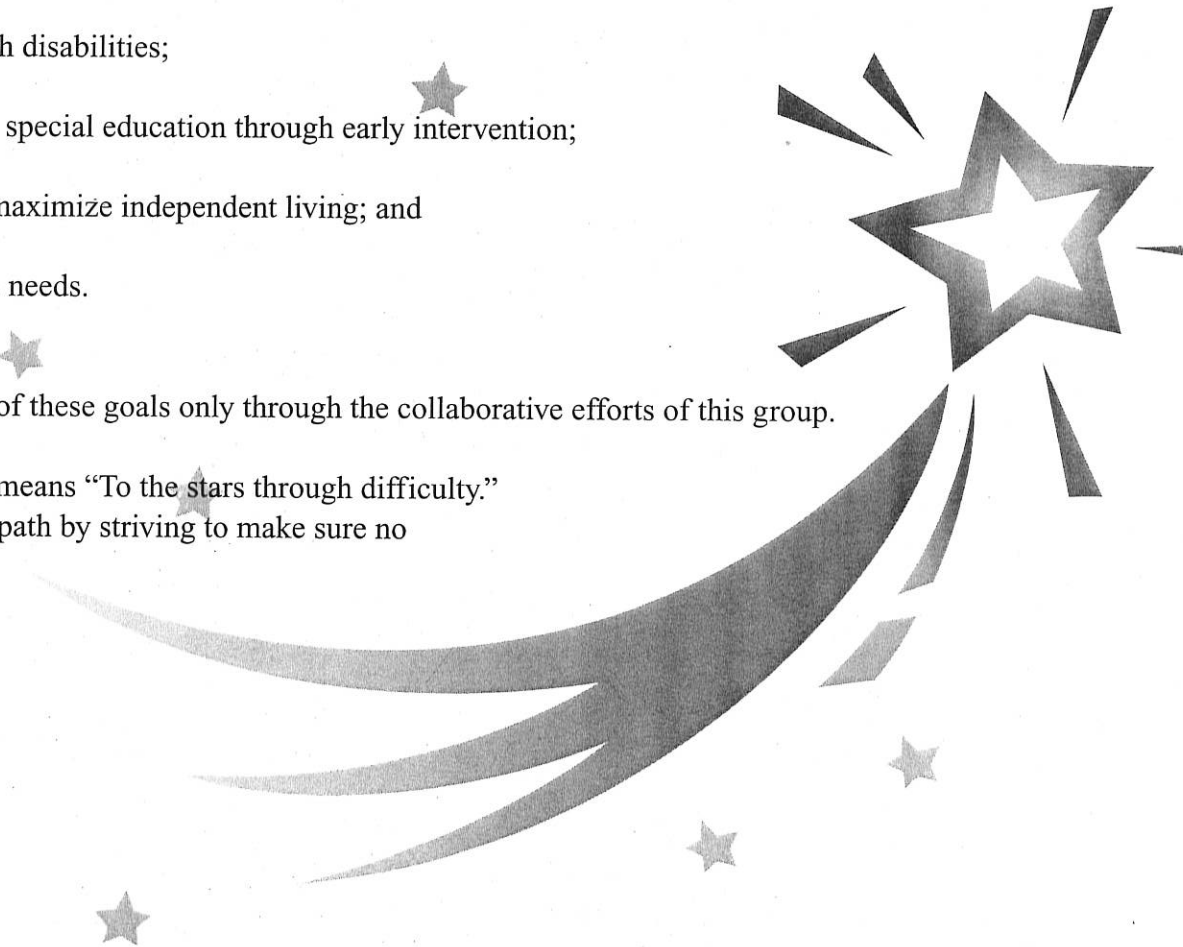
It is with great pleasure that we present the Kansas Infant-Toddler Services 2000-2001 Annual Report. It reflects the work of state agencies in partnership with 37 local interagency early intervention networks. This group includes dedicated parents, local Interagency Coordinating Council (ICC) members, Kansas Coordinating Council on Early Childhood Developmental Services (CCECDS) members, service providers, and hundreds of other individuals and agencies across Kansas.

Congress established the Part C program in 1986 in recognition of “an urgent and substantial need” to:

- enhance the development of infants and toddlers with disabilities;
- reduce educational costs by minimizing the need for special education through early intervention;
- minimize the likelihood of institutionalization, and maximize independent living; and
- enhance the capacity of families to meet their child’s needs.

Kansas has continued to make great gains towards each of these goals only through the collaborative efforts of this group.

The Kansas state motto is “Ad Astra Per Aspera” which means “To the stars through difficulty.” Kansas Infant-Toddler Services continues to follow this path by striving to make sure no child or family is left behind.



The Effectiveness of Early Intervention

Early intervention is a relatively new field. As recently as the 1960's, parents of early-diagnosed children with significant disabilities were strongly advised to place their children in institutions, to never bring them home. Services for the developmentally delayed infant or toddler, if available, were by private provider on a fee for service basis. Many delays were not identified in the early years. Now, only 40 years later, families, which include an infant or toddler with developmental delay or significant disabilities, have available to them a well-established early system of support. The services offered by this system in Kansas are at no cost to the family. This support has resulted in families who not only have the opportunity to raise their child at home but to become integral partners in leading their child to enhanced development and quality of life! Early intervention professionals know that the impact of their efforts is determined by the extent to which their relationships with families affect the relationships between parents and their children, which, in turn, have a significant impact on child health and development.

A nationwide consensus has been achieved that early intervention makes a difference. Documentation of work from the field, from parents and from professionals, has convinced us that programs have been able to prevent or minimize developmental problems from occurring for children at risk through preventive interventions. We have learned that early intervention, for children with established disabilities, has produced a positive impact on the well-being of children and their families.

Most of what we know about early intervention is from the voices of experience. Scientific research in the field is in its infancy. The diversity of the families served, as well as the diversity in service models, has made research challenging. Each day this methodology improves. Studies we have thus far indicate:

- in the absence of formal intervention, there is a general decline in performance on standardized developmental measures for children with established cognitive disabilities across the first five years of life;
- well-designed and successfully implemented interventions can promote significant short-term gains on standardized cognitive and social measures for young children with documented developmental delays or disabilities, with reported effect sizes ranging from 0.5 to 0.75 standard deviations;
- measured, short-term impacts on the cognitive and social development of young children with developmental disabilities are greater when the intervention is more structured and focused on the child-caregiver relationship, although the effects are highly variable in view of the marked diversity of child impairments and their severity.

Research clearly indicates that it is vital to intervene as early as possible to minimize the impact of a child's disability or of prevailing risk factors, to strengthen families, and to establish the foundations for subsequent development.

(References: Guralnick, M. (1997). *The Effectiveness of Early Intervention*. Baltimore, MD: Brookes Publishing; Shonkoff, J.P., & Phillips, D.A. (2000). *From Neurons to Neighborhoods: the science of early child development*. Washington D.C.: National Academy Press.)

KANSAS INFANT-TODDLER SERVICES

Table of Contents

Infant-Toddler Services	1
Mission of Early Intervention In Kansas	2
Accomplishments	3
Activities to Improve Services and Supports	5
Summary of Funding	7
Partnerships in Kansas - Community Networks and Local Interagency Coordinating Councils	8
Referral/Evaluation	10
Early Intervention Services	
How many children are referred each year?	11
Settings In Which Infants and Toddlers Receive Services	13
Number and Type of Personnel Providing Services	13
Transition	14
Birth to Three System Components	
Families Together, Inc.	15
The Assistive Technology for Kansans Project	16
KITS - Kansas Inservice Training System	17
Infant-Toddler Occupational Therapy Technical Assistance Project	17
Kansas State University/Kansas Child Care Training Opportunities	18
Kansas University Center on Developmental Disabilities, Part C Statewide Monitoring Program	19
Mediation Training	20
Kansas Early Intervention Longitudinal Study (KEILS)	21
Growing Together IV	22
Birth to Three System Components Continued	
Public Awareness/Child Find	23
Central Directory	24
Supervision and Monitoring of Programs	24
Complaint Resolution	24
Personnel Development	25
Collaborative Partners	25
The Kansas Coordinating Council on Early Childhood Developmental Services	26

1-30

INFANT -TODDLER SERVICES

1-31

Each year, the Kansas Department of Health and Environment (KDHE) applies to the Office of Special Education Programs in Washington D.C. for federal funding under Part C of the Individuals with Disabilities Education Act (IDEA). The purpose of these funds is to support a statewide system of early intervention services for children birth through age 2. The types of early intervention services provided, at the minimum include:

- ★ evaluation of the child's needs
- ★ family services such as training, counseling, and home visits
- ★ occupational therapy services which help the child to better perform daily living tasks at home and in the community
- ★ physical therapy services to improve movement and to correct, prevent, or ease movement problems
- ★ psychological services relating to the child's behavior
- ★ family service coordination which means assistance to the family in coordinating the needs of the family in relation to the child in early intervention
- ★ social work services such as home visits to talk about concerns
- ★ special instruction to design good learning environments and activities that lead to the child's acquisition of skills
- ★ speech-language services to assist in how the child understands words and communicates with people
- ★ health services such as tracheostomy care, tube feeding, and changing of dressings as well as consultation by physicians (this does not include surgical services, hospitalization and health services to treat a medical condition, or immunizations)
- ★ medical services for diagnosis or evaluation to determine the child's developmental level
- ★ nursing services including assessment of health needs, how to get nursing care, administration of medication, and treatments
- ★ nutrition services including feeding skills and problems and developing plans to address these needs
- ★ hearing services that include identification of extent of hearing loss and referral for other related to hearing loss
- ★ vision services that include identification of extent of vision loss and referral for other services related to vision loss
- ★ devices such as any item or piece of equipment that is used to increase, maintain or improve the child's abilities, as well as assistance in selecting and getting these devices (assistive technology)

Thirty-seven self-defined community networks across Kansas assure that all areas of the state are served. These agencies help identify children through child find/public awareness activities.

MISSION OF EARLY INTERVENTION IN KANSAS

1-32

The mission of early intervention in Kansas is to ensure the availability of a collaborative, comprehensive, family centered service delivery system which meets the developmental needs of all infants and toddlers who have delays or disabilities; which helps families develop their capacity to deal with these needs; and which occurs in natural settings. The system should also enhance the capacity of providers to identify, evaluate, and meet the needs of the historically under-represented population in Kansas.

Principles guiding this system:

- ★ Family members are the most influential people in a child's life (family-centered services).
- ★ Individualized services are based on the strengths and needs of each child.
- ★ For effective services, they must be individualized to meet the needs of the child and family (family-guided services).
- ★ Needs change rapidly during the child's first three years; services should be flexible.

- ★ Children learn best within the context of daily routine with their family and friends in their community (natural environment).
- ★ No one agency or program can offer the full array of early intervention services that a child and family may need.
- ★ Families are entitled to personnel who meet the highest requirements in Kansas applicable to a specific profession or discipline. In addition, ongoing inservice is designed to ensure best practice in the field specific to the needs of infants and toddlers and their families.
- ★ The Kansas Department of Health and Environment (KDHE) is the lead agency which assures that the mission of early intervention services is fulfilled.
- ★ The Coordinating Council on Early Childhood Developmental Services supports this lead agency in its efforts to achieve a seamless system of family-centered, collaborative services.

In Kansas, 37 self-defined community Networks execute the mission via:

- child find activities and referrals;
- eligibility determination by team evaluation;
- ongoing team assessment;
- development of service plan for eligible children;
- services/supports provided in natural environments; and
- transition assistance when children leave the system.

ACCOMPLISHMENTS

Kansas has a statewide system of community-based early intervention networks which includes all 105 counties in Kansas. The initiative and widespread support at the grassroots level are responsible for the establishment, maintenance, and success of these networks.

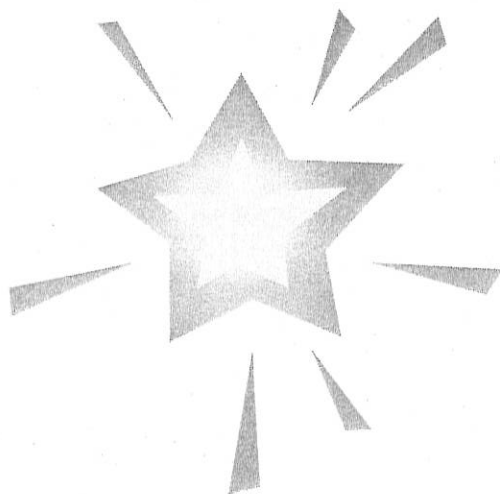
In addition, Kansas Infant-Toddler Services, in collaboration with the Kansas CCECDS and other agencies and organizations:

- ★ Worked with Families Together, Inc., the Kansas Parent Training and Information Center, to provide child advocates and child advocate training, and to support Parent-to-Parent activities designed to provide support to parents of children with disabilities or developmental delays. Refer to the Families Together, Inc. report for related information.
- ★ Implemented semi-annual infant-toddler coordinator meetings. These meetings provide an opportunity for the 37 network coordinators to discuss issues, identify challenges to comprehensive services, receive updates and clarification on policy changes, and to access ideas for network service delivery refinement.
- ★ Distributed more than 22,678 informational materials and brochures to early intervention networks, to primary referral sources, and to other interested individuals and organizations for statewide dissemination.
- ★ Continued work on Kansas' self-assessment process in preparation for monitoring by the Office of Special Education Programs (OSEP) in Washington, D.C.
- ★ Provided services to more than 3,700 infants and toddlers with disabilities and their families.
- ★ Held eight regional meetings providing information on the IFSP, outcomes, vision screening, nutrition screening/services, deaf mentor program, Sound Beginnings Newborn Hearing Screening Program relationship with ITS, and school readiness, to over 400 providers, parents, and others. In addition, a statewide Spring Conference attracted over 300 participants and provided information about the IFSP process.
- ★ Assisted with funding for the annual Families Together, Inc. conference. Kansas Infant-Toddler Services staff also presented at the conference.
- ★ In conjunction with KITS, distributed NEC*TAS Resource Collection on Autism Disorders.
- ★ Worked with Kansas Child Care Training Opportunities to revise *SpecialCare* Trainer's Manual and Caregiver book.
- ★ Co-sponsored the Make a Difference Information Network which received an average of 600 calls per month. This service provides information about services and resources available throughout the state for children and adults with disabilities, their families, and their service providers.

- ★ Through collaboration with the Assistive Technology for Kansans Project:
 - provided assistive technology evaluations to 108 infants and toddlers;
 - assisted with funding or helped locate funding for 270+ assistive technology devices;
 - increased the assistive devices loan inventory;
 - provided a series of interactive technology workshops for parents and providers.

- ★ Collaborated with the Sound Beginnings Early Intervention Task Force as they developed “A Kansas Resource Guide For Families With Infants and Toddlers Who Are Deaf/Hard of Hearing,” “Standards for Early Intervention Service Providers for Infants/Toddlers Who Are Deaf/Hard of Hearing and Their Families,” and the Sound Beginnings brochure in English and Spanish. These materials were reviewed and provided to the networks at the Summer Regional Meetings. An overview of the Sound Beginnings program and referral process was presented. Sound Beginnings provides continual technical assistance to networks regarding early hearing detection and intervention.

- ★ Began implementation of automated data management system across 37 networks.



ACTIVITIES TO IMPROVE SERVICES AND SUPPORTS

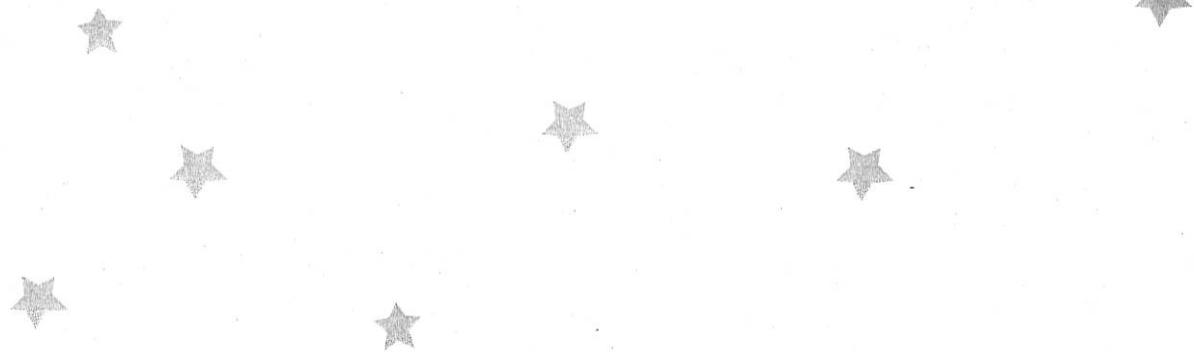
1-35

Movement toward program improvement has been significant in past years. Some goals from past years have been completed, some are being refined, and new ones have been added. Infant-Toddler Services at KDHE and the Kansas CCECDS are committed to the following:

- ★ Continue participation in the National Early Intervention Longitudinal Study (NEILS) which will provide descriptive and explanatory information about early intervention services that can be used by federal and state policy-makers and local coordinators to make implementation, funding, and improvement decisions regarding early intervention services. Parents can use the information to help them advocate effectively for their children regarding early intervention services.
- ★ Continue to utilize brain research to provide a scientific basis for policy decisions, making early intervention a priority.
- ★ Develop a four-day workshop for network teams to review family centered services, the IFSP, family services coordination, and other significant areas identified at network site visits and in our OSEP self-assessment.
- ★ Develop a collaborative state-wide effort to identify effective identification and intervention methods for autism and its associated disorders.
- ★ In collaboration with other agencies, develop a conference on infant mental health.
- ★ Increase delivery of services to children in their natural environments.
- ★ Ongoing implementation of a comprehensive statewide public awareness program to increase access to, knowledge of, and support for early intervention services.
- ★ Continue to refine the Kansas Infant-Toddler monitoring process to include missing OSEP indicators.
- ★ Continue collaboration with the Kansas State Department of Education to improve the transition process from Part C to Part B.
- ★ Continue development and promotion of the statewide system of mediation to resolve complaints initiated by parents or local program providers.
- ★ Develop a contract for the revision/update of the *Bridging Early Services* transition guides that were developed in 1995.
- ★ Expand training of Hospital to Home Transition to include all Kansas networks and applicable hospital personnel in order to reinforce and increase the hospital personnel's awareness of community services available to infants and toddlers and the network's awareness of how the hospital personnel can help them.
- ★ In collaboration with the Kansas State Department of Education, complete and submit Kansas' self-assessment report to the Office of Special Education Programs (OSEP) by October 2002.

1-36

- ★ Refine implementation of the automated data management system across 37 networks.
- ★ Continue collaboration with Kansas Child Care Training Opportunities, Inc., for training of child care providers in order to increase their knowledge of infants and toddlers with disabilities so that they will include these children in their child care settings.
- ★ Identify and appropriate additional resources to supplement Part C funding of services.
- ★ Expand service options for families, and continued family involvement in decision making activities.
- ★ Increase participation of Kansas CCECDS members in committee activities.
- ★ Increase provision of technical assistance to local networks to expand funding sources.
- ★ Increase provision of technical assistance to local networks to improve services for children and families.
- ★ Continue collaboration with SRS Medicaid to implement reimbursement for developmental intervention services for Part C eligible children.



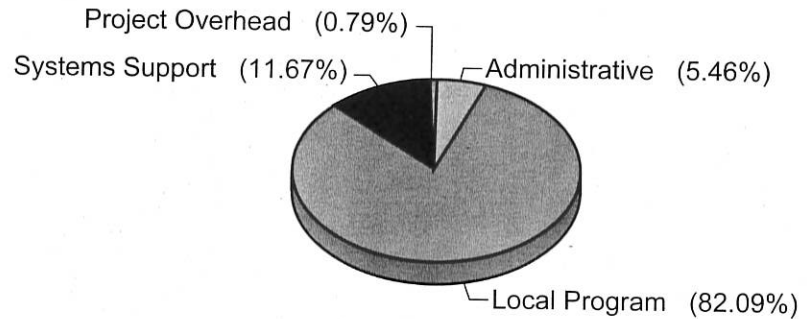
SUMMARY OF FUNDING

In addition to federal funding for this program, state dollars are used to provide services. For SFY 2001, the Kansas Legislature appropriated \$1,992,000 state general funds and \$500,000 tobacco settlement funds for the program. These appropriations which total \$2,492,000 are distributed along with federal funding to the local Infant-Toddler Networks.

Federal grant funds under Part C of the Individuals with Disabilities Education Act (IDEA) are awarded annually to Kansas Infant-Toddler Services after its successful submission of an application to the Office of Special Education Programs in Washington, D.C. The Federal allocation for 7/1/00 was \$3,433,291.

Infant-Toddler (Part C) Federal Fund Expenditures for the period July 1, 2000 through September 30, 2001
(reporting period as required by the United States Department of Education, Office of Special Education Programs)

Total Administrative	\$ 187,511
Indirect Costs	27,031
Systems Support	400,524
Local Program Expenditures	<u>2,818,225</u>
Total Expenditures	\$ 3,433,291*



*Actual federal fund expenditures, excludes encumbrances

PARTNERSHIPS IN KANSAS - COMMUNITY NETWORKS AND LOCAL INTERAGENCY COORDINATING COUNCILS

1-38

Partnerships provide the framework for a seamless system of service provision to eligible infants and toddlers in Kansas. Kansas has a long history of creating early childhood coalitions, coordinating scarce resources in rural areas, and building on the strengths of long-standing early intervention programs. There are 37 Kansas community early intervention networks that coordinate services locally. These self-defined, interagency, multi-disciplinary networks vary in size and membership based on the unique needs of each local community. Kansas has over 50 local interagency coordinating councils (LICCs) which work in conjunction with the local community networks. The LICCs consist of parents and other key individuals from a variety of public and private agencies and organizations involved in the provision of services for children. They collaborate so that a community based system of early intervention services may be provided.

Networks and Counties Served

Arrowhead West, Inc. - Barber, Clark, Comanche, Edwards, Ford, Gray, Harper, Hodgeman, Ness, Kingman, Kiowa, Meade, Pratt

Bright Beginnings – Butler County Infant-Toddler Services
Butler

Children & Families Network - Finney, Grant, Greeley, Hamilton, Haskell, Kearney, Lane, Morton, Scott, Stanton, Wichita, Stevens

Clay, Washington, Marshall ICC -Clay, Washington, Marshall

Cloud/Republic ICC - Cloud, Republic

Coffey County ICC - Coffey

Douglas County Infant-Toddler Coordinating Council -Douglas

Early Childhood Committee Dream Team - City of Atchison

Early Childhood Coordinating Council - Rawlins, Sheridan, Sherman, Thomas, Trego, Wallace, part of Lane

Early Childhood Coordinating Council of Atchison and Jefferson - Atchison, Jefferson

Flint Hills Special Education Coop - Chase, Lyon, Morris, Greenwood

Geary County Infant-Toddler Services - Geary, Fort Riley

Harvey County Infant-Toddler Program - Harvey

Hays Interagency Coordinating Council - Ellis and part of Rush

Infant-Child Development - Dickinson, Ellsworth, Ottawa, Saline

Infant-Toddler Services of Johnson County - Johnson

Infant-Toddler Services Network of Riley County -Riley

Jewell/Lincoln/Mitchell County ICC - Jewell, Lincoln, Mitchell

Kid-Link/DSNWK - Norton, Osborne, Phillips, Rooks, Russell, Smith, and part of Decatur

Lakemary Center Infant-Toddler Program - Anderson, Linn, Miami, part of Franklin

Leavenworth County Early Childhood Coordinating Council - Leavenworth

Marion County Early Intervention Services - Marion

MCKIDS (McPherson County, KS, Infant Developmental Services)
McPherson

Northeast Kansas ICC - Brown, Doniphan, Nemaha, Jackson

Osage County ICC Infant-Toddler Services - Osage and western Franklin

Ottawa-Wellsville ICC - Part of Franklin (boundaries of USD 289 and USD 290)

Parents and Children Together - Seward

Pottawatomie/Wabaunsee Infant-Toddler Program - Pottawatomie, Wabaunsee

Prairie Band Potawatomi Indians - Potawatomi Reservation

REACH Preschool - Cowley

Reno County Early Intervention Program - Reno

Sedgwick County Early Childhood Coordinating Council - Sedgwick

Shawnee County Infant-Toddler Services - Shawnee

Southeast KS Birth to Three Program - Allen, Bourbon, Chautauqua, Cherokee, Crawford, Elk, Labette, Montgomery, Neosho, Wilson, Woodson

Sumner County ICC - Sumner

Sunflower Diversified Services, Early Education Center - Barton, Pawnee, Rice, Stafford, and part of Rush

Wyandotte County Infant-Toddler Services - Wyandotte

Communication

Information exchange between the Kansas Infant-Toddler Services staff and the local networks and thereby to service providers, program administrators, families, and other interested community partners, is accomplished through quarterly regional meetings conducted at various locations across the state. These meetings/workshops provide training on such topics as the Individualized Family Service Plan (IFSP) process, Sound Beginnings Newborn Hearing Screening Program, federal regulations, autism, data collection, and natural environments. The meetings also facilitate networking and collaboration across community network lines.

Coordinator Networking

Another means of communication with the networks, implemented within this reporting period, is meetings of the infant-toddler network coordinators in Kansas with Kansas' Infant-Toddler Services Coordinator. These meetings are held three times a year. Discussion of program issues, grant development, monitoring, IFSP development, self-assessment, and services to children in the foster care system are some of the elements of infant-toddler services that were covered over the past year.

The Kansas Inservice Training System sponsored development of a listserv for Infant-Toddler Networks as a means of distributing information.

Newsletter

Additionally, Kansas Infant-Toddler Services publishes a quarterly newsletter called *ITS NEWS*. Information published in this newsletter includes topical subjects such as upcoming state conferences, new state or federal regulations, resource information, and a calendar of events. *ITS NEWS* has a circulation of approximately 700 recipients. It reaches all community early intervention networks, health departments, special education offices and cooperatives, and state and local interagency coordinating council members. The newsletter is also mailed to parent groups, families, state agencies, university contacts, and service providers.

Technical Assistance

Technical assistance and training are available to the community early intervention networks and local interagency coordinating councils (LICCs) to assist in program development, to respond to self-assessed needs, and to assure compliance with state and federal program requirements.

Procedure Manual

To assist with network compliance, guidelines developed by representatives from state and local programs assure network accountability. The document developed identifies the protocol Kansas Infant-Toddler Services will use to work with the networks to resolve issues identified in the site review process and issues which require mediation. Technical support is then provided to networks in need of remediation to facilitate compliance, and to improve services to children and families.

REFERRAL/EVALUATION

1-40

Identifying children eligible for infant-toddler services and referring them to appropriate services as early as possible is part of the mission of early intervention services in Kansas. A total of **4326** children were referred to the 37 Networks in Kansas during fiscal year 2000 (July 1, 1999 - June 30, 2000).

Referral Sources

Medical/Health/Kan-Be-Healthy	27.6% (1194)
Education/PAT/Count Your Kid In.....	26.5% (1147)
Parents/Family/Friends.....	22.6% (979)
NICU	15.2% (656)
Other	8.1% (350)

Number of Children Found Eligible

4326 Kansas Children were referred for evaluation this year.

2576 children were determined eligible for Part C services. Of the number of children determined eligible, **435** children were considered “automatically eligible” due to a diagnosed condition.

The basic philosophical and empirical basis for early intervention is that providing services early has potentially greater impact than commencing services later. Therefore, an important policy goal is to identify and get children with developmental problems into programs as early as possible. Around 31% of children began early intervention for the first time in Kansas between birth and 12 months. Another 27% began in their second year, and 42% in their third year. Nationally, 38% of children began early intervention in the first year of life, 28% in the second, and 34% in the third.

The families of those children who are not eligible for services or those who are considered at risk are provided with information regarding community programs such as Parents As Teachers and Early Head Start. They are also given developmental information and locations where their children can receive developmental and health screening or assessment for continuous monitoring.

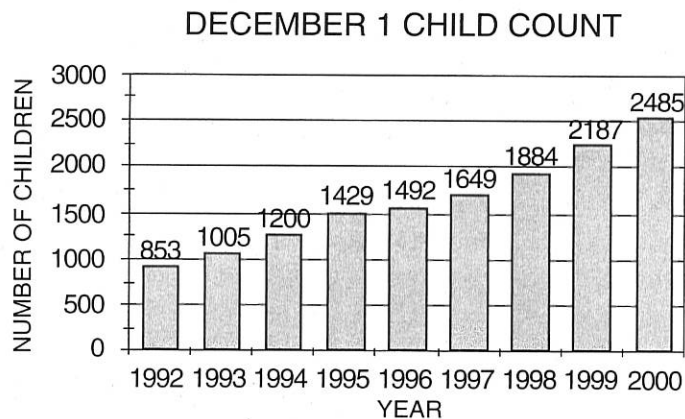
EARLY INTERVENTION SERVICES

1-4-1

The goal of early intervention services is to assist infants and toddlers to attain age-appropriate developmental levels; to enhance the capacity of infants and toddlers with developmental delays or disabilities to reach his/her maximum potential; and to enhance the capacity of families to meet the special needs of their infants and toddlers. Some of the services provided to these infants and toddlers and their families are speech-language pathology, special instruction, transportation, vision, feeding, orientation and mobility, audiology, respite, social work, assistive technology, nutrition, physical therapy, nursing, occupational therapy, family training and counseling, health, psychological, and medical.

How many children are referred each year?

Based on the Federal December 1 Child Count, there was an **11%** increase in the number of children served between 1996 and 1997, a **14%** increase between 1997 and 1998, a **16%** increase between 1998 and 1999 counts, and a **14%** increase between 1999 and 2000.



The bar graph shows the increase in numbers of infants and toddlers served in Kansas from 1992 through 2000. This number is based on the annual December 1 Child Count.

1-42

At the national level, it is estimated that about 2% of the infant-toddler population of each state require early intervention services provided through this program. On December 1, 2000, 2.1% or 2,485 of Kansas children born between 1998 and 2000 (116,774) were being served through Infant-Toddler Networks in Kansas. This indicates that Kansas Networks are very effective in reaching those families that need services.

Calendar Years	Kansas Live Births	Part C Eligible/December 1	% of Total Children
1996 - 1998	112,087	1884 (Dec. 1, 1998)	1.7%
1997 - 1999	114,311	2187 (Dec. 1, 1999)	1.9%
1998 - 2000	116,774	2485 (Dec. 1, 2000)	2.1%

Age of Children:

<u>Age as of 12/1/00</u>	<u>Number</u>	<u>% of Total</u>
Birth to 12 months	395	16%
12 - 24 months	747	30%
24 - 36 months	1,343	54%
TOTAL	2,485	100%

Race/Ethnicity:

	<u>Dec.1, 2000</u>	<u>% of Total</u>
American Indian	18	<1%
Asian or Pacific Islander	34	1%
Black or African American	251	10%
Hispanic or Latino	317	13%
White (Not Hispanic)	1865	75%

The number of children under the age of one who are receiving Infant-Toddler Services on December 1 has increased over the past three years. Early identification is vital. The national goal is to identify 50% by age 1. Kansas is at 31% compared to a 38% national average.

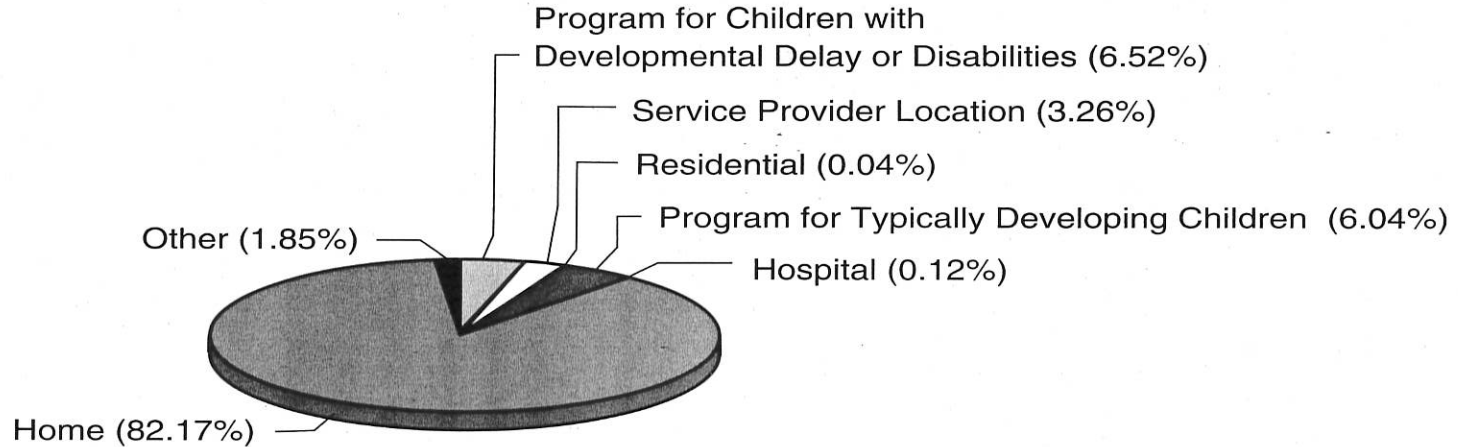
1998.....	302
1999.....	371
2000.....	395

The racial/ethnic composition of the population receiving early intervention services appears to be representative of the population as a whole, except for American Indian.

1-43

Settings In Which Infants and Toddlers Received Services:

Community-based services is a core concept of early intervention. Services and supports are provided in natural settings, places and situations where children without disabilities live, play and grow. These settings include homes, child care, community play groups, libraries, hospitals, and other settings that children are found in during the course of their daily routine. This natural environment maximizes the family and other caregivers as resources and encourages shared responsibility. Research indicates that services in the natural environment is the best way for children to acquire functional skills and gain social acceptance. Early intervention in a natural environment provides access to services to families and reduces the stigma associated with service provision in a segregated setting.



Based on 2485 Children Receiving Services on December 1, 2000
 Source: December 2000 Federal Data Table 2

Number and Type of Personnel Providing Services:

Over 353 personnel were providing early intervention services to infants and toddlers on December 1, 2000. Not all of the individuals listed worked full time.

Audiologists	01.885	Orientation & Mobility Specialists	00.222	Special Educators	79.156
Family Therapists	01.230	Paraprofessionals	76.840	Speech/Language Pathologists	55.295
Nurses	15.650	Pediatricians	00.060	Other Professional Staff	40.900
Nutritionists	00.662	Physical Therapists	28.998	(other: assistive technology, behavior	
Occupational Therapists	30.447	Physicians, other than Pediatricians	00.131	disorders consultant, hearing impaired	
		Psychologists	02.360	consultant, vision impaired consultant,	
		Social Workers	18.790	translator/interpreter, etc.)	

TRANSITION

Any transition can make a significant difference to the child and family. Research indicates that stress for families with children with special needs often increases at transition points in their children's lives. During transitions, families who have successfully learned to navigate one service system must now explore others. The impact will vary depending on the child, the family, the service providers, and the nature of the transition. It is the responsibility of the service providers to identify, prepare for, and implement these transitions with the goal of making the least noticeable disruption possible, while providing the most appropriate services for the child and family. Transitions require interdisciplinary and interagency collaboration and cooperation and family involvement through every phase.

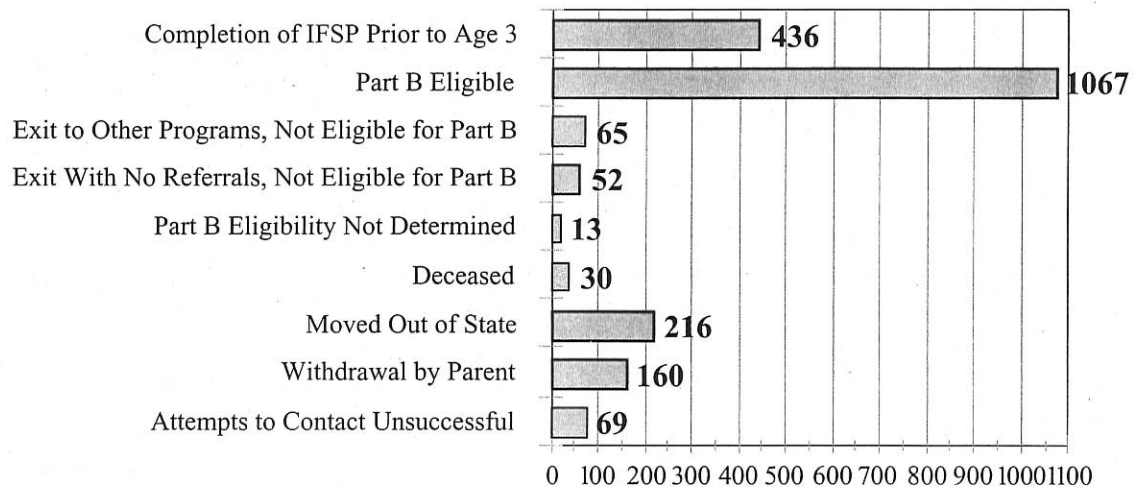
54-1

Report on Infants and Toddlers Exiting Part C Programs

7/1/2000 – 6/30/2001

Collection of baseline data regarding the status of children exiting the Infant-Toddler Services Program began in 1999. It appears that most of the children who exit Infant-Toddler Services (Part C) transition to early childhood special education services through KSDE (Part B).

In 2001, 26.23% of Infants and Toddlers who received Part C services exited because they no longer qualified for special education services. This supports the statement made by Congress in 1986 that early intervention will reduce the costs by minimizing the need for special education services when they enter school.



Based on 2108 Children Reported Exiting
Source: Federal Data Table 3; 2000-2001

BIRTH TO THREE SYSTEM COMPONENTS

Families Together, Inc.

Connie Zienkewicz, Executive Director
Darla Nelson-Metzger, Child Advocate/Coordinator

A guiding principle of early intervention is family-centered services. Parents are viewed as the true experts with respect to their own child and family needs. Families Together, Inc. is a tool parents may use to strengthen their role as experts.

Families Together, Inc., the parent training and information center of Kansas, and Kansas Infant-Toddler Services (ITS) collaborate in many ways to serve the families of young children. This collaboration stems from our common belief that families need to know they are not alone; there are people throughout the state who can help and provide support.

Families Together serves parents and their children with disabilities ages birth through 21 years through four centers with four regional coordinators throughout the state. Staff at these centers and the coordinators assist families through the provision of Parent Networking Conferences, Family Enrichment Weekends, a Parent-to-Parent Program, and a Child Advocate Program. Kansas ITS helps fund these programs.

Parent Networking Conferences/Family Enrichment Weekends are free overnight events organized exclusively for parents and families. Parents have the opportunity to network with one another and attend several workshops.

In the **Parent-to-Parent** program, a newly referred parent is matched to a volunteer supporting parent. The match is generally made on the basis of disability, but can be made on another issue such as a medical procedure or on transition from infant-toddler services to another program.

The **Child Advocate** program is for infants and toddlers with disabilities whose parents are unknown, unavailable, or whose parental rights have been severed. Families Together staff in the Topeka office receive the referrals for child advocates, train people to become advocates, and match a child to the child advocate.

During this reporting period:

- ★ Child Advocate Program information was distributed resulting in a total of **30** surrogate parents recruited;
- ★ Nine toll-free numbers are available across the state, including the *Kansas Make-A-Difference* number, for parents to access for assistance and support. **160** families of Infants and Toddlers accessed Families Together this way;
- ★ **13** Parent-to-Parent matches were made for families with children ages 3 and under;
- ★ **41** families of infants and toddlers with disabilities were scheduled to attend Parent Networking Conferences;
- ★ Information regarding Parent-to-Parent in the form of **58** outreach activities was provided to various ICC's and Hospital-to-Home programs across the state.

In 2002, a Family Enrichment Weekend is planned exclusively for families that have a child in Early Intervention Services.

1-45

The Assistive Technology for Kansans Project

Sheila Simmons, Project Coordinator

Assistive technology devices are needed by many infants and toddlers with special needs in order to increase, maintain or improve their functional capabilities. Examples of assistive technology for children 0-3 include: silverware adapted so a child could feed himself; toys adapted to facilitate independent play; a device designed so a child without words can more effectively communicate with her peers; a bath chair to assist a parent in bathing a child who cannot sit unsupported in the bathtub.

Kansas Infant-Toddler Services and Assistive Technology for Kansans (ATK) have partnered to increase access to assistive technology devices and services to infants and toddlers and their families for the past eight years. Local infant toddler providers used developmentally appropriate practices in each child's natural environment to create an appropriate, family-centered plan. Assistive technology devices and services need to be a component of many family service plans if providers are to successfully support families.

Kansas Infant-Toddler Services and ATK developed a plan to expand the knowledge base of local providers, and increase short and long-term access to assistive technology devices across the state. Over the years this plan has been modified to better meet the needs of young children with disabilities, their families, and local providers, but the three central components have remained the

same. These components include access to comprehensive assistive technology assessments, development of the local teams' assistive technology knowledge base, and increased inventory and access to loan devices.

Comprehensive Evaluations

From July 1, 2000 to June 30, 2001, **147** infants and toddlers received comprehensive assistive technology evaluations arranged through ATK. **24** of these evaluations and **7** follow-up evaluations were sponsored partially or entirely through Kansas ITS funds. A compilation of other third party payers for evaluations included private health insurance, Kan-Be-Healthy, Special Health Services, local provider networks, and hospital foundations. AT Access Site staff and family services coordinators collaborated to fund evaluations and obtain funding for recommended assistive technology devices.

Local providers and AT Access Sites collaborated to develop funding for over **350** devices as a result of comprehensive assessments. This number does not include devices funded by parents and providers with only telephone technical assistance from the AT Sites or funded independently of ATK assistance.

Team Development

Local infant-toddler team members develop their assessment skills by observing and participating in the collaborative assistive technology assessments conducted for children on their caseload. Local team members were involved in each of the evaluations scheduled by ATK. Most of the

children who received assistive technology assessments had multiple disabilities. The most common concerns were mobility, positioning, communication, and feeding. Many infant toddler teams are developing their own assistive technology evaluations particularly in the areas of switch access, adapted play, early communication skills, and basic software solutions and access.

Regional workshops were conducted on book adaptations, writing adaptations, early communication, switch construction, toy adaptation, and software solutions. Topics were selected at the request of local providers and parents. **33** local team members and **12** parents participated.

Increased Loan Inventory

Loan of equipment remains a popular practice among local providers and families. Infants and toddlers may derive the most benefits from loan of assistive technology devices. Young children often outgrow a device either physically or developmentally. In addition, they benefit from being able to try out a device to see if it best matches their needs before a purchase is made. Some children have been able to access a device on loan for the entire time that it was needed so their family did not have to purchase the device. This is particularly true of positioning devices and recreational items. **368** devices were loaned to infants and toddlers with disabilities.

Toll-Free Number

In addition to the impact of the above components, **700** calls were received on the toll-free number from parents and providers of children ages birth to three.

1-46

KITS - Kansas Inservice Training System

David Lindeman, PhD, Project Director

Kansas is committed to ensuring families have access to qualified personnel. Inservice/individual training specific to infants and toddlers with special needs leads to continued best practice in the field.

The KITS Project includes training and technical assistance for staff and networks providing early intervention services to infants and toddlers with disabilities and their families. Parents are afforded the opportunities to be involved with training and technical assistance activities. Professional and support personnel development needs are addressed at three levels of training - state, regional, and local.

The project's goals are completed through activities such as a summer institute, dissemination of information, provision of inservice training, provision of agency and individual technical assistance, and development of technical assistance packets for practitioners. The program supports and utilizes existing structures and opportunities for staff development currently occurring throughout the state through collaborative linkages with other agencies, programs, organizations, and projects in the field of early intervention and early childhood.

Project Accomplishments:

- ★ 823 attended direct trainings
- ★ 1423 attended co-sponsored trainings
- ★ 8 technical assistance (TA) plans were developed
- ★ 33 people were assisted by program visits, TA, and/or observations
- ★ developed/provided eighth annual summer institute - Emergent and Early Literacy in Young Children
- ★ distributed NEC*TAS Resource Collection on Autism Disorders
- ★ development of list serv for Infant-Toddler Networks - 77 members
- ★ co-sponsored Spring Infant/Toddler Conference - THE IFSP PROCESS - attended by over 150 participants, including Infant-Toddler providers, parents, ICC members, and administrators
- ★ provided awareness activities to encourage use of Early Childhood Resource Center

Infant-Toddler Occupational Therapy Technical Assistance Project

Ellen Mellard, MS OTR

Susan Krebs, COTA

This project is a collaborative project sponsored by the Kansas Department of Health and Environment and the University of Kansas Medical Center - O.T. Education Department. The program addresses an identified need to provide technical assistance to occupational therapists working in Infant-Toddler Programs in Kansas. Through survey, occupational therapists identified the need to improve the quality of services being provided to children and families, to expand and broaden the expertise of new and veteran therapists in the field of early intervention, and to implement best practices in the field. This project serves as a vehicle to provide occupational therapy services to underserved areas in the state of Kansas. Technical assistance is provided in a variety of formats.

This program began in January 2001. At this time a needs assessment was made available to each OT and coordinator within the 37 Infant-Toddler Networks. Top priorities identified by therapists/coordinators were information about sensory processing and feeding/oral motor concerns. Several therapists offered to provide mentoring on a number of topics.

April-June 2001 activities included stipends for twenty-seven therapists to attend Jubilee at the University of Kansas Medical Center. Topics included identified priorities. A three hour ITV session on feeding was offered by staff from Children's Mercy Hospital. 70 therapists and other team members were in attendance. An Infant Toddler Sensory Profile was distributed to each network to be used for ongoing training.

Future plans were put in place to continue the current series of ITV training sessions involving identified priorities. At the end of this series, training focus will shift to transitioning infants from NICUs into infant-toddler programs.

64-1

Kansas State University/Kansas Child Care Training

Opportunities (KCCTO)

Gwen Bailey, PhD, Kansas State University

Nationwide research indicates, like all families with young children, those whose children have a disability or special health care need are faced with the challenges of finding good-quality, affordable child care. But the inability or unwillingness of many child-care providers to accept children with disabilities and the scarcity of appropriately trained caregivers makes the effort to find any child care a tremendous challenge for these families.

In 1998, with funding assistance from Kansas Infant-Toddler Services, Kansas Child Care Training Opportunities, Inc. (KCCTO), identified for adaptation the *SpecialCare* curriculum developed by Child Development Resources in Norge, Virginia, as a training source for child care providers to encourage them to include children with disabilities in their child care settings. An additional unit (Unit VII) was developed for Kansas child care providers covering the topics of Americans with Disabilities Act, Individualized Family Service Plan, Individualized Education Program, and Behavioral Management issues. Approximately 110 child care providers were trained using this curriculum.

In July, 1999, the Kansas Infant-Toddler Services and KCCTO entered into an agreement under which the *SpecialCare* curriculum would be updated in relation to caring for infants and toddlers with disabilities. During the past two and a half years, 386 participants have taken the training. The training of child care providers, disability coordinators, and direct services personnel would continue.

During this report period:

- ★ 16 KCCTO Trainers attended Train the Trainer session by South Dakota facilitator;
- ★ revisions were made to *SpecialCare* Trainer's Manual and Caregiver book which incorporated the use of the term, "natural environments" and "least restrictive";
- ★ 18 *SpecialCare* courses were taught across 10 of the 11 SRS Management Areas;

- ★ 187 child care providers were trained in the *SpecialCare* curriculum;

Participants' views change

The following are answers to this statement posed to class participants. "Please indicate what you will do differently as a result of attending this training event."

Comfort Level:

"I will consider taking a severely handicapped child in my foster home."

"I have a different attitude about children with disabilities. I'm not afraid to have children with disabilities."

"Understanding that all children, no matter what their disability needs are, need love and patience."

"Welcome children with disabilities into my home even if I need to make changes for this child."

Knowledge Level:

"It gave me new ideas to work with a child I have who has a hearing impairment."

"Given the opportunity, I would like to attend an IEP meeting for a special needs child I am involved with. I would feel much more comfortable with my knowledge and ability to participate effectively."

"Be more aware of children's needs in respect to their disabilities. Hopefully, I can relate better to them and set up things so they can participate equally and feel good about themselves."

"I will be more aware of the benefits of having children with special needs as a part of a typically developing classroom."

07-1

Kansas University Center on Developmental Disabilities

Part C Statewide Monitoring Program

Project Staff: David Lindeman, PhD., Vicki Turbiville, Ph.D.,
Susan Jack, M.Ed.

Quality services for Kansas families demands that we monitor to confirm effectiveness (in order to continue to provide successful services) and to identify ineffectiveness (in order to abandon failed strategies and search for alternative approaches). In Kansas, service providers rely heavily on input from parents in the monitoring process. Additional information is provided from a variety of service providers and representatives from the community. Involvement of those most directly impacted by services assures we continue to strive towards our goal of continued improvement.

Under Federal Regulation §303.501(b)(1-4) *Methods of administering programs*, it states that “the lead agency (KDHE Infant-Toddler Services) shall adopt and use proper methods of administering each program, including –

- (1) Monitoring agencies, institutions, and organizations used by the State to carry out this part;
- (2) Enforcing any obligations imposed on those agencies under Part C of the Act and these regulations;
- (3) Providing technical assistance, if necessary, to those agencies, institutions, and organizations; and
- (4) Correcting deficiencies that are identified through monitoring.”

Through a contract with Kansas Infant-Toddler Services, the University of Kansas Center on Developmental Disabilities (KUCDD) coordinates the monitoring of infant-toddler networks in Kansas. During this report period:

- ★ 12 site visits were coordinated and completed;
- ★ 24 new site visitors were trained, including seven parents; site visit training was revised to include more role playing activities and a parent trainer;

- ★ Community Network Program Review and Site Visit Manual materials revised;
- ★ presentation, Including Families In All Program Levels of Infant-Toddler Services, developed by KUAP monitoring staff and Kansas parent of a child with a disability, was presented at the annual meeting of Kansas Division for Early Childhood, Overland Park.

Compilation by KUCDD of 562 Family Assessment responses during this period indicated that:

- ★ 90% of mothers and 91% of fathers who responded feel the services meet their child’s needs;
- ★ 93% of mothers and 94% of fathers feel that their child’s early intervention program includes what is important to them;
- ★ 94% of mothers and 92% of fathers feel that they are satisfied with the professional staff’s quality of work.

Areas of needed improvement identified from family assessments include:

- ★ only 54% of fathers indicate meeting times and places are scheduled so they can attend;
- ★ families want their children to have more opportunities to play with and interact with children without disabilities;
- ★ Community self-assessment responses indicate that communities felt their collaboration among agencies was improving as was transition. They often indicated that Child Find and referrals among agencies was a strength in their communities. An area of need identified in community assessments/site visit findings is understanding and finding alternative funding for programs and services. In addition, issues of natural environments continue to be noted through-out community evaluations and site visit findings.

1-49

Mediation Training

Marvin Stottlemire, PhD, JD

Developing and providing family-guided services with parents as partners requires guarantees of safeguards concerning resolution of conflicts.

Part C of the Individuals with Disabilities Education Act (IDEA) federal regulations require the Kansas Department of Health and Environment Infant-Toddler Services to make provision for a mediation process as an option for the resolution of parent or public agency complaints which cannot be resolved at the local level. KDHE Permanent Administrative Regulations indicate that Kansas Infant-Toddler Services shall maintain a list of trained mediators to fulfill this regulation. Individuals appointed as mediators shall have an understanding of the program requirements of Infant-Toddler Services as well as training in the mediation process.

Dr. Marvin Stottlemire, hired as a consultant, prepared a training curriculum and materials and implemented this program in 1999. Training was provided by Dr. Stottlemire in an annual two-day workshop. An annual one-day refresher workshop was provided for previously trained mediators.

During the last report period, **nine (9)** mediators were trained. These names are maintained at KDHE in order to fulfill the requirements of the federal regulation.

During this reporting period, state mediation regulations have changed in terms of training requirements. These new requirements will be reviewed over the course of the next year. Development of a plan for implementation of these new requirements is projected for FY 2003.

1-50

Kansas Early Intervention Longitudinal Study (KEILS)

Kathy Hebbeler, Project Director
SRI International

Overview

The Kansas Early Intervention Longitudinal Study (KEILS) is being in conjunction with the National Early Intervention Longitudinal Study (NEILS). NEILS was commissioned by the Office of Special Education Programs to find more and better information about Part C and its participant states.

The KEILS study, began in 1998, will address the following study questions:

- a) Who are the children and families receiving early intervention services in Kansas?
- b) What early intervention services do participating children and families receive and how are they delivered?
- c) What outcomes do participating children and families experience?
- d) How do outcomes relate to variations in child and family characteristics, services provided, and costs?

Information gathered by the study will be used by the U.S. Department of Education to respond to congressional questions that arise about early intervention; by policy-makers to make decisions about how to improve early intervention services and other federally funded services that affect children and families; by policy-makers to make decisions regarding state funding levels; by local network coordinators and service providers when making decisions about local service coordination; by parents of infants and toddlers with disabilities to help them advocate effectively for their children about local, state, and federal early intervention

issues; and by higher education faculty who conduct preservice and inservice training of early intervention personnel to improve the knowledge and skills of current and future service providers and networks.

The Draft Year 1 report for the KEILS has been completed. It is a comprehensive report covering a range of topics related to the children and families as they begin early intervention. The findings are as follows:

Who are the children and families that receive early intervention services in Kansas?

- ★ Children entering early intervention in Kansas are more likely to be male than female.
- ★ About one in five is a member of a minority group.
- ★ One in 20 is in foster care but this is a lower percentage of children in foster care than in the national early intervention population.
- ★ Children enter early intervention in Kansas at every point throughout the first three years of life, but are more likely to enter in the first, and especially, in the third year.
- ★ The average age when someone was first concerned about the child was 10 months, and the average age at first IFSP was 17 months.
- ★ Children enter early intervention for a wide variety of problems, but a common thread is that most have difficulties related to speech and language.
- ★ The majority of children are eligible for services because of a developmental delay. These children typically enter early intervention in Kansas in their third year.

On the other hand, most children receiving services because of an established risk for developmental delay enter early intervention in their first year.

- ★ Children entering early intervention in Kansas in their first year are more likely to be medically involved, as indicated by their birth history, need for medical devices, and prescription usage. They are also more likely to have motor problems than children who enter at later ages.

With regard to the nature of early intervention services received in the first few months after initial IFSP:

- ★ Nearly all children and families received services in their home. One in five received services in a center.

The study findings indicate that families' initial experiences with early intervention services were good:

- ★ Families had a relatively effortless entry into the EI system.
- ★ Most were aware of the IFSP and felt they had been involved in the decision-making.
- ★ Families were generally pleased with the quality and quantity of therapy and non-therapy services provided.
- ★ Despite having been interviewed only months after their entry into EI, families reported that EI had an impact on their child's development.
- ★ Families had already received many different kinds of help from their EI program, were happy with professionals they dealt with, and reported being better off as a result of EI.

1-51

Growing Together IV

Wichita State University
College of Education
Linda Mitchell, PhD, Project Director

Growing Together IV is the latest in a series of surveys designed to track patterns of change and guide direction for future actions based on the work of the local interagency coordinating councils in Kansas. Data for this and previous publications was collected by interview and survey of council members.

In *Growing Together IV*, data collected was compared with previous *Growing Together* publications. Following is the discussion/recommendations suggested by the author of this publication:

Results of this survey and interviews suggest that the Local Interagency Coordinating Councils (LICC) of Kansas are becoming more comprehensive in their delivery services, while still facing many challenges to carrying out their goals. Leaders and active members report that, while they are still very committed, they are also more exhausted than in years before. It appears that some of the same members who have taken active positions on the LICC's are still the ones carrying out the day-to-day tasks. Adding new members and convincing former members to take on new leadership roles are real needs across the state. Additionally, throughout the interviews and surveys, a critical challenge is the lack of family membership and family involvement in key leadership positions. In fact, family membership and participation appears to be on the decline.

The importance of comparing 2001 data with previous years is to look for trends. Key issues carried over since the initial *Growing Together* publication and that are still a challenge faced by the LICC's of Kansas include (a) developing structural supports to strengthen LICCs, (b) funding issues, (c) family involvement, (d) increasing collaboration/teaming, and (e) obtaining training and technical assistance.

With the anticipated increase in the attention focused on young children and their families, it is imperative that LICCs continue to be committed to meeting needs within the community levels. In order to continue to grow as interagency groups, development of the following will be key to success:

- ★ Increasing membership (bringing all of the key players to the table (especially family members));
- ★ Increasing family involvement (provide training to both professionals and family members, including leadership skills to parents);
- ★ Increasing funds (increasing opportunities to write/receive grant support, including training on how to write grants may be one way to meet this goal);
- ★ Development of collaboration/teaming skills.

The state leadership team can also be key to helping to support the LICCs. Recommendations for the state include: (a) developing LICC demonstration projects (and then share the success of them with all LICCs), (b) providing outreach project staff to assist local members in solving challenges, and (c) offering training to meet local levels.

Kansas Infant-Toddler Services will study these discussion points/recommendations over the course of the next year as well as other information contained in the publication. A plan to address identified areas of assistance will be formulated.

1-52

1-53

BIRTH TO THREE SYSTEM COMPONENTS Continued

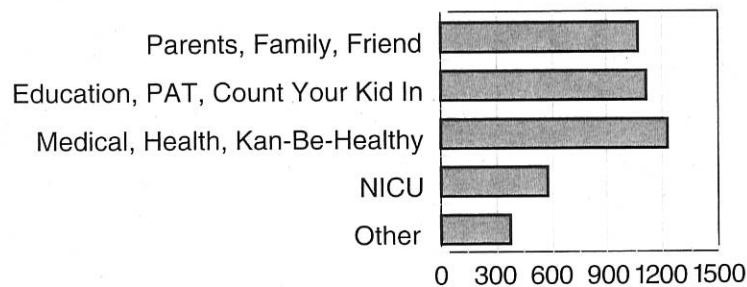
Public Awareness/Child Find

Identifying children with developmental delay and referring them to appropriate services as early in their lives as possible is a goal of Kansas Infant-Toddler Services. The percentage of birth-to-one-year-old children receiving services has continued to increase in the past three years.

Calendar Year	Kansas Live Births	# Under 1 Receiving Services Dec. 1	% of Total Under 1 Population
1998	38,372	302	.8%
1999	38,748	371	1.0%
2000	39,654	395	1.0%

Local networks develop their own marketing and screening plans. Monthly screening is available through collaborative efforts with the infant-toddler lead agency, local health departments, mental health centers, family volunteers, school districts, Parents as Teachers, Early Head Start/Head Start, Social and Rehabilitation Services, the medical community, and others within their communities. These entities may also initiate direct referral for evaluation and/or intervention services. Local health departments and other providers offer Early and Periodic Screening, Diagnosis, and Treatment (EPSDT), known as Kan-Be-Healthy.

Child Find Referral Source



Source: Semi-Annual Report 7/00 - 6/01

The hospitals in Kansas with Neonatal Intensive Care Units have developed a direct referral system to the community infant-toddler network which includes the infant-toddler lead agency, the infant's physician, and the local health department.

Other local efforts include the development of periodic follow-up screening for those infants and toddlers who are considered at risk for developmental delay; radio, television, and newspaper public service announcements in Spanish and English; information and developmental packets given to families of newborns; flyers and brochures posted throughout their communities; and poster displays at conferences and health fairs.

The Infant-Toddler Services state office continues to reprint quantities of its public awareness and parent materials for distribution by the infant-toddler networks.

Other state level child find and public awareness efforts include a contract with the Kansas Inservice Training System for poster sessions at conferences and other trainings, an infant-toddler listserv, an internet web site, and project brochures; an interagency agreement with the Kansas State Department of Education and the Kansas Department of Social and Rehabilitation Services which promotes participation in child find activities by their related local agencies; the Kansas Newborn Screening Program; and the Sound Beginnings Newborn Hearing Screening Program. State staff also participate on many state level early childhood committees such as the Early Head Start/Head Start Advisory Committee, Family Voices, the Early Childhood Stakeholders Advisory Committee, the Kansas Division of Early Childhood, and the Kansas Commission for the Deaf and Hard of Hearing.

Based on 116,774 live births in Kansas in 1998, 1999 and 2000, on December 1, 2000, the Kansas Infant-Toddler Program was serving 2.1% of the birth to three population in Kansas, which is at the national target of 2%.

1-54

Central Directory

Kansas Infant-Toddler Services continues to use and to support the Make A Difference Information Network (MADIN), a computer information system accessible statewide through the toll-free number 800-332-6262 (V/TDD).

Interagency support for the MADIN is provided by the Kansas Department of Health and Environment, the Kansas Department of Social and Rehabilitation Services, and the Kansas State Department of Education. MADIN includes a comprehensive listing of services and resources available throughout the state for children and adults with disabilities, their families, and their service providers.

Supervision and Monitoring of Programs

Kansas' 37 infant-toddler networks receive onsite compliance reviews every three years. Team members providing these reviews include a State Infant-Toddler Services staff member, parents, service providers from another infant-toddler network in the state, and representatives from other agencies and/or communities in Kansas. These onsite reviews include interviews with parents of children receiving services, with community partners, and with service providers; a fiscal review; and a review of children's records. Areas targeted during the review:

- Community Network Planning
- Fiscal Information
- Community Collaboration and Accessibility
- Child Find and Public Awareness
- Service Delivery
- Personnel
- The Individualized Family Service Plan (IFSP)
- Evaluation/Eligibility/Assessment
- Transition
- Procedural Safeguards
- Natural Environments

After the onsite visit is completed, a Community Plan of Improvement is developed, and if needed, technical assistance is provided by the Kansas Inservice Training System staff and state infant-toddler staff.

Networks also forward semi-annual reports to the state infant-toddler staff for review and follow-up regarding strengths and concerns of their programs.

Information regarding site visits, family surveys, network self-assessments, and semi-annual reports is included in the Kansas University Affiliated Program report on page 14.

Complaint Resolution

Approximately 30 families lodged informal complaints with local networks or the Kansas Infant-Toddler Services office. The complaints to the local networks were made by phone or by face-to-face discussion with a service provider. The complaints to the State office were made by telephone. Areas of concern were:

- service frequency/intensity 6
- service location 2
- service type 1
- choice of service provider 3
- natural environments 3
- gap in service due to provider move/absence 2
- provider scheduling 5
- provider interaction with family (siblings/parents) 5
- need for addition resources/funding 2
- questions regarding provision of funding for service 1

No requests for mediation were received.

Personnel Development

Personnel providing services for Kansas Infant-Toddler Services must hold current and valid credentials in their professional field of practice, which comply with federal regulations requiring that personnel standards are to be the highest requirements in the state applicable to a specific profession or discipline. Kansas personnel credentialing standards are described in the *Procedure Manual for Infant-Toddler Services in Kansas*. Individual personnel credentials are reviewed locally during the site visit process.

Personnel receive their training and maintain professional standards through preservice, inservice, and continuing education systems of personnel development. Training offered during this report period included autism, natural environments, data collection, early brain development, assistive technology, and transition.

An annual training needs survey is circulated throughout the state by the Kansas Inservice Training Systems (KITS) staff to determine training priorities for the year. Evaluation forms, which include a request for those in attendance to identify their training needs, are completed at each of the four Infant-Toddler Regional Meetings held each year throughout Kansas.

Other organizations also provide training experiences for professionals, support personnel, and families. The Kansas Division for Early Childhood, the Kansas Speech-Language-Hearing Association, and Families Together, Inc. have targeted early identification/intervention as themes for their annual statewide conferences, mini-conferences, or regional meetings.

In the Fall of 2000, Kansas Infant-Toddler Services, Social and Rehabilitation Services (Head Start/Early Head Start), the Kansas State Department of Education, KITS, and other Head Start officials held a Head Start Collaboration Conference. Approximately 130 people attended from a variety of agencies.

In Spring 2001, 30 people attended an Autism Spectrum Disorders Satellite Downlink.

Over 400 people attended the Kansas Division for Early Childhood Conference in Overland Park. This is a 0-5 conference covering a variety of personnel development topics.

In April 2001, Kansas Infant-Toddler Services held a conference on the IFSP-process. Over 152 people attended. Topics included: Top Ten Things We Need To Share With Parents During the IFSP Process; Linking Assessment Information To Outcome Development; Family Outcomes in the IFSP Process; The Who? What? Where? And How? Of Outcomes in Daily Routines; Including The Community in the IFSP; and Evaluation of Outcomes: Did We Get Where We Thought We Were Going. The information presented resulted in several conversations/ additional discussion at regional meetings that followed.

Technical assistance packets are made available by request through KITS. These include: First Year Part C Service Provider's Information Packet; First Year Part C Coordinator's Information Packet; Transition Resource Manual; and Prenatal Exposure to Substances Packet. 56 packets were requested and disseminated.

COLLABORATIVE PARTNERS

Together with Kansas Infant-Toddler Services (Part C), these partners provide financial and in-kind contributions to fund or support early intervention services.

- ★ Title V — Social Security Act (Maternal and Child Health)
- ★ Title XIX — Social Security Act (Medicaid and EPSDT)
- ★ Educational Funding - Categorical Aid
- ★ County Health Departments
- ★ Mental Health and Developmental Disabilities
- ★ Services for Children with Special Health Care Needs
- ★ Community Developmental Disabilities Organizations (CDDOs)
- ★ Women, Infants, and Children (WIC)
- ★ Head Start
- ★ Early Head Start
- ★ County Commissions
- ★ United Way
- ★ Insurance Companies
- ★ Area Hospitals
- ★ Social and Rehabilitation Services
- ★ Other Local Organizations

THE KANSAS COORDINATING COUNCIL ON EARLY CHILDHOOD DEVELOPMENTAL SERVICES

1-56

Kansas' efforts to implement Part C of the Individuals with Disabilities Education Act are based largely on the continuing development of interagency cooperation and collaboration at both the State and community levels. The Coordinating Council on Early Childhood Developmental Services (CCECDS) continues to provide support in achieving a seamless system of community-based and family-centered services across the state.

Council Mission

To ensure that a comprehensive service delivery system of integrated services is available in Kansas to all children with developmental delays or disabilities from birth through age five, and their families.

Comprised of members representing parents of children with special needs, legislators, early intervention service providers, state agencies, and public members, the Council is committed to the vision of Infant-Toddler Services in Kansas.

Standing committees and task forces are utilized by the Council in order to gather information that will assist them in making beneficial and supportive recommendations to Kansas Infant-Toddler Services. Family members, Network service providers, and local interagency coordinating council members serve on these committees and task forces. Results of their collaborative efforts this past fiscal year:

- ★ Worked with the Children's Cabinet in implementing Smart Start Kansas. This collaborative effort to improve the lives of Kansas preschoolers disseminated funds from the master tobacco settlement to seven local communities.
- ★ Coordinated testimony from various partners to present a unified position for the Board of Education when they modified teacher licensing. The result was a comprehensive teaching license for teachers of all children birth through 8 years of age.
- ★ Continued to see an increase in total usage of Medicaid funds by local infant-toddler networks, resulting from our efforts to create a separate early intervention provider type.

1-57

Membership of the Kansas Coordinating Council on Early Childhood Developmental Services for 2000-2001

The Kansas Coordinating Council meets monthly to advise and assist the lead agency in matters related to the infant-toddler program in Kansas.

Chair:

Deborah Voth
Service Provider Member
Rainbows United-Family Enrichment Center, Wichita, KS

Governor's Representative:

Susan Mahoney, Topeka, KS

Legislators:

The Honorable Barbara Allen, State Senator, Overland Park, KS
The Honorable Ethel Peterson, State Representative, Dodge City, KS

Board of Regents:

Dr. Wayne Sailor, KU-UAP, Lawrence, KS

Public Members:

Dr. Dave Lindeman, KUCDD, Parsons, KS
Chris Baird, USD 308-Headstart, Hutchinson, KS

Providers:

Cheryl Coleman, Bright Circle Montessori School, Topeka, KS
Sharon Hixson, Russell Child Development Center, Garden City, KS
Deborah Voth, Rainbows United, Inc., Wichita, KS

State Agencies:

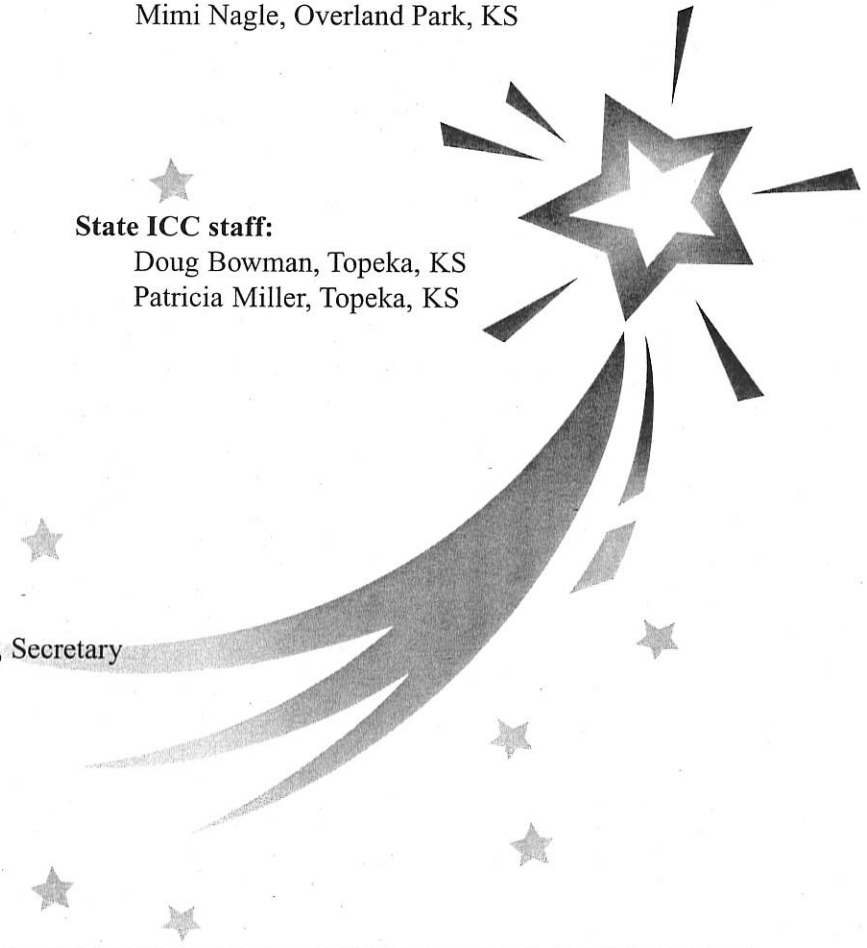
Kansas Department of Health and Environment - Clyde Graeber, Secretary
Kansas State Department of Education - Andy Tompkins, Commissioner
Kansas Department of Social and Rehabilitation Services - Janet Schalansky, Secretary
Kansas Insurance Department - Kathleen Sebelius, Commissioner

Parents:

Pam Chapin, Overland Park, KS
Karla Kenton, Hays, KS
Gloria Rader, Wichita, KS
Mimi Nagle, Overland Park, KS

State ICC staff:

Doug Bowman, Topeka, KS
Patricia Miller, Topeka, KS



(References: Guralnick, M. (1997). *The Effectiveness of Early Intervention*. Baltimore, MD: Brookes Publishing; Shonkoff, J.P., & Phillips, D.A. (2000). *From Neurons to Neighborhoods: the science of early child development*. Washington, D.C.: National Academy Press.)

Attachment 3

Dear Kim Lambert and Mike Farmer:

I wanted to respond as soon as possible to your request for information concerning our local PMI project called "Healthy Beginnings." I intend to fax you some narratives and statistics as soon as I can get them together. But I thought it was appropriate to tell you how I feel about how things are going.

This program has been extremely successful in many ways. First of all, everyone, regardless of politics, religion or anything else, understands the importance of having a healthy baby if at all possible. In other words, this program has brought together many different groups in the community who were not working together at all, or even saw each other as philosophical and political adversaries. This has been an encouraging development for me personally and one quite wonderful result of this program that, at the beginning, I was not really convinced would ever happen. Somehow everyone agrees on the basic premis that, assuming the child will be carried to term, we might as well try to help the child and mother be as healthy as possible. It is a good place to start and draws people to work together in new ways.

With any service or program, it is sometimes hard to gage exactly how effective the activity is. It is hard to prove conclusively how much worse things would be if you hadn't been doing anything. But we can tell you that, over the years, we have had about 300 or so women through the program. They all received encouragement to make better decisions concerning their health. They were encouraged to make their medical appointments. They were required to watch and discuss videos that dealt with smoking and pregnancy, fetal alcohol syndrom and other important subjects. It seems to me that this program helps a population that is very vulnerable with practical social services and personal attention that is very effective in promoting many healthy concepts. These young women have sent us notes of thanks and encouragement. One in particular says, "I really don't know what I would have done if you guys hadn't been here. Thank you so much for helping me and my son."

This program has received much positive recognition locally and statewide. Even Senator Brownback came to this agency and told me that he wanted to see it for himself because, as far as he could tell, this agency (because of its programs) was an excellent example of what a non-profit should be doing. I do not know of anyone who is familiar with this program who thinks it is not vitally important to the community. Many churches and civic organizations has decided to help us in various ways so we have no problem meeting our local match. We are continuing to experience the positive results of all the work it takes to get a program off the ground in the first place. It would truly be a shame to allow this program to come to a screeching halt when so many lives will be affected.

Thank you for doing all you can to keep this going. It is surely money well spent. I see it with my own eyes everyday. I will send you more information as I can get it together.

FAMILY LIFE SERVICES
1-800-922-7878

Sincerely,

Tim Durbin

1-59

March 5, 2004

Attn: Kit Lambert
From: Lynn Pettigrew Norris
RE: Family Life Services Healthy Beginnings Program

Attached is a summary of the activities of the Healthy Beginnings Program's first half of the year. Many women were served in unique ways. No other program in our area offers this type of service.

In addition to the program accomplishments which are listed on the report, I remember serving one young mother who had given birth to premature twins nearly a year prior to her coming in to FLS. Her baby was still sleeping in a bassinet and we were able to purchase a new crib for her baby.

Another mother brought in her daughter who was pregnant. The mother told me that FLS had helped her many years ago when she was pregnant with her daughter. And now they were helping her daughter through her pregnancy. She told me that she did not know what she would have done without FLS and the services offered to her.

The interesting thing about the Healthy Beginnings program is the number of fathers who go through the program along with their spouse or significant other. This will prove to be important to the baby when he or she is born to parents who have both participated in parenting classes.


Another unique factor about the Healthy Beginnings Program is that it addresses so many areas of the women's lives. Social, spiritual, and educational needs are addressed as well as economical needs. There have been numerous occasions when FLS was able to assist the women in securing safe housing. At times, rent and deposit were paid in order to assist a woman in getting a house set up for her new family. At other times, utilities were paid to provide heat in the winter. We did on one occasion pay tuition so a woman could start her nursing program at Cowley County Community College. Several other women enrolled in local programs to finish high school.

FLS and the Healthy Beginnings program was especially important to women who had no other support group. We were able to provide referrals to other agencies when appropriate to meet the women's needs.

Lastly, on occasion, I took the program to women who were on doctor's orders for bed rest. They were not able to drive to appointments. I took video tapes to their homes and worksheets for them to work on. We discussed their needs and I did on occasion bring groceries, baby supplies, and other needed items to the women.

These are the things that come to mind when I review my thoughts about FLS and the Healthy Beginnings program. No other agency can stretch funds so far or meet so many needs. I hope the program will continue always.

Thank you,


Lynn Pettigrew Norris
Case Mgr.

Pregnancy Maintenance Initiative Narrative Report

Report Period: July 1, 2003-December 31, 2003

Grantee Name: Family Life Services

A. Local Initiative Activities

In this report period, we have not needed to do much in the area of local initiative activities. Our program is steadily growing through word of mouth and walk-ins. As our client base increases, many of our new clients are referred by current or past clients. We have also had clients referred to us through school, churches, friends, relatives, and other service organizations. Thus, we have not had a great deal of need for advertising or promotion during this report period. The Case Manager has spoken at area agencies such as Third Thursday and Eagle's Nest to promote services of Family Life Services.

B. Overview of Client Service Needs Identified

Several client service needs have been identified in this reporting period. These include housing, parenting education and support, prenatal education, marriage and family counseling, supplies for expectant mothers, food and nutritional needs, budgeting, prenatal medical care, transportation, baby supplies, educational needs, and employment. Housing, supplies for expectant mothers, supplies for infants, prenatal education and parenting education and support have been the most common needs we have dealt with in this reporting period. In addition, we have paid college tuition for clients to attend a local college. We have offered assistance for rent and utilities. We have also given food to the women. We have provided baby formula and diapers as well. Many women receive WIC infant formula, but they tend to run out before the month is over. We offer food when our pantry has food to offer. When a client had a doctor order for bed rest, the case manager made home visits to complete the parenting education program. The clients appreciated this service.

C. Summary of Client Satisfaction Responses Received

Overall, we have had very positive feedback from the Client Satisfaction Surveys. The majority of our clients report that they learned of our services through friends while some stated that they learned of our services through SRS. The clients indicated in the surveys that they had received services for parenting education and support, housing, and prenatal medical care. The majority of the clients surveyed said that they waited one week or less for their first visit with the PMI case manager, one indicated waiting two weeks. Two clients indicated having problems getting to the appointments and these were for transportation reasons. The case manager did at times provide transportation for clients to get to or from appointments. The majority did not have problems getting to the services and all indicated that the days and times were convenient for them. All clients surveyed indicated that they waited less than 15 minutes to see the case manager. The clients were thankful that enough time was spent listening to them and they felt their needs were met with respect. There was no set time for appointments. Clients could meet for thirty minutes for an hour-and-a-half if the client requested that. Clients were especially thankful for maternity clothing and baby items. FLS provided any items which

were donated by the community such as baby bath tubs and clothing. New cribs and car seats were purchased for each woman in the program and they were extremely grateful.

All clients surveyed indicated that the case manager listened carefully to them, that the service providers listened carefully to them, that they felt they participated in goal planning and that things were explained in a way that they could understand. All clients surveyed indicated that they were fully informed of available services, location of services, and requirements for services. Two clients stated that they appreciated post delivery education. All clients indicated that they would recommend these services to a friend. One client indicated that she would recommend the services "100%".

One white client was 14 years old. 16 white clients were 18-19 years old. Nine white clients were 20-24 years old. Eleven white clients were 25-29 years old. One white client was 30-34 years old. One white client was 40-44 years old. One black client was age 15-17 and one black client was age 18-19. There were three American Indian clients ages 15, 35, and 21. Hispanic clients included two ages 18-19, three ages 20-23, five, ages 25-29, one ages 30-34, and one ages 35-39. We served a wide base of ethnic population. We found that most of our Hispanic clients did not have health insurance and we did at times pay parts of their doctor bills.

As previously stated, the responses from the surveys were very positive. In response to the question, "If these services had been unavailable, what would you have done in relation to your pregnancy and other needs?", one client stated that they did not know what they would do without FLS. One client brought her mother to an appointment with her and the mother said that FLS had helped her years ago when she was pregnant with her daughter. Most of the women gave the case manager a hug and a huge thanks when they completed the program.

D. Result of Quality Assurance Activities & Description of Modifications in Local Service Plan

The biggest issue we faced this period continued to be timing of the funding. Because we did not know at the outset of this year when we would receive the funding, this made budgeting and spending somewhat difficult. In addition, our clientele increased by 55 clients this 6 month period with an increasing amount of needs.

During this reporting period we continue to use a client contract. This gives the client a more detailed explanation of the program in writing, helping to clarify questions they may have. It also helps establish some commitment and responsibility on the part of the client, helping to encourage completion of the program. The case manager goes over their contract with the client at the initial appointment, the contract is signed by the client and the case manager, the original is given to the client, and a copy is put in her file.

E. Special Service Needs identified & Methods Identified to Meet Those Needs

One great need identified in our clients is for parenting education; and support along with prenatal education. Often we are their only support system and they come in with little or no knowledge in prenatal issues. We try to encourage them, listen carefully to their needs and issues and offer as much support as possible. We have added a teen

parenting/pregnancy video series which has been well received by our teen clients and clients in their early 20's. We have also added five videos in Spanish for our Spanish speaking clientele. These have been well received as well. Many of our clients have been viewing the parenting videos and have commented that they have learned much to help them through their pregnancy, labor and delivery, in the post-natal period and with parenting. If a client has had a previous delivery, there are options in the videos viewed.

F. Significant Local Initiative Achievements

There have been no staff changes in the program. Fifty five women have enrolled in our PMI program in the past 6 months, adding to an already large case load. This makes our current enrollment to be around 100. Of course, not all women who enroll remain active but the majority do. We continue to provide services for many women through this PMI program.



Gerard House
Faith in the Future

Gerard House, Inc.
3144 N. Hood
Wichita, KS 67204
316-832-0777
Fax 316-832-1327

To Whom It May Concern:

Gerard House needs the PMI funding (\$18,000.00) to continue to complete our Mission. The trend this past year has been that the parents and families of these young pregnant females want them to abort the pregnancy, or they threaten they will have no contact, and give no support in the future. Gerard House steps in and allows the pregnancy to continue with the needed prenatal support, and well as emotional, physical and spiritual support. The young pregnant mom gets many services to help her make decisions regarding placing her baby for adoption or get the skills for parenting if she decides to raise the baby.

Due to the PMI funding we have such collaborative support services for the prenatal child and mother. The research from Rand Corporation "Preventing Very Low Birth weight Births: A Bundle of Savings" found that the average aggregate-cost for low birth weight infants over the first year of life was \$59,730.00: and for children diagnosed with developmental delay, the first year can exceed \$100,000.00. Our history is to have much higher birth weights than the average norm. The money spent through the PMI clearly saves the state money in the long run. There are also similar statistics that show the cost that alcohol, drugs, and smoking cost the state because of the damage to the infant and mom, while these women are in our residential services they are not participating in those behaviors and we give random UA's to ensure abstinence.

Gerard House wants to continue to meet the needs of young pregnant women. We need the PMI support to continue to provide an alternative to abortion. Thanks in advance for being an advocate for the unborn.

* Sincerely,

Deneen Dryden

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Nar
Gerard House, Inc.

Organization Mission and Goals

Gerard House, Inc. is a not-for-profit organization, founded in October 1987 for the purpose of providing shelter and assistance for needy pregnant women during the full period of their pregnancy and for the first two months following the birth of an infant. The House provides shelter to any pregnant woman regardless of ability to pay and circumstance. This House provides to women an alternative to abortion. In the past three years, Gerard House Inc. has seen an marked increase in the number of pregnant teens coming to the House for shelter and assistance due to their families forcing them from their own homes because they would not choose abortion. We are here to serve those women, guarantee their right to choose life and promote the lives of these unborn children.

Operating as the only state-licensed maternity home in the city of Wichita, Kansas accepting wards of the state (from the Juvenile Justice Authority(JJA)) and children in need (from the Wichita Children's Home); Gerard House, Inc. has since its inception served an average of 25 pregnant women, and 8 newborns each year. These women have ranged in age from 11 years to 38 years, with the average age of residents being 16 years old. One hundred percent (100%) of the women coming to reside at the House are homeless and indigent. Unfortunately, all report to have been victims of some form of sexual, physical and/or emotional abuse at some point in their lifetime.

Average length of stay in Gerard House in the past five years has been 6 months, but women may enter the home at any stage of pregnancy and remain with their newborn (if adoption is not selected) for up to two months following birth.

The goals of Gerard House include:

1. Providing access to pregnant women in need a safe, secure home and environment to continue their pregnancy and deliver healthy babies into the world.
2. Providing access to professional, continuous prenatal and postnatal medical care, mental health counseling, parenting training (for both residential mothers and fathers of infants), education completion or higher education access, job or skills training, mentors, and good family development practices.
3. Providing support and access to transitional housing, employment or continuing education, medical care, and social support following discharge from the House through the AfterCare program.
4. Delivering healthy babies at full term, with access to pediatric medical care, medical insurance (via Kansas HealthWave enrollment) and participation in Early Head Start programs at the time of discharge from Gerard House.
5. Ensure that the cycle of violence, poverty, homelessness, hunger and unemployment is broken due to the participation of these mothers and their babies (and fathers of babies and extended family members) in the Gerard House program.
6. Assist former residents (and any women in the community) prevent unwanted pregnancies through practice of abstinence and natural family planning.
7. Provide to the general public, regardless of ability to pay, access to participation in the Gerard House parenting classes and access to baby supplies (such as diapers, formula, baby clothes, cribs) so to prevent hunger and promote healthy babies and families throughout the Wichita community.
8. Continue to provide an alternative to abortion for women in Wichita, Kansas and throughout the state.
9. Based on results of resident surveys and community evaluations, provide improvements to residential care and services on a continuous basis.

Organization Accomplishments

In the past six (6) years, the Gerard House program for residents has experienced the following outcomes:

- Only one (1) premature delivery of babies (birth with gestation less than 37 weeks)
- no low birth weights (less than 2,500 grams/5.5lbs)
- no fetal deaths, stillbirths
- no infant deaths
- 100% of all residential mothers and infants enrolled in Early Head Start
- 100% of all residential mothers continued basic education (middle or high school), completed High School diploma, or GED
- House maintained an adoption rate of 10%
- Repeat pregnancies in unwed mothers occurring at rate below the national average.
- Reports of domestic violence, child neglect or abuse during 24 months following discharge from House have only occurred at the most twice in one year.
- All mothers provided access and support for continuing education, vocational training and/or employment during 24 months following discharge from House

Annually, the Gerard House program of public support service has experienced the following outcomes:

- providing 20-40 expectant mothers and fathers with 12 weeks of parenting classes at no charge
- providing \$50,000-\$60,000 in free diapers, baby formula, baby clothing, refurbished cribs, and maternity clothing to 400-500 individuals throughout the community

Population to be Served

The Gerard House, Inc. residential program provides access to any pregnant woman in need. Our statistics reflect the following:

	FY 2002	FY 2003	FY2004	FY 2005 (projected)
<u>Clients Served</u>				
Infants under five	11	6	7	8
Females Aged 13-18	13	25	26	26
<u>Ethnicity</u>				
White	6	15	17	15
Black or African-American	6	7	7	9
American Indian	1	0	0	0
Hispanic or Latino	7	5	5	6
Two or more races	4	4	3	3
<u>Income Level</u>				
< \$10,000	24	31	33	34
<u>Residence</u>				
Sedgwick County	22	31	31	32
Other KS counties	2		2	2
<u>Marital Status*</u>				
Single, Unmarried	22	30	31	31
Married	0	1	0	1

* Married, pregnant women who are provided residency and services of the House have been referred from agencies and local women's shelters due to domestic violence suffered by their husbands.

Need Statement

According to the latest national statistics, the rate of pregnancy among teen aged, unmarried females in the U.S. has dropped 20 percent since 1991. Regardless of those facts however, the Centers for Disease Control (CDC) reported last year that one out of every 10 teen aged girls in this country will become pregnant before reaching age 19. Even more troubling is the impact on the health and social system of this country due to the rise in the number of low-birth weight and premature babies. Addressing this concern, research conducted by the Rand Corporation ("Preventing Very Low Birthweight Births: A Bundle of Savings") found that the average aggregate cost of caring for very low birthweight infants over the first year of life was \$59,730; and for children diagnosed with developmental delay, the first year cost can exceed \$100,000. Low birthweight is brought about not only by poor nutrition, but also with use of alcohol, tobacco products and illicit drug use. The National Institute on Drug Abuse (NIDA) 1996 report on the hospital-wide survey to determine the extent of drug abuse pregnant women, noted that of the 4 million women giving birth in 1993, 757,000 drank alcohol (19%), 820,000 smoked cigarettes (21%), and 221,000 women used illegal drugs during pregnancy (6%). Rates of illegal drug use were higher in women who were not married, had less than 16 years of formal education, were not working and relied on public sources of funding to pay for their hospital stay. Today, according to NIDA, half of all women who use illicit drugs are of the childbearing ages of 15 to 44 years of age.

In FY 2001, the Kansas Joint State Needs Assessment (KDHE) reported that the Family Planning Index Score revealed that Sedgwick County (Wichita) ranked 8th highest among 105 counties in Kansas for teenage pregnancy rate (aged 15-19), risk for repeated teen births and children born into poverty. For the metropolitan city of Wichita, one of our of every five children in the city live at or below the Federal Poverty Level, and 68 percent of all children enrolled in the school district qualify for the federal free lunch program. In addition, the city of Wichita has the highest rate of teen homicide and teen suicide in the state (2001).

Project Description - Goals & Objectives

The Gerard House Inc. residential care and services program works to address all the risk factors noted by the NIDA, Rand and the Kansas Department of Health & Environment (KDHE). Incorporating sex education (abstinence), tutoring, GED and SAT preparation, job training, medical and dental care, creative and recreational programs, parenting education, family skills training and mentoring from trained volunteers and staff who are mothers themselves, has resulted in outcomes from Gerard House that exceed national and state averages.

Like many other maternity homes across the United States, as well as after school programs targeting pregnant teens, Gerard House works toward the goals of:

1. Providing access to safe, secure home and environment during the course of pregnancy.
2. Providing medical care to ensure healthy delivery of baby and therefore preserve health of mother and promote healthy infant development.
3. Providing supportive programs in the area of education, employment, housing, and the importance of building traditional families (marriage of fathers and mothers) as the framework for community and society.
4. Provide an alternative to abortion.
5. Exist as a resource to the community to learn how to prevent violence, poverty, and unemployment by becoming productive parents and leaders in their homes and neighborhoods.

Gerard House, Inc. undertakes all the following activities (objectives) so to meet these goals:

1. Presence and availability of adult staff, volunteers and mentors to residents 24 hrs a day, 7 days a week, providing professional and lay counseling and support to women who may be receiving this type of attentive, loving care for the first time in their lives.
2. Requirement that all residents must abstain from use of alcohol, illicit drugs and tobacco products of any kind in order to remain a resident in the home.

**PREGNANCY MAINTENANCE INITIATIVE
CLIENT DEMOGRAPHIC SUMMARY
(NEW CLIENTS ENROLLED DURING REPORTING PERIOD)**

Catholic Charities, Inc.-et al
(LOCAL AGENCY NAME)

7/1/03-12/31/03
(REPORTING PERIOD)

1. RACE, AGE, AND ETHNICITY

RACE	<15	15-17	18-19	20-24	25-29	30-34	35-39	40-44	45-54	55+
White	2	23	44	87	33	15	7	3	6	0
Black	4	26	45	76	24	14	6	1	0	0
American Indian	0	3	1	0	0	0	1	0	0	0
Asian/ Pacific Islander	0	0	2	6	2	2	0	0	0	0
Other	0	11	12	28	11	8	1	1	0	0
ETHNICITY	<15	15-17	18-19	20-24	25-29	30-34	35-39	40-44	45-54	55+
Hispanic	1	9	17	37	13	11	1	1	1	0
Non-Hispanic	5	54	87	160	57	28	14	4	5	0

2. HIGHEST LEVEL OF EDUCATION OBTAINED AT TIME OF ADMISSION

NUMBER OF CLIENTS.	< 12 YEARS	HIGH SCHOOL DIPLOMA/GED	< FOUR YRS COLLEGE	COLLEGE DEGREE	VO-TECH
	180	213	67	14	19

3. EMPLOYMENT STATUS AT TIME OF ADMISSION

NUMBER OF CLIENTS	UNEMPLOYED	EMPLOYED FULL TIME	EMPLOYED PART-TIME
	303	113	83

Complete

4. POVERTY LEVEL (Based on Federal Poverty Standards)

NUMBER OF CLIENTS	<50 %	51 - 100 %	101% - 150%	151% - 185%	186%-200%	>200%
	34	13	8	2	1	1

5. HEALTH COVERAGE AT TIME OF ADMISSION

NUMBER OF CLIENTS	SELF-PAY	PRIVATE INS.	MEDICAID	MEDICAID & PRIVATE INS.
	229	110	151	1

6. MARITAL STATUS

NUMBER OF CLIENTS	SINGLE	MARRIED	SEPARATED	DIVORCED	WIDOWED
	372	106	14	13	0

7. COUNTY OF RESIDENCE AT TIME OF ADMISSION (USE COUNTY ABBREVIATION)

COUNTY	SG	RN	BU	HV	SU	PR	BT	FI	FO	JO
NUMBER	440	5	4	1	1	1	2	1	1	6

COUNTY	SN	AT	WY	SA	EL	RH	PL	NO		
NUMBER	22	1	1	14	1	2	1	1		

**PREGNANCY MAINTENANCE PREGNANCY INITIATIVE
PREGNANCY OUTCOME DATA FOR REPORTING PERIOD**

(Attach this form to the program midyear and end of year narrative report.)

Catholic Charities, Inc. et al /
(LOCAL AGENCY NAME)

7/1/03-12/31/03
(REPORTING PERIOD)

A. LIVE BIRTHS/RACE AND ETHNICITY

WHITE	BLACK	AMERICAN INDIAN	ASIAN OR PACIFIC ISLANDER	OTHER	HISPANIC	NON-HISPANIC
53	81	5	3	36	35	142

B. LIVE BIRTHS/GESTATION LESS THAN 37 WEEKS

WHITE	BLACK	AMERICAN INDIAN	ASIAN OR PACIFIC	OTHER	HISPANIC	NON-HISPANIC
14	21	1	1	5	5	37

C. LIVE BIRTHS/BIRTHWEIGHT

BIRTHWEIGHT	WHITE	BLACK	AMERICAN INDIAN	ASIAN OR PACIFIC ISLANDER	OTHER	HISPANIC	NON-HISPANIC
>1500 GMS	4	5	1	0	0	0	10
1500-2499 GMS	13	15	0	0	7	5	30

D. FETAL DEATHS/STILLBIRTHS (Greater than 350 Gms)

WHITE	BLACK	AMERICAN INDIAN	ASIAN OR PACIFIC ISLANDER	OTHER	HISPANIC	NON-HISPANIC
0	3	0	0	1	0	4

*Complete
Data
Catholic Char.
John*

F. INFANT DEATHS

INFANT AGE	WHITE	BLACK	AMERICAN INDIAN	ASIAN OR PACIFIC ISLANDER	OTHER	HISPANIC	NON-HISPANIC
LESS THAN 7 DAYS		3					
7 TO 27 DAYS							
28 TO 364 DAYS							

G. ADOPTIONS/MATERNAL AGE/ RACE AND ETHNICITY

RACE	<15	15-17	18-19	20-24	25-29	30-34	35-39	40-44	45-54	55+
White		1		3						
Black			1							
American Indian										
Asian/Pacific Islander										
Other			1							
ETHNICITY	<15	15-17	18-19	20-24	25-29	30-34	35-39	40-44	45-54	55+
Hispanic			1							
Non-Hispanic		1	1	3						

Bureau for Children, Youth and Families
 Kansas Department of Health & Environment
 10/99

1-71

PREGNANCY MAINTENANCE INITIATIVE NARRATIVE REPORT

Report Period: July 1, 2003 through December 21, 2003

Grantee Name: Catholic Charities, Inc. of Wichita

Local initiative activities: Radio ads for crisis pregnancy and for adoption were run; information was handed out at various community fairs; various talks given in the community about pregnancy and parenting as well as adoption as an option to parenting; more aggressive effort to market services in community and in surrounding area by delivering information to doctors, community agencies, and school counselors as well as placing stories in local newspapers. The agency is working on being a link on other pregnancy websites for referrals, as well as strengthening the current agency website.

Overview of client service needs: Presenting issues continue to include decision-making needs, financial stressors, lack of social support and resources, and resolution of family conflict. Clients continue to require counseling and referral sources to meet their basic needs. It appears that more of the younger mothers are choosing to parent, but without apparent resources readily available or severely limited. This has necessitated better networking with other agencies to know where the community resources are located for referrals, which continues to be the biggest need.

Summary of client satisfaction surveys: 3 pregnancy client satisfaction surveys were returned during this period with all second highest or highest scores for quality of services. One client commented: "From the first phone call to the post-adoption counseling we were treated with respect and care. Everyone was so supportive and knowledgeable about all aspects of our situation. I don't know how much our community knows about your services. We share our story where we see a need. Perhaps letting school counselors, drs., ministers, etc. know of your services would be so beneficial to young people who face these difficult decisions."

Results of quality assurance activities: Client files are reviewed according to quality assurance protocol, which includes case review, clinical supervision, and case record review for quality and compliance each quarter. The case record review forms were update during this period to better reflect the nature of the review.

Special needs identified: Through professional assessments by licensed counselors, better identification of needs underlying the pregnancy, including mental health issues, have been identified and referred as necessary to Community Counseling Services (Catholic Charities). There is typically a consistent need for immediate crisis stabilization for many callers. Although no PMI funds were utilized for benevolent items such as clothing, diapers, bottles, etc., many of these items have been donated and distributed through our center this year.

Achievements: Marketing efforts led to an increase in referrals during this period as compared to the first six months of the year.

Projected vs. actual clients served: For this reporting period, this agency provided services to 33 pregnant women or birthfathers. Eight of those clients did not meet criteria for PMI. Numerous other family members were also served. Due to a decrease in numbers, some support staff time was shifted, but the program was able to maintain quality and efficient services to clients.

Catholic Charities, Inc. of Wichita
PMI Client Vignette #1

The client is an 18 y.o. single white female who is working on her GED. She came to Catholic Charities in her first trimester at the urging of her mother when she learned she was unexpectedly pregnant. Initially this client was abortion-minded, partially because she believed she had been given a "date-rape" drug at a party and she had no idea who the birth father might be. The assessment process revealed that this young woman had experienced significant trauma in her childhood. She and her siblings had been removed from their biological parents' custody due to physical, emotional and sexual abuse. They were subsequently adopted by a warm, loving couple who provided stability.

During the counseling process, the client received information about all her options and the loss issues connected with each one. By the third session, she had decided not to add additional trauma to her life history by aborting her child. She then processed, over a period of weeks, her decision to parent her child herself or parent through adoption. She ultimately made a careful, thoughtful adoption plan. After selecting an adoptive family and beginning to develop a relationship with them, the client stayed focused on giving her child a healthy start in life.

She was also able to confirm the identity of the birthfather, and cooperated in our efforts to connect with him in order to offer birth parent counseling services. The birth father supported the adoption plan and was also able to provide genetic/medical/social history and meet the adoptive family, as well as spend some time with his son after the child's birth.

Following her son's birth, the client remained firm in her decision to relinquish her parental rights. She has an open relationship with the adoptive family and sees her son on a regular basis. She and her adoptive mother both express that the pregnancy counseling services turned a traumatic event into a blessing both for the client and her son.

Catholic Charities, Inc. of Wichita
PMI Client Vignette # 2

Client is a 23 y.o. white female who is in a common-law marriage to a 24 y.o. African-American male. At the time of their entry into our program they had 3 children, ages 6, 4 and 3. They both came to Catholic Charities late in her 2nd trimester of pregnancy to discuss options, including adoption. Client's pregnancy was the result of an affair, which was creating significant tension in the home and the husband felt he could not raise another man's child.

During our work together, we discussed their desire to make an adoption plan for this child, and began to help them gather medical/genetic/social history and look at potential adoptive family profiles. In the 3rd trimester, a sonogram indicated the possibility of medical complications for the baby. This unknown medical problem created significant anxiety for the birth mother. It also made a match with an adoptive family more challenging, but extensive networking with sister adoption agencies across the mid-west took place in an effort to meet this family's needs. We continued to provide supportive counseling to the client and her husband.

The baby arrived several weeks early but was entirely healthy. Birth mother and her husband decided to parent the baby themselves. Support was provided in the hospital and also during a follow-up home visit and telephone calls. Referrals were made to community agencies which could provide needed baby supplies, and Catholic Charities Emergency Services provided a week's worth of food for the family. Three months after the baby's birth, mother reported that the family is doing well, her husband fully accepts the child and plans to adopt her, and they are grateful for the counseling and support received from our agency.

Catholic Charities, Wichita

Client Story

Joni is an 18-year old female, originally from Honduras, who presented for pregnancy counseling following an emergency admission to the hospital. Joni was briefly admitted due to homicidal thoughts toward her baby, but she had no insurance and was unable to stay in the hospital for long. The unwanted pregnancy was the result of a rape and Joni continued experiencing extreme emotional distress due to feeling the baby move and kick. Joni presented desiring to develop an adoption plan for her baby. Through the help of interpreters and her limited English, Joni was able to develop a trusting relationship with the counselor. Initially, Joni was so troubled by her situation, she wanted the counselor to choose a family and get "rid of the baby" quickly. Through counseling, not only did she change her mind about a completely closed adoption, she ended up deciding to meet the family she chose and asked them to be in the delivery room with her. She was able to see the value of her choices for the future of her child. Without counseling, this pregnancy would likely have ended in abortion, which would have increased the pain Joni already felt. With the help of the free services, Joni was able to make a courageous decision to continue her pregnancy and give her baby life, despite her discomfort and emotional pain.

Case Examples, PMI clients
Catholic Charities, Wichita
Social worker: Wanda Pumphrey, LMSW
March 5, 2004

"Cynthia", 22 y.o. Caucasian female who is 5 months pregnant with second child, while struggling to care for her first child who is now 6 months old. Cynthia is a caring but low-functioning mother who requires frequent reassurances about caring for her son. I have significant telephone contact with Cynthia, sometimes several times a day. I have also worked closely with other community agencies as we try to surround her with supportive services to protect her during this pregnancy. Cynthia may or may not choose adoption for this second child, but we will continue to provide needed services whatever she ultimately chooses.

"Andrea", 24 y.o. is pregnant with her first child. Andrea has a major mental illness and was functioning reasonably well prior to her pregnancy. However, due to the pregnancy her medication has been changed and her functioning deteriorated so that she has not been able to maintain an independent living situation. Through the PMI grant we have been able to provide counseling and support, get her into a shelter when she was homeless, and now into a maternity home where she will hopefully benefit from the stability and structure. Depending upon Andrea's mental status on any given day, she has considered both parenting her child herself or making an adoption plan when she recognizes that she cannot care for herself, much less a baby. Because of PMI funding, we will be able to provide support and assistance for either plan.

"Colleen", 31 y.o., was in an abusive marriage but has been able to remove herself and her two older children from that situation. She is now working with our agency to make an adoption plan to help protect her unborn child in the future.

Nicole, 18 y.o., was in juvenile facilities and group homes through most of her teenage years. When she was released back to her parents, she then found herself in a chaotic, emotionally abusive environment. The PMI grant has enabled us to provide ongoing counseling onsite at her school, and last month she made the choice to move to a maternity home where she is blossoming. She has actively pursued the community resources we have connected her with. Her baby is due in late March and Nicole has been taking good care of herself in order to give her baby a healthy start in life. Although she considered adoption, she now plans to parent her child. She is completing high school, is actively pursuing admission to a vocational school, and has applied for a transitional living program that will offer housing, skill-building, and other supports after the baby is born. We continue to provide counseling at least twice a month and more often if needed. Nicole is able to view how far she has come, and what she has accomplished in the past few months, with justifiable pride.

PREGNANCY MAINTENANCE IMITATIVE NARRATIVE REPORT

Report Period: 7/1/2003 – 12/31/2003

Grantee Name: Catholic Charities of Kansas City Kansas

Service Sites: Kansas City, Lawrence and Topeka all have a regular scheduled program with a specific site and regular service hours. Services are available in Emporia on an as needed basis, but not there is not a routine counseling presence there.

Outreach Efforts: The Parent Child Learning Center held two open houses to make high school students aware of their services. A pregnancy Counseling Newsletter was sent to about 1,500 individuals and referral agencies advertising the services available to pregnant women in Topeka, Lawrence and Kansas City. Regular services are now being provided in Lawrence and outreach visits have been made to local agencies such as the Douglas County health Department, Doctors Offices, Lawrence Memorial Hospital, and all potential social service referral agencies. Similar efforts are on-going in Topeka and Kansas City. We are now running a bi-monthly ad in the Leavenworth Diocese newspaper. The program staff has attended literally dozens of local networking events. Our services are listed on the agencies website. Services are listed in all three locations community resource directories

Service Needs: Counseling and support during an unplanned pregnancy and help making and carrying out a parenting plan. Many of our clients are homeless or in imminent danger of becoming so. Daycare and help finishing high school are major issues for pregnant and parenting teens. We continue to partner with other resources to help secure housing. We are actively involved with the Women's Recovery Center to provide services for drug and alcohol addicted pregnant women. . Virtually all women who come to us have drug and alcohol problems; many have unmet mental health needs.

Services Provided:

- One adoption has been finalized.
- We saw an average of 30 women each month with a range from 18 to 37 unduplicated clients for pregnancy counseling.
- We provided education and day care services to 31 teen parents and their children.
- We provided housing assistance to five women who were homeless and were residing in shelters or drug and alcohol treatment programs.
- We provided counseling services to five birth fathers through a referral to our DADS program
- We made three referrals to our mental health counseling program

Major Program Changes: Services are now available in Lawrence on a regular basis, a counselor goes there one day each week and there are currently three pregnant clients there being seen for pregnancy counseling issues. One of them was homeless and has been helped with housing.

Catholic Social Service, Dodge City
Reporting Period July - December 2003

Local initiative activities:

Catholic Social Service has restructured its case assignments to have one social worker who specializes in pregnancy counseling and adoption work. This has been accepted well in the communities that we serve. This positive response has come from clients as well as referral sources. We have participated in local radio programs to inform the communities of the services available. We continue to work with schools and organizations that may have the opportunity to refer clients to CSS for PMI services.

Overview of client service needs:

We continue to see client's' needs grow and they have more difficulty meeting their basic needs. We work closely with the other agencies in southwest Kansas to help address those needs. We have seen an increase of women over the age of 20 seeking services and struggling with the ability to support their child. Our observation has been that the economic situation of the mother is the greatest motivator to not parenting the child. We have seen an increase in the number of cases that paternity needs to be determined for economic assistance or for an adoption to occur.

Summary of client satisfaction responses:

Client satisfaction surveys were mailed with none being returned. We will continue to follow-up on efforts to obtain more returned surveys.

Results of quality assurance activities:

Files are maintained according to policy and reviewed by the supervisor.

Special needs identified:

Transportation continues to be a concern. Social workers generally travel to see the clients and often in their homes because they do not have transportation. CSS continues to assist clients with transportation to doctor's appointments in helping gain access to other agencies that may assist them.

Significant local Initiative achievements:

Our "Teen Mom's" program has continued to be well received. Currently all of the participants in the program are in college and working towards self-sufficiency. There is strong community involvement with this program. Speakers

from the community meet with the group weekly and share information and their expertise.

Projected clients served:

In this reporting period, 5 new PMI cases were opened. All but one were very committed to carrying their child to term. All of them considered adoption as an alternative to abortion.

Four clients gave birth. Three of those clients chose to place their child for adoption and one choose to parent.

We have experienced an increase in the number of new clients over the last reporting period. We have also seen an increase in the number of clients who have maintained contact throughout their pregnancy and beyond the birth of their child.

Most referrals come from former clients or past referral sources. We will continue to make our services know throughout the communities in southwest Kansas.

PREGNANCY MAINTENANCE INITIATIVE NARRATIVE REPORT
REPORT PERIOD: JULY 1 – DECEMBER 31, 2003
GRANTEE NAME: A BETTER CHOICE

Local Initiative Activities: Over 25 community education opportunities occurred explaining the services offered by A Better Choice including PMI services.

Overview of client service needs: Because over 48% of our clientele come from the highest infant mortality zip code areas in the state, early medical intervention is critical! For the majority of our clients, the greatest identified need is prenatal care and the means to pay for it. Fifty-four percent of our clients were referred for prenatal care. The others had already established relationships with a physician or clinic and were encouraged to make appointments with those providers. If that was not possible, the case manager advocated for the client and made the appointment. Twenty-six percent did not have means to pay for medical care and were provided with an application to apply for medical benefits through the state. All pregnant clients were given information and encouraged to make an appointment with WIC if they were not already enrolled.

Results of Quality Assurance Activities: Each client was assessed during intake by a peer counselor utilizing criteria designed to identify potential PMI candidates and was offered the services of the case manager. The case manager also reviewed each positive pregnancy test chart.

The pregnant client breakdown was as follows:

		Percent of total
• Referred elsewhere for assessment	0	0
• Declined services or no need	7	2%
• Assessment only	402	97%
• Completed PMI	0	0
• Pending case status from Dec.	<u>5</u>	1%

Total pregnant clients 414

* The no-show clients are included in the assessment only number.

Special needs identified: During completion of the PMI Assessment, the services of Catholic Charities Clinical Department were explained to help address underlying issues as they relate to sexual abuse issues, substance abuse, and/or domestic abuse. Clients interested in exploring adoption were referred to Catholic Charities. Housing issues and homelessness prevention were addressed through agencies outside of the PMI collaborative group. Monetary needs were referred to Center of Hope and Catholic Charities Emergency Services.

Although no PMI funds were utilized for benevolent items such as baby beds, car seats, formula, and diapers, these donated items have been distributed through our center. If the item was not available, referrals were given to other agencies that provided the service. From July – December 2003 the following was distributed to pregnant clientele:

• Layettees	126
• Cribs	12
• Car seats	3
• Other benevolence material goods (diapers, formula, etc.)	107

Significant local initiative achievements: During this reporting period, **1,286 women presented at A Better Choice for pregnancy tests. Of these women, 32% tested positive.**

During intake, peer counselors assess each client for their personal inclination regarding the outcome of their pregnancy. As well, the factors influencing the decision for the pregnancy are assessed and to what degree the outcome of the pregnancy will be affected by these factors.

For this reporting period, crisis telephone calls were tracked for total volume and issues encountered during the supportive counseling and education for the telephone client.

In January of 2002, Dr. Janet Brungardt joined our volunteer staff as Laboratory Director and working 20 hours per week in the following areas: physician consultation, fertility education, STD education, abortion education & performing external sonogram. For this reporting period, Dr. Brungardt served the following clients: **consultation with 24 positive clients, consultation with 7 negative clients, 15 sonograms & 3 abortion vulnerable telephone clients.**

During this reporting period, **909 crisis calls were received. Another 91 calls were from abortion vulnerable women and men.** The issues encountered included but were not limited to: contraception, adoption, menstrual cycle, fertility issues, pregnancy, domestic violence, drugs and pregnancy, sexually transmitted diseases, miscarriage, ectopic pregnancy, relationship conflict, extra-marital affairs and pregnancy, surgical abortion, chemical abortion, post abortive stress, depression and questions about the baby's development in the womb.

The volunteers at A Better Choice logged over **1,687.5 hours of service to clients who visited the center or called in crisis needing supportive counseling.** According to the Independent Sector's rate of pay for service volunteers, 1,687.5 hours would equal **\$27,911.25 in gift in kind salary.**

Summary: In summary, the PMI Program has been invaluable in offering services to clients struggling with unplanned pregnancies. The program is fruitful and should continue as we are assured daily by our clientele that these services are vital to mother, child and family.

Thanks, in part, to the PMI grant monies, many women have found the tangible resources available to realize their desire to make a life giving decision. They also find comfort in the emotional, psychological and spiritual resources available to manage an otherwise hopeless situation.

NO. 5676 P. 30/31

CASE SAMPLE #1

"Michelle" came to A Better Choice fearing pregnancy. She was not the "typical" client. "Michelle" was married and had two adolescent children. She feared pregnancy not because of unemployment, lack of finances, and too many children, an abusive spouse or lack of baby items. This woman was terrified to be pregnant because her doctors told her that she would die if she got pregnant and didn't have an abortion.

"Michelle" and her husband do not believe in artificial birth control. For fourteen years they have practiced Natural Family Planning.

"Michelle" has a myriad of heart conditions: cardio-myopathy, ventricular arrhythmia & congestive heart failure to begin with. She reported that a friend had told her to come to A Better Choice before going to the doctor's office to confirm a positive result.

"Michelle" literally broke down and sobbed when she heard that her test was positive.

After many tears, she and the peer counselor talked about what her desire was for this pregnancy, regardless of what the "professionals" in the situation thought.

"Michelle" reported that she & her husband wanted to trust God. That He wouldn't have blessed her with a child unless He had a plan for this baby. She wanted to continue with the pregnancy and see what God had in store for her and this precious one inside of her. She received encouragement, prayer support and ongoing contact with her peer counselor at A Better Choice.

"Michelle" survived well past the milestones set by her doctors: twelve weeks, twenty weeks, twenty-four weeks and 30 weeks. Each time she would visit with her peer counselor she would grow stronger in the conviction that God was keeping her alive and feeling well for a reason.

"Michelle" gave birth to a baby girl. She was perfectly healthy and was delivered without complication to baby or mom. She reported that the doctors had no explanation except that this was a miracle! Her obstetrician even shared with her later that he honestly didn't think that she would "make it".

"Michelle" states that she was so grateful for A Better Choice because she knew that a faith based organization would support her right to choose life for her baby even against the odds. She feared that had she gone to the doctor first, that she might have given in to the pressure to abort. Now she states that she doesn't know what she would do without her sweet baby girl.

CASE SAMPLE #2

Maury & Mandana had been married a little over two months when he brought her to the United States from Iran. With Maury & his daughter-in-law interpreting, we advised Mandana her test was positive. We referred her to a local teaching hospital family practice group.

A few days later, Maury called to report Mandana was feeling ill. The case manager encouraged him to keep the scheduled appointment with the physician. The next day, Maury called to report that Mandana was indeed pregnant with TRIPLETS. The family practice resident continued to follow Mandana's care but also referred her to a specialist in perinatology.

Maury was self-employed and was very concerned about the expense of three babies all at once and so considered ending the pregnancy. Frequently Maury would bring Mandana to A Better Choice and report on the latest progress of the growing babies. Although she could not understand the language, she shared that she felt the love and support of the women at A Better Choice.

Mandana was hospitalized only once throughout the entire pregnancy, during the last week. The three identical baby girls were born at 32 weeks weighing 2# 8oz, 3# 5 oz, and 3# 8oz on September 11, 2002. A Better Choice has provided beds, diapers, a triple stroller, larger carseats, and formula as needed. Today, the girls are thriving toddlers with no evidence of their pre-term birth. Maury and Mandana cannot imagine life without their three precious little girls.



K A N S A S

RODERICK L. BREMBY, SECRETARY

DEPARTMENT OF HEALTH AND ENVIRONMENT

KATHLEEN SEBELIUS, GOVERNOR

January 1, 2004

Jeffrey M. Russell, Director
Legislative Administrative Services
State of Kansas
Capitol Building, Room 511S
Topeka, Kansas 66612-1504

Dear Mr. Russell:

KSA 65-1,216 requires that, on or before the 2004 legislative session, the Secretary of KDHE shall submit a report to the Governor and the Legislature concerning operation of the fetal alcohol syndrome pilot programs. The required components of the report are a review and evaluation of the pilot program data, specific recommendations, and such other information as the department deems appropriate. The attached report is submitted in fulfillment of this statutory requirement.

Sincerely,

Roderick L. Bremby
Secretary

c R Morrissey
L Kenney

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
DIVISION OF HEALTH

Chapter 65 – Public Health

Article 1. – Secretary of Health and Environment, Activities

65-1,216. Fetal alcohol syndrome pilot programs; sites; rules and regulations; funds; report.

(a) Within the limits of the appropriations therefore, the secretary of health and environment may establish not more than five fetal alcohol syndrome diagnostic and prevention network pilot programs. The pilot programs shall be established in communities which indicate availability of local funding, in kind services, or other resources for a fetal alcohol syndrome diagnostic and prevention pilot program. The pilot programs shall expire on July 1, 2004.

(b) The department of health and environment shall work with local health agencies to determine the sites where the pilot programs will be established and shall establish standards for the development of the pilot programs and the collection of data by such programs. The secretary of health and environment may enter into contracts as appropriate for the purposes of establishing the fetal alcohol syndrome diagnostic and prevention network pilot programs. The secretary of health and environment may adopt rules and regulations as necessary to administer the provisions of this section. Any expenditure of money appropriated by the legislature for this purpose shall be matched by the local communities either by money or in kind services, in an amount as specified by appropriation act of the legislature.

(c) On or before the commencement of the legislative session in the year 2004, the secretary of health and environment shall submit a report to the governor and the legislature concerning the operation of the pilot programs under this section. The report shall contain a review and evaluation of the pilot programs data relating to fetal alcohol syndrome as developed by the pilot programs, specific recommendations with regard to the programs and such other information and recommendations relating to the programs as the local health department deems appropriate.

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
DIVISION OF HEALTH

EXECUTIVE SUMMARY

When K.S.A. 65-1,216 was passed in the 2001 legislative session, the Kansas legislature appropriated no State general funds for projects under this statute. Alcohol and Drug Abuse Services (ADAS) in the Kansas Department of Social and Rehabilitation Services (SRS) allocated \$15,000 in federal funds to Emporians for Drug Awareness, Inc (EDA) to establish a Fetal Alcohol Syndrome (FAS) diagnostic and prevention network pilot project at Emporia, Kansas. The group received additional support for the pilot project from the local community. Within the limits of available staffing, KDHE provided technical assistance and consultation to the project.

The accomplishments of the Emporia pilot project are considerable given these limited resources due primarily to strong community commitment and support. 1) A seven-member multidisciplinary team from Emporia was trained at the University of Washington, Seattle. Utilizing this training, the team organized the FAS clinic for high-risk children. 2) Intensive diagnostic services were provided by the interdisciplinary team to fourteen children from Lyon and other Kansas counties resulting in improved parent supports, early intervention, and school services for affected children. 3) In support of the diagnostic team, a community coalition launched a public information campaign to inform parents and other community members about prevention of fetal alcohol syndrome, when diagnostic and other services should be considered for children, and the availability of services.

Children from the following counties have received these intensive, diagnostic services: Barton, Butler, Coffey, Crawford, Doniphan, Franklin, Harvey, Lyon, McPherson, Osage and Wyandotte.

REPORT FROM THE EMPORIA
FETAL ALCOHOL SYNDROME DIAGNOSTIC AND PREVENTION TEAM

The Fetal Alcohol Syndrome Diagnostic and Prevention Team has been frugal with the funds provided by the legislature and local matching funds. The essential items for which the funds have been expended include:

- 1) Training for team members in November 2001 – The development and training of Emporia's seven member multidisciplinary team was based on the model developed at the University of Washington of a comprehensive, reproducible method for diagnosing the full spectrum of outcomes among patients with prenatal exposure, including Fetal Alcohol Syndrome and Fetal Alcohol Spectrum Disorders (FASD). Utilizing a core staff that has over 25 years of experience in the field of FAS, The University of Washington training consisted of two and a half days of didactic lectures, observation of an evaluation and hands-on practice sessions. Training sessions are held twice a year at a current fee of \$850/each. Due to the relocation of the first physician trained for the FAS team, a second physician from Emporia was trained in September 2003. Training expenses, including airfare, lodging and meals totaled \$11,545.
- 2) Supplies and equipment for clinic operations includes testing materials specific for each discipline represented on the team, a desktop computer, a printer and a digital camera. The team recently purchased a laptop computer that enables them to perform the analysis of data compiled during the evaluation and compile appropriate reports. On at least one occasion, the team traveled to another

community to conduct the evaluation as the family was unable to travel to Emporia. Supplies thus far have totaled approximately \$7,500.

- 3) Primary prevention supplies and educational items – In support of the diagnostic team, a coalition operates within the community of Emporia to raise awareness of FAS and plan/promote various primary prevention activities. A number of books and videos have been donated to the public library for a special section related to FAS and other alcohol related birth defects. In addition, the coalition has recognized FAS Awareness Day on September 9 each year as well as Alcohol and Other Drug Related Birth Defects Week in May. Note pads were developed and printed for distribution at these events and other community activities. Recently an individual from Harper, Kansas saw the pads at a local presentation and requested that she be allowed to take a number of pads with her to distribute in new mom packets, which are administered by their visiting nurses association.

The in-kind support provided by the Flint Hills Community Health Center has also been invaluable. The original physician on the FAS team was an employee of the health center and the team nurse and social worker are currently employed there. Each donates their time spent during clinic. All other members of the diagnostic team also donate time for the clinic operation. This indicates a widespread collaboration of agencies within the community depicted by their willingness to devote their time to the clinic. The Health Center has provided a dedicated phone line that is publicized as a means to arrange an evaluation. The paper, copying, and mailing expenses incurred, are all donated by the Health Center as well. Educational materials and expenses total over \$2,000.

The team has evaluated a total of fourteen children, ages 2 - 15, averaging one child per month. Four of these children have been diagnosed with Fetal Alcohol Syndrome, while an additional eight have been diagnosed with Static Encephalopathy with Alcohol Exposure. One child was diagnosed with a neurobehavioral disorder. Fetal Alcohol Syndrome includes growth deficiency, characteristic facial features, clear history of exposure to a significant amount of alcohol during gestation, and brain damage as evidenced by neuropsychological testing. Static encephalopathy literally means a nonprogressive brain dysfunction. The term neurobehavioral disorder is used to emphasize that the problems may not entirely be contributed to experiences after birth, however also indicating implications for educational planning, societal expectations and health.

A typical day in the clinic starts at 8:00 a.m. with the team of seven individuals meeting for approximately one hour to review the client's information packet, and any pending cases as time allows. The family usually arrives around 9:00. The evaluation process takes approximately 60-90 minutes including motor evaluation, language testing, psychological review, and parent/caregiver interview.

The team then meets for an additional 30 - 45 minutes, compiling the necessary information and completing an initial diagnoses form. The family is then given the team's initial impressions and diagnoses. The team has been fortunate to be able to recently purchase a laptop computer so that written reports can be provided for the family to take with them. After initial findings are shared by the team, the psychologist meets with the family to address any emotional reactions or specific questions they might have and further explains the implications of the diagnosis.

Since January 2003, a client satisfaction survey has been sent to each of the families with an approximate 50% return. Returned surveys included comments such as: "Thanks for all your help. The whole team is a wonderful bunch of people. Thanks for helping children that are placed in foster homes, and for helping foster families," and "We want to thank everyone. It has helped so much!" All families have given the FAS team

very good to excellent comments in the areas of professionalism, courtesy and overall quality of services received. Several of the families have noted that the team gave them the key to 1) understanding their child and his/her behaviors, and 2) obtaining additional special education, mental health services, and in some cases, medical services.

The team has been fortunate in having continued contact with a few local children and their families who have received increased supports within their community. One adopted six year old girl, diagnosed with FASD, is receiving additional special education assistance that includes a paraprofessional. She also receives mental health counseling, and pharmaceutical interventions. In this child's case, the family has obtained a clearer understanding of the extent of this little girl's limitations and have thus become more eager to accept that particular behaviors are not intentional but rather an effect of her diagnosis. A five year old boy has received additional outpatient therapy services (physical, occupational, and speech) in addition to starting medication. He has made significant gains in school as a result of these intensive services. Both the school and family have more realistic expectations of him. In addition diagnosing FAS/FASD, the team is open to calls from family, caregivers, teachers, and others at any time to provide assistance to a FAS/FASD child and family. In some instances the team has provided support in Individualized Education Plan meetings. The Kansas Coalition to Prevent FAS and the Emporia FAS team have been collaborating in order to create a successful FAS diagnostic and prevention program. The coalition was established in 1999 in Emporia, Kansas and meets on a monthly basis. At least one FAS team member attends these meetings each month. To date, the coalition has provided 25 educational presentations, sponsored four regional training sessions, and boasts representatives from five counties as well as from the state prevention and treatment infrastructure.

Clientele have been referred to the FAS team by mental health professionals, word of mouth from family members, physicians, and schools. These referrals have come primarily from the eastern part of the state though there have been requests for additional information from as far away as Garden City. The team has been able to provide an excellent resource for families, which is not available anywhere else in the state of Kansas. It is the only diagnostic team trained in the University of Washington model and it has been able to provide this level of expertise consistently 1x/month since August of 2003. Each member of the team volunteers a minimum of 4-6 hours each month. The waiting list remains at 6-8 children with a 3-6 month waiting period. Focus has been on providing services to children ages two and over, yet there has also been support for families of younger children.

The team requests additional, ongoing education for cutting edge information in the area of Fetal Alcohol Syndrome. Time limitations are a concern, as is reimbursement for services and a facility that meets the needs of potential clients and their families.

Accurate identification of the etiology of behaviors leads to the development of effective and appropriate treatment plans. How the care is provided may be different, however the identification of FAS/FASD is central for providing effective and appropriate intervention and a network of support in the school and community.

RECOMMENDATIONS

We would recommend and strongly encourage continued funding so that what has begun as a local grassroots effort in Emporia can be duplicated across the state of Kansas, thus reducing the prevalence and impact of FAS/FASD on Kansas communities. The communities of Wichita and Garden City, as well as

Johnson County have each expressed an interest in developing a clinic similar to the Emporia pilot. The funding to send a team or teams to be trained could be a huge boost in getting other clinics started. It would also appear appropriate to support a state level director's position to coordinate and oversee additional clinics. The director could ensure consistency in training procedures and methods so that data collected would be measuring results based on similar practices. The director could also pursue grant opportunities to further expand this valuable resource.

The waiting list of affected children indicates that the severe demand significantly outweighs the capacity of the existing clinic team to respond in a timely manner.

FY 2004 and FY 2005

Agriculture and Natural Resources Budget Committee

Board of Nursing
State Bank Commissioner
Department of Credit Unions
Real Estate Appraisal Board
Kansas Real Estate Commission
Securities Commissioner
Board of Veterinary Examiners



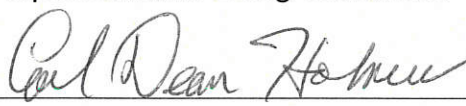
Representative Sharon Schwartz, Chair



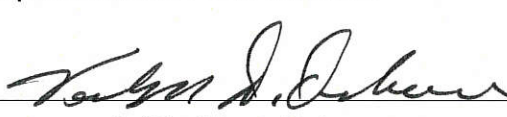
Representative Vaughn Flora



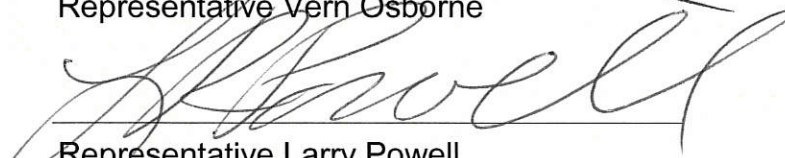
Representative Doug Gatewood




Representative Carl Holmes



Representative Vern Osborne



Representative Larry Powell



Representative Tom Thull

HOUSE APPROPRIATIONS

DATE 3-11-2004
ATTACHMENT 2

Senate Subcommittee Report

Agency: Board of Nursing

Bill No. SB 536

Bill Sec. 13

Analyst: Deckard

Analysis Pg. No. Vol 1- 697

Budget Page No. 495

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Board of Nursing Fee Fund	\$ 1,387,305	\$ 1,387,305	\$ 0
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency requests \$1,387,305 which is \$49,304 or 3.7 percent above the approved amount. The agency's revised request was \$1,917 below the approved amount. The agency submitted supplemental requests totaling \$51,221. The supplemental request includes: building space rental of \$30,124; treasurer's fees of \$3,100; and KSIP expenditures of \$17,997.

The **Governor** recommends \$1,387,305 for FY 2004, which is the same amount requested by the agency.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations.

House Budget Committee Report

Agency: Board of Nursing

Bill No. HB 2899

Bill Sec. 13

Analyst: Deckard

Analysis Pg. No. Vol 1- 697

Budget Page No. 495

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Board of Nursing Fee Fund	\$ 1,387,305	\$ 1,387,305	\$ 89,748
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	22.0	22.0	0.0

Agency Estimate/Governor's Recommendation

The agency requests \$1,387,305 which is \$49,304 or 3.7 percent above the approved amount. The agency's revised request was \$1,917 below the approved amount. The agency submitted supplemental requests totaling \$51,221. The supplemental request includes: building space rental of \$30,124; treasurer's fees of \$3,100; and KSIP expenditures of \$17,997.

The **Governor** recommends \$1,387,305 for FY 2004, which is the same amount requested by the agency.

House Budget Committee Recommendation

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

1. Add \$89,748 from the Board of Nursing Fee Fund for an imaging system to archive data including applications, renewals, reinstatements, endorsements, and discipline information. The agency estimates that over 500,000 documents a year will be scanned with the new system.

Senate Subcommittee Report

Agency: Board of Nursing

Bill No. SB 536

Bill Sec. 13

Analyst: Deckard

Analysis Pg. No. Vol 1- 697

Budget Page No. 495

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Board of Nursing Fee Fund	\$ 1,485,979	\$ 1,495,077	\$ (53,551)
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	22.0	22.0	0.0

* Includes a reduction of \$54,721 none of which is from the State General Fund for deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The agency requests \$1,485,979 which is \$47,712 or 3.3 percent above the approved amount. The increase is attributable to: building space rental of \$24,410; treasurer's fees of \$3,100; KSIP expenditures of \$16,455; and reallocation of 2.0 FTE positions in the IT classification of \$3,747.

The **Governor** recommends \$1,495,077 for FY 2005, an increase \$107,772 from the FY 2004 recommendation. The recommendation includes funding for all of the enhancements requested by the agency as well as their KSIP funding request. In addition, the recommendation includes an increase of \$54,721 for the three percent increase and a reduction of \$15,966 for the BEST team recommendations. This amount will be transferred to the State General Fund. In addition, the Governor recommends that \$379,751 will be transferred from the agency's fee fund to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$54,721, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.

2. **Fee Fund Transfers** - The Governor recommends that all unencumbered biennial fee funds greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. This totals \$6.4 million for ten of the fee funded agencies. The Subcommittee does not recommend these transfers take place. For this agency, a transfer of \$379,751 to the State General Fund would be eliminated. The Subcommittee noted the Attorney General Opinion 2002-045 which states: "If a successful challenge of any of these or other fund transfers were to be made, the State would likely have to repay the overages. To avoid ending up in this position, we would encourage the Legislature to study the issue of indirect costs and ensure that transfers of money from fee funded agencies into the general fund are not made arbitrarily, but rather bear a relationship to the actual costs borne by the State on behalf of those agencies and the constituencies they regulate or supervise." In addition the Subcommittee notes that they are concerned because it appears that the fee fund transfers were erratically calculated and not applied uniformly across the agencies. The Subcommittee feels that if this agency should contribute a larger portion to the State General Fund, it should be made through the increase of the percent of receipts directed to the State General Fund for administrative services performed by the State.
3. The Governor submitted GBA #1, Item No. 14 as a technical correction to the calculations of the recommended fee funds transfers for a portion of the fee funded agencies. Because of the Subcommittee's recommendation to not transfer these funds to the State General Fund, the Subcommittee does not recommend concurring with GBA #1, Item No. 14.
4. The Subcommittee reduces the amount of the BEST reduction and transfer by \$1,170 due to the agency occurring extraordinary expenses for the move of their offices during one or two of the fiscal years on which BEST reductions were based.
5. The Subcommittee notes the possible introduction of a bill which would move the responsibility for regulation of CNAs (Certified Nurses Aid) and CMAs (Certified Medication Aid) from the Department of Health and Environment (KDHE) to the Board of Nursing. If the bill were to be enacted into law, the Subcommittee notes there would be an increase in this budget.

Senate Committee Recommendation

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

1. Concur in part with GBA No. 1, Item 14 and reinstate the adjustment that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. Adjust the certification date for the transfer noted in the GBA and in SB 538 from the end of FY 2005 to not later than April 19, 2004. For this agency, that would be an estimated transfer of \$379,751.
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House Budget Committee Report

Agency: Board of Nursing

Bill No. HB 2899

Bill Sec. 13

Analyst: Deckard

Analysis Pg. No. Vol 1- 697

Budget Page No. 495

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Board of Nursing Fee Fund	\$ 1,485,979	\$ 1,495,077	\$ 0
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests \$1,485,979 which is \$47,712 or 3.3 percent above the approved amount. The increase is attributable to: building space rental of \$24,410; treasurer's fees of \$3,100; KSIP expenditures of \$16,455; and reallocation of 2.0 FTE positions in the IT classification of \$3,747.

The **Governor** recommends \$1,495,077 for FY 2005, an increase \$107,772 from the FY 2004 recommendation. The recommendation includes funding for all of the enhancements requested by the agency as well as their KSIP funding request. In addition, the recommendation includes an increase of \$54,721 for the three percent increase and a reduction of \$15,966 for the BEST team recommendations. This amount will be transferred to the State General Fund. In addition, the Governor recommends that \$379,751 will be transferred from the agency's fee fund to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

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

1. The Budget Committee notes that it does not agree with the philosophy of transferring funds from the fee funds for the BEST reductions and the biennial budget fund transfers. The Budget Committee realizes that the transfers are essential to the revenue of the State General Fund, so it is not recommending adjusting the transfers. The Budget Committee notes that the agency is at the statutory maximum of fees charged to its regulated individuals, so there is not a

2-6

margin of safety if something unexpected were to occur that the Board would need to increase revenue.

2. The Budget Committee notes that the agency applied in December 2003 for a federal grant of \$992,638 from the Department of Health and Human Services to place eight human patient simulators around the state. The computerized mannequins would allow for simulated clinical training for Kansas nursing students.

Senate Subcommittee Report

Agency: Office of the State Bank Commissioner **Bill No. --**

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. 1-697

Budget Page No. 70

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Operating Expenditures:			
Special Revenue Funds	\$ 5,934,294	\$ 6,757,729	\$ 0
FTE Positions	85.0	85.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	86.0	86.0	0.0

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$5,934,294 is a decrease of \$26,514 (0.4 percent) from the approved budget. The estimate includes \$4,796,613 for salaries and wages, \$925,694 for contractual services, \$91,687 for commodities, \$75,300 for capital outlay, and \$45,000 in other assistance.

The **Governor's** recommendation for FY 2004 operating expenditures of \$6,757,729 is an increase of \$796,921 (13.4 percent) from the approved amount. The Governor recommends \$4,796,613 for salaries and wages, \$925,694 for contractual services, \$915,122 for commodities, \$75,300 for capital outlay, and \$45,000 for other assistance. The recommendation includes an increase of \$823,435 in KSIP funds, including \$177,752 in KSIP funds accelerated from FY 2005.

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee notes that the Governor's recommendation for FY 2004 includes authorization for \$934,487 in KSIP funds. It was brought to the attention of the Senate Subcommittee that the agency had originally estimated KSIP expenditures of \$111,052 for FY 2004 and \$177,752 for FY 2005; and that the Governor's recommendation accelerated the \$177,752 in KSIP funds from FY 2005 to FY 2004, and included an additional \$645,683 in KSIP funds for FY 2004 as well. The Senate Subcommittee expresses its concern over the Governor's decision to place all the agency's KSIP funds into the FY 2004 recommendation. The Senate Subcommittee believes that such actions devalue the intention of the Kansas Savings Incentive Program and that the agency has set up an excellent criteria for salary bonuses through its use of KSIP funds. Yet, the Senate

2-8

Subcommittee also appreciates the Governor's concern that the large balance in the KSIP account indicates that the agency has been over budgeted in the last few years. The Senate Subcommittee recommends the agency reduce the large balance in its KSIP account by funding expenditures for salary bonuses, professional development training, and technology equipment, and by reducing its fees. The Senate Subcommittee understands that the agency has set up a schedule of how it intends to expend the KSIP funds over the next several fiscal years (Attachment A).

The Senate Subcommittee also notes the agency's concern that the Governor's recommendation accelerated the \$177,752 in KSIP funds the agency originally included for FY 2005 to FY 2004 and did not include the authorization for any KSIP funds in FY 2005. It was brought to the attention of the Senate Subcommittee that the agency intends to follow the recommendation set forth by the Department of Budget that in FY 2005 that the agency readjust its expenditures for employee training and information technology equipment into KSIP funds and expend the previously budgeted dollars to fund the career paths of its Financial Examiners. The Senate Subcommittee appreciates the agency's concern that should it follow the Department of Budget's recommendation and not receive the KSIP authorization, it will be forced it to furlough some of its employees (Attachment B).

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation with the following adjustment:

1. The Committee removes Attachments A and B and replaces them with the following:
 - Attachment A: The list below provides a brief overview of how the agency intends to expend its KSIP funds over the next several fiscal years.
 - Shift training costs to KSIP for salary and wage needs of Financial Examiner Career Path: FY 2005—\$202,600;
 - Technology Infrastructure:
 - Information Technology Examination Program: FY 2004—\$17,500, FY 2005—\$12,000, and FY 2006—\$12,000;
 - Internet Based Electronic processing for licensing and registration functions of the Consumer and Mortgage Lending Program: FY 2004— \$0 and FY 2005—\$70,000;
 - Capital Outlay: Implementation of agency owned fleet of vehicles: FY 2006—\$80,000 and FY 2007—\$80,000;

House Budget Committee Recommendation

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

1. The Budget Committee understands the Governor's recommendation for FY 2004 includes authorization for \$934,487 in KSIP funds. The agency had originally estimated KSIP expenditures of \$111,052 for FY 2004 and \$177,752 for FY 2005. The Governor's recommendation accelerated the \$177,752 in KSIP funds from FY 2005 to FY 2004, and included an additional \$645,683 in KSIP funds for FY 2004 as well. In January 2004, the Division of Budget recommended the Office of the State Bank Commissioner readjust its expenditures for employee training and information technology equipment into KSIP funds and expend the previously budgeted dollars to fund the career paths of its Financial Examiners in FY 2005. The agency intends to follow the recommendation set forth by the Division of Budget. However, it is concerned that if it does not receive the KSIP authorization for FY 2005, the agency will be forced to furlough some of its employees. Therefore, the Budget Committee recommends the authorization for \$177,752 in KSIP funds be removed from the agency's FY 2004 budget and returned back to its FY 2005 budget.

Senate Subcommittee Report

Agency: Office of the State Bank Commissioner **Bill No.** SB 536

Bill Sec. 4

Analyst: Alishahi

Analysis Pg. No. Vol. 1-697

Budget Page No. 70

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05*	Senate Subcommittee Adjustments**
Operating Expenditures:			
Special Revenue Funds	\$ 6,547,288	\$ 6,281,279	\$ (131,769)
FTE Positions	87.0	86.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	87.0	86.0	0.0

* Includes Governor's Budget Amendment No. 1, Item 3.

** The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$6,547,288 is an increase of \$285,781 (4.5 percent) from the approved budget. The request includes \$56,426 for an additional 1.0 FTE for an attorney position, \$202,655 to fund salary requirements for Financial Examiner positions, \$14,700 for out-of-state travel, \$12,000 for other contractual services; and the conversion of 1.0 FTE classified position to 1.0 FTE unclassified position.

The **Governor's** recommendation for FY 2005 operating expenditures of \$6,281,279 is an increase of \$19,772 (0.3 percent) from the approved budget. The recommendation includes \$56,426 for an additional 1.0 FTE for an attorney position and the conversion of 1.0 FTE classified position to 1.0 FTE unclassified position. The Governor recommends a 3.0 percent base salary increase of \$131,769, a BEST reduction of \$17,371 in contractual services, commodities, and capital outlay, the acceleration of \$177,752 in KSIP funds into FY 2004, and a Fee Fund transfer of \$2,704,718 to the State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment**—Delete \$131,769 to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Fee Fund Transfers**—The Governor recommends that all unencumbered biennial fee funds greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. This totals \$6.4 million for ten of the fee funded agencies. The Senate Subcommittee does not recommend these transfers take place. For this agency, a transfer of \$2,704,718 to the State General Fund would

2-12

be eliminated. The Senate Subcommittee noted the Attorney General Opinion 2002-045 which states: "If a successful challenge of any of these or other fund transfers were to be made, the State would likely have to repay the overages. To avoid ending up in this position, we would encourage the Legislature to study the issue of indirect costs and ensure that transfers of money from fee funded agencies into the general fund are not made arbitrarily, but rather bear a relationship to the actual costs borne by the State on behalf of those agencies and the constituencies they regulate or supervise." In addition the Subcommittee notes that they are concerned because it appears that the fee fund transfers were erratically calculated and not applied uniformly across the agencies. The Senate Subcommittee feels that if this agency should contribute a larger portion to the State General Fund, it should be made through the increase of the percent of receipts directed to the State General Fund for administrative services performed by the State.

The Senate Subcommittee also notes that the Governor's recommendation that the Bank Commissioner Fee Fund balance be reduced to \$200,000 and that the remaining funds totaling \$2,704,718 be transferred to the State General Fund will have an adverse effect upon the agency's the Division of Banking and the Division of Consumer and Mortgage Lending. The Senate Subcommittee understands that the two Divisions maintain separate accounting and reporting systems, and that the \$200,000 limit set for the Bank Commissioner Fee Fund would be divided, with the Division of Banking receiving a balance of \$72,000 or 36.0 percent of the \$200,000, and the Division of Consumer Mortgage and Lending receiving the remaining balance of \$128,000 or 64.0 percent for FY 2006. The Senate Subcommittee notes the impact the \$200,000 balance would have on each Division:

- a. The Division of Banking estimates that it will generate \$2,104,097 or 47.23 percent of its total revenue for FY 2006 in July 2005, and another \$2,241,311 or 50.31 percent of its total revenue in January 2006, and without an opening balance, the Division will end the fiscal year with a negative balance of \$195,500. The Senate Subcommittee notes that with an opening balance of \$72,000, the Division of Banking will experience a negative balance of \$298,087 in December 2005 and another negative balance of \$123,500 at the end of the fiscal year in June 2006 (Attachment C).
- b. The Division of Consumer and Mortgage Lending estimates that it will generate its revenue fairly consistent throughout FY 2006, and without an opening balance, the Division will end the fiscal year with a positive balance of \$83,260. The Senate Subcommittee notes that with an opening balance of \$128,000, the Division will still end FY 2006 with a positive balance of \$211,260, yet for six months out of the fiscal year, the Division will experience a negative ending balance (Attachment D).

The Senate Subcommittee appreciates the agency's concern that should the two Divisions be required to split the \$200,000 ending balance limitation set forth by the Governor, the Bank Commissioner Fee Fund would be essentially disabled from conducting business following the cash sweep in the beginning of FY 2006. The Senate Subcommittee notes the agency's request that the ending balance of the Fee Fund be adjusted, and that the Legislature establish a Division of Banking balance within the fund at each June 30th of no less than \$700,000, and a Division of Consumer Mortgage and Lending balance within the fund at each June 30th of no less than \$300,000. The Senate Subcommittee realizes that the

agency's proposed ending balance limitations for each Division would assure that they do not experience a negative ending balance at all throughout FY 2006. (Attachment C, D, and E).

3. The Governor submitted GBA No. 1, Item No. 14 as a technical correction to the calculations of the recommended fee funds transfers for a portion of the fee funded agencies. Because of the Senate Subcommittee's recommendation not to transfer these funds to the State General Fund, the Senate Subcommittee does not recommend concurring with GBA No. 1, Item No. 14.
4. The Governor submitted GBA No. 1, Item No. 3 as a technical correction to the agency's FTE limitation for FY 2005, adjusting it from 87.0 to 86.0 FTE positions. The Senate Subcommittee recommends concurring with GBA No. 1, Item No. 3.
5. The Senate Subcommittee notes that the agency's concern that the Governor's recommendation does not include the authorization for \$177,752 in KSIP funds originally included in the agency's request. It was brought to the attention of the Senate Subcommittee that the agency intends to follow the recommendation set forth by the Department of Budget that in FY 2005 that the agency readjust its expenditures for employee training and information technology equipment into KSIP funds and expend the previously budgeted dollars to fund the career paths of its Financial Examiners. The Senate Subcommittee appreciates the agency's concern that should it follow the Department of Budget's recommendation and not receive the KSIP authorization, it will be forced it to furlough some of its employees (Attachment B).
6. The Senate Subcommittee notes the agency's concern over the possibility that within the next year one of its largest banks will be sold. It was brought to the attention of the Senate Subcommittee that this particular bank makes up approximately 13.0 percent of the Division of Banking's annual cash flow of \$4.5 million. The Senate Subcommittee understands that there are no state institutions that can afford to buy the multi-billion dollar bank and should a national institution purchase the bank, it will result in a significant loss of fees to the Division of Banking, a potential increase for the agency's fees in the future.
7. The Senate Subcommittee understands that entities under the supervision of the Consumer and Mortgage Lending Division, including mortgage lenders, finance companies, and payday lenders, have continued to increase in overall number. It was brought to the attention of the Senate Subcommittee that considerable progress has been made in conducting examinations and addressing consumer issues in this area resulting in substantial savings for consumers, however current staffing levels have allowed for examination of only approximately 40 percent of all supervised entities. The Senate Subcommittee notes that additional FTE's will be necessary to fully implement the necessary examination and supervision activities of all licensed entities to ensure Kansas consumers are adequately protected. The Senate Subcommittee was made aware that the agency anticipates requesting additional FTE's for the CML examination area in the next fiscal year.

Senate Committee Recommendation

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

1. Concur in part with GBA No. 1, Item No. 14 and reinstate the adjustment that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. Adjust the certification date for the transfer noted in the GBA and in Senate Bill 538 from the end of FY 2005 to no later than April 19, 2004. For this agency, that would be an estimated transfer of \$1,882,797.
2. Amend GBA No. 1, Item No. 14, as it pertains to the Office of the State Bank Commissioner, by increasing the estimated balance of the agency's fee fund noted in the GBA from \$200,000 to \$600,000 at the end of FY 2005. For this agency, the estimated transfer would be adjusted to \$1,482,797.
3. The Committee removes Attachments B, C, D, and E. Items No. 2 and No. 5 from above summarize the main points of the attachments.

House Budget Committee Report

Agency: Office of the State Bank Commissioner **Bill No.** HB 2899 **Bill Sec.** 4

Analyst: Alishahi **Analysis Pg. No.** Vol. 1-697 **Budget Page No.** 70

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05*</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 6,547,288	\$ 6,281,279	\$ 177,752
FTE Positions	87.0	86.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>87.0</u>	<u>86.0</u>	<u>0.0</u>

* Includes Governor's Budget Amendment No. 1, Item 3.

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$6,547,288 is an increase of \$285,781 (4.5 percent) from the approved budget. The request includes \$56,426 for an additional 1.0 FTE for an attorney position, \$202,655 to fund salary requirements for Financial Examiner

2-15

positions, \$14,700 for out-of-state travel, \$12,000 for other contractual services; and the conversion of 1.0 FTE classified position to 1.0 FTE unclassified position.

The **Governor's** recommendation for FY 2005 operating expenditures of \$6,281,279 is an increase of \$19,772 (0.3 percent) from the approved budget. The recommendation includes \$56,426 for an additional 1.0 FTE for an attorney position and the conversion of 1.0 FTE classified position to 1.0 FTE unclassified position. The Governor recommends a 3.0 percent base salary increase of \$131,769, a BEST reduction of \$17,371 in contractual services, commodities, and capital outlay, the acceleration of \$177,752 in KSIP funds into FY 2004, and a Fee Fund transfer of \$2,704,718 to the State General Fund.

House Budget Committee Recommendation

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

1. The Budget Committee understands the Governor's recommendation for FY 2004 includes authorization for \$934,487 in KSIP funds. The agency had originally estimated KSIP expenditures of \$111,052 for FY 2004 and \$177,752 for FY 2005. The Governor's recommendation accelerated the \$177,752 in KSIP funds from FY 2005 to FY 2004, and included an additional \$645,683 in KSIP funds for FY 2004 as well. In January 2004, the Division of Budget recommended the Office of the State Bank Commissioner readjust its expenditures for employee training and information technology equipment into KSIP funds and expend the previously budgeted dollars to fund the career paths of its Financial Examiners in FY 2005. The agency intends to follow the recommendation set forth by the Division of Budget. However, it is concerned that if it does not receive the KSIP authorization for FY 2005, the agency will be forced to furlough some of its employees. Therefore, the Budget Committee recommends the authorization for \$177,752 in KSIP funds be removed from the agency's FY 2004 budget and returned back to its FY 2005 budget.
2. The Governor submitted GBA No. 1, Item No. 3 as a technical correction to the agency's FTE limitation for FY 2005, adjusting it from 87.0 to 86.0 FTE positions. The Budget Committee recommends concurring with GBA No. 1, Item No. 3.
3. The Governor recommends that all unencumbered biennial fee funds greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. This totals \$6.4 million for ten of the fee funded agencies. The Budget Committee notes that the Governor's recommendation of a fee fund transfer of \$2,704,718 to the State General Fund will have an adverse effect upon the agency's Banking Division and Consumer and Mortgage Lending Division. The two Divisions maintain separate accounting and reporting systems, and the \$200,000 limit set for the Bank Commissioner Fee Fund would be divided, with the Banking Division receiving a balance of \$72,000 or 36.0 percent of the \$200,000, and the CML Division receiving the remaining balance of \$128,000 or 64.0 percent for FY 2006. The Budget Committee notes the impact the \$200,000 balance would have on each Division:
 - a. The Banking Division estimates that it will generate \$2,104,097 or 47.23 percent of its total revenue for FY 2006 in July 2005, and another \$2,241,311 or 50.31 percent of its total revenue in January 2006, and without an opening balance, the Division will end the fiscal year with a negative balance of

2-16

\$195,500. With an opening balance of \$72,000, the Division will experience a negative balance of \$298,087 in December 2005 and another negative balance of \$123,500 at the end of the fiscal year in June 2006.

- b. The CML Division estimates that it will generate its revenue fairly consistent throughout FY 2006, and without an opening balance, the Division will end the fiscal year with a positive balance of \$83,260. With an opening balance of \$128,000, the Division will still end FY 2006 with a positive balance of \$211,260, yet for six months out of the fiscal year, it will experience a negative ending balance.

The Budget Committee appreciates the agency's concern that should the two Divisions be required to split the \$200,000 ending balance limitation set forth by the Governor, the Bank Commissioner Fee Fund would be essentially disabled from conducting business following the cash sweep in the beginning of FY 2006. The Budget Committee recommends the ending balance of the Bank Commissioner Fee Fund be adjusted to \$700,000, establishing a Banking Division balance within the fund of no less than \$450,000, and a CML balance within the fund of no less than \$250,000 on June 30, 2005. The House Budget Committee believes the recommended ending balance limitations for each Division will assure they do not experience a negative ending balance at all throughout FY 2006.

In addition, the Budget Committee recommends the agency examine operational changes to level out the cash flow for the CML Division as a possible long-term solution to the negative ending balance that results at certain months out of the fiscal year.

The Budget Committee also commends the agency for providing spreadsheets that analyzed the impact the \$200,000 ending balance limitation for the Bank Commissioner Fee Fund would have on the two Divisions for each month in FY 2006; and for giving information on alternative ending balances for the fee fund. The data was very helpful as the Budget Committee sought to understand the effect the Governor's recommendation would have on the agency; and it encourages other agencies to provide such information in the future as well.

4. The Governor submitted GBA No. 1, Item No. 14 as a technical correction to the calculations of the recommended fee fund transfers for a portion of the fee funded agencies. For this agency, the estimated transfer to the State General Fund would be reduced to \$1,751,028. Because the Budget Committee recommends an ending balance limitation of \$700,000 for the Bank Commissioner Fee Fund, it does not recommend concurring with GBA No. 1, Item No. 14.
5. The Budget Committee understands one of the agency's largest banks was recently sold. Gold Bank makes up approximately 13.0 percent of the Banking Division's annual cash flow of \$4.5 million. The Budget Committee realizes that the agency will lose approximately \$572,000 a year in rate assessment fees; and recognizes that it will need to increase its rates to offset the loss of Gold Bank.
6. The Budget Committee understands that entities under the supervision of the Consumer and Mortgage Lending (CML) Division, including mortgage lenders, finance companies, and payday lenders, have continued to increase in overall number. It was brought to the attention of the Budget Committee that considerable progress has been made in conducting examinations and addressing consumer issues in this area resulting in substantial savings for consumers. However, current staffing levels have allowed for examination of only approxi-

2-17

mately 40.0 percent of all supervised entities. Realizing that additional FTE's are needed to fully implement the necessary examination and supervision activities of all licensed entities to ensure Kansas consumers are adequately protected, the Budget Committee concurs with the Governor's recommendation for an additional 1.0 FTE for an attorney position in the CML Division.

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2-18

Senate Subcommittee Report

Agency: Department of Credit Unions

Bill No. --

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. 1-697

Budget Page No. 70

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 829,966	\$ 856,343	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>13.0</u>	<u>13.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$829,966 is consistent with the approved budget. The estimate includes \$717,572 for salaries and wages, \$109,994 for contractual services, \$2,400 for commodities, and \$0 for capital outlay.

The **Governor's** recommendation for FY 2004 operating expenditures of \$856,343 is an increase of \$26,377 (3.2 percent) from the approved budget. The recommendation includes \$717,572 for salaries and wages, \$109,994 for contractual services, \$2,400 for commodities, and \$26,377 in KSIP funds for capital outlay.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Department of Credit Unions **Bill No.** -- **Bill Sec.** --
Analyst: Alishahi **Analysis Pg. No.** Vol. 1-697 **Budget Page No.** 70

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 829,966	\$ 856,343	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>13.0</u>	<u>13.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$829,966 is consistent with the approved budget. The estimate includes \$717,572 for salaries and wages, \$109,994 for contractual services, \$2,400 for commodities, and \$0 for capital outlay.

The **Governor's** recommendation for FY 2004 operating expenditures of \$856,343 is an increase of \$26,377 (3.2 percent) from the approved budget. The recommendation includes \$717,572 for salaries and wages, \$109,994 for contractual services, \$2,400 for commodities, and \$26,377 in KSIP funds for capital outlay.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Department of Credit Unions

Bill No. SB 536

Bill Sec. 9

Analyst: Alishahi

Analysis Pg. No. Vol. 1-697

Budget Page No. 70

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Operating Expenditures:			
Special Revenue Funds	\$ 898,833	\$ 917,464	\$ (19,669)
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

* The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$898,833 is consistent with the approved budget. The estimate includes \$737,661 for salaries and wages, \$149,972 for contractual services, \$8,200 for commodities, and \$3,000 for capital outlay.

The **Governor's** recommendation for FY 2005 operating expenditures of \$917,464 is an increase of \$18,631 (2.0 percent) from the approved budget. The recommendation includes \$757,330 for salaries and wages, \$149,849 for contractual services, \$7,601 for commodities, and \$2,684 for capital outlay. The Governor recommends a 3.0 percent base salary increase of \$19,669, a BEST reduction of \$1,038 in contractual services, commodities, and capital outlay, and a Fee Fund transfer of \$166,705 to the State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment**—Delete \$19,669 to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Fee Fund Transfers**—The Governor recommends that all unencumbered biennial fee funds greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. This totals \$6.4 million for ten of the fee funded agencies. The Senate Subcommittee does not recommend these transfers take place. For this agency, a transfer of \$166,705 to the State General Fund would

be eliminated. The Senate Subcommittee noted the Attorney General Opinion 2002-045 which states: "If a successful challenge of any of these or other fund transfers were to be made, the State would likely have to repay the overages. To avoid ending up in this position, we would encourage the Legislature to study the issue of indirect costs and ensure that transfers of money from fee funded agencies into the general fund are not made arbitrarily, but rather bear a relationship to the actual costs borne by the State on behalf of those agencies and the constituencies they regulate or supervise." In addition the Subcommittee notes that they are concerned because it appears that the fee fund transfers were erratically calculated and not applied uniformly across the agencies. The Senate Subcommittee feels that if this agency should contribute a larger portion to the State General Fund, it should be made through the increase of the percent of receipts directed to the State General Fund for administrative services performed by the State.

3. The Governor submitted GBA No. 1, Item No. 14 as a technical correction to the calculations of the recommended fee funds transfers for a portion of the fee funded agencies. Because of the Senate Subcommittee's recommendation not to transfer these funds to the State General Fund, the Senate Subcommittee does not recommend concurring with GBA No. 1, Item No. 14.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation with the following adjustment:

1. Concur in part with GBA No. 1, Item No. 14 and reinstate the adjustment that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. Adjust the certification date for the transfer noted in the GBA and in Senate Bill 538 from the end of FY 2005 to no later than April 19, 2004. For this agency, that would be an estimated transfer of \$140,328.
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House Budget Committee Report

Agency: Department of Credit Unions

Bill No. HB 2899

Bill Sec. 9

Analyst: Alishahi

Analysis Pg. No. Vol.1-697

Budget Page No. 70

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 898,833	\$ 917,464	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$898,833 is consistent with the approved budget. The estimate includes \$737,661 for salaries and wages, \$149,972 for contractual services, \$8,200 for commodities, and \$3,000 for capital outlay.

The **Governor's** recommendation for FY 2005 operating expenditures of \$917,464 is an increase of \$18,631 (2.0 percent) from the approved budget. The recommendation includes \$757,330 for salaries and wages, \$149,849 for contractual services, \$7,601 for commodities, and \$2,684 for capital outlay. The Governor recommends a 3.0 percent base salary increase of \$19,669, a BEST reduction of \$1,038 in contractual services, commodities, and capital outlay, and a Fee Fund transfer of \$166,705 to the State General Fund.

House Budget Committee Recommendation

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

1. The Governor submitted GBA No. 1, Item No. 14 as a technical correction to the calculations of the recommended fee funds transfers for a portion of the fee funded agencies. For this agency, the estimated transfer to the State General Fund would be reduced to \$147,036. The Budget Committee recommends concurring with GBA No. 1, Item No. 14.
2. The Budget Committee notes the agency's fee fund transfer to the State General Fund in FY 2005 will not have an adverse effect on the agency's current

expenditure limitation; however, it understands that without the transfer, the agency would likely use the additional funds for a rate reduction for credit unions at some point in the near future.

Senate Subcommittee Report

Agency: Kansas Real Estate Appraisal Board **Bill No. --** **Bill Sec. --**

Analyst: Alishahi **Analysis Pg. No.** Vol. 1-697 **Budget Page No.** 70

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 251,919	\$ 251,919	\$ 0
FTE Positions	2.0	2.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$251,919 is an increase of \$28,940 (13.0 percent) from the approved budget. The estimate includes \$127,762 for salaries and wages, \$78,752 for contractual services, \$13,800 for commodities, and \$31,605 for capital outlay.

The **Governor's** recommendation for FY 2004 operating expenditures of \$251,919 is an increase of \$28,940 (13.0 percent) from the approved budget. The Governor recommends \$127,762 for salaries and wages, \$78,752 for contractual services, \$13,800 for commodities, and \$31,605 for capital outlay. The recommendation is consistent with the agency's FY 2004 estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Kansas Real Estate Appraisal Board **Bill No. --**

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. 1-697 **Budget Page No.** 70

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Operating Expenditures:			
Special Revenue Funds	\$ 251,919	\$ 251,919	\$ 0
FTE Positions	2.0	2.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$251,919 is an increase of \$28,940 (13.0 percent) from the approved budget. The estimate includes \$127,762 for salaries and wages, \$78,752 for contractual services, \$13,800 for commodities, and \$31,605 for capital outlay.

The **Governor's** recommendation for FY 2004 operating expenditures of \$251,919 is an increase of \$28,940 (13.0 percent) from the approved budget. The Governor recommends \$127,762 for salaries and wages, \$78,752 for contractual services, \$13,800 for commodities, and \$31,605 for capital outlay. The recommendation is consistent with the agency's FY 2004 estimate.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas Real Estate Appraisal Board **Bill No.** SB 536

Bill Sec. 16

Analyst: Alishahi

Analysis Pg. No. Vol. 1-697 **Budget Page No.** 70

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Operating Expenditures:			
Special Revenue Funds	\$ 242,512	\$ 244,226	\$ (3,546)
FTE Positions	2.0	2.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2.0	2.0	0.0

* The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$242,512 is consistent with the approved budget. The estimate includes \$131,007 for salaries and wages, \$63,422 for contractual services, \$16,700 for commodities, and \$31,383 for capital outlay.

The **Governor's** recommendation for FY 2005 operating expenditures of \$244,226 is an increase of \$1,714 (0.7 percent) from the approved budget. The recommendation includes \$134,553 for salaries and wages, \$62,861 for contractual services, \$15,553 for commodities, and \$31,259 for capital outlay. The Governor recommends a 3.0 percent base salary increase of \$3,546, a BEST reduction of \$1,832 contractual services, commodities and capital outlay, and a Fee Fund transfer of \$334,369 to the State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment**—Delete \$3,546 to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Fee Fund Transfers**—The Governor recommends that all unencumbered biennial fee funds greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. This totals \$6.4 million for ten of the fee funded agencies. The Subcommittee does not recommend these transfers take place. For this agency, a transfer of \$334,369 to the State General Fund would be

2-27

eliminated. The Subcommittee notes the Attorney General Opinion 2002-045 which states: "If a successful challenge of any of these or other fund transfers were to be made, the State would likely have to repay the overages. To avoid ending up in this position, we would encourage the Legislature to study the issue of indirect costs and ensure that transfers of money from fee funded agencies into the general fund are not made arbitrarily, but rather bear a relationship to the actual costs borne by the State on behalf of those agencies and the constituencies they regulate or supervise." In addition the Subcommittee notes that they are concerned because it appears that the fee fund transfers were erratically calculated and not applied uniformly across the agencies. The Subcommittee feels that if this agency should contribute a larger portion to the State General Fund, it should be made through the increase of the percent of receipts directed to the State General Fund for administrative services performed by the State.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation with the following adjustment:

1. Concur in part with GBA No. 1, Item No. 14 and reinstate the adjustment that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. Adjust the certification date for the transfer noted in the GBA and in Senate Bill 538 from the end of FY 2005 to no later than April 19, 2004. For this agency, that would be an estimated transfer of \$334,369.

House Budget Committee Report

Agency: Kansas Real Estate Appraisal Board

Bill No. HB 2899

Bill Sec. 16

Analyst: Alishahi

Analysis Pg. No. Vol. 1-697

Budget Page No. 70

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 242,512	\$ 244,226	\$ 0
FTE Positions	2.0	2.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>

2-28

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$242,512 is consistent with the approved budget. The estimate includes \$131,007 for salaries and wages, \$63,422 for contractual services, \$16,700 for commodities, and \$31,383 for capital outlay.

The **Governor's** recommendation for FY 2005 operating expenditures of \$244,226 is an increase of \$1,714 (0.7 percent) from the approved budget. The recommendation includes \$134,553 for salaries and wages, \$62,861 for contractual services, \$15,553 for commodities, and \$31,259 for capital outlay. The Governor recommends a 3.0 percent base salary increase of \$3,546, a BEST reduction of \$1,832 contractual services, commodities and capital outlay, and a Fee Fund transfer of \$334,369 to the State General Fund.

House Budget Committee Recommendation

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

1. The Budget Committee notes the Governor's recommendation of a fee fund transfer of \$334,369 to the State General Fund will have an adverse effect upon the agency; and understands that if the proposed transfer is approved, it will likely need to request a fee increase in the near future. The Budget Committee expresses its concern over the matter; and recommends a review of the fee fund transfer to the State General Fund for this agency prior to Omnibus to further determine its impact on the agency.
2. The agency reported that the Department of Administration charges each state agency located in Shawnee County a rent surcharge of \$0.94 per square foot to cover maintenance expenses for the State Capitol Building, the Judicial Center, and Cedar Crest; and that the Governor's recommendation for FY 2005 did not include an additional \$1,204 for the surcharge. The Budget Committee notes that the maintenance on these buildings is a function of general state government and should not be arbitrarily charged to state agencies. The Budget Committee encourages the Governor to consider a GBA to include funding for the surcharge. If the Governor chooses not to consider a GBA, the Budget Committee recommends that this issue be revisited prior to Omnibus to decide if it should be included in the Omnibus bill.

Senate Subcommittee Report

Agency: Kansas Real Estate Commission **Bill No. --** **Bill Sec. --**

Analyst: Alishahi **Analysis Pg. No.** Vol.1-697 **Budget Page No.** 70

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Operating Expenditures:			
Special Revenue Funds	\$ 764,665	\$ 764,665	0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$764,665 is an increase of \$47,531 (6.6 percent) from the approved budget. The estimate includes \$506,113 for salaries and wages, \$226,507 for contractual services, \$12,245 for commodities, and \$19,800 for capital outlay.

The **Governor's** recommendation for FY 2004 operating expenditures of \$764,665 is an increase of \$47,531 (6.6 percent) from the approved budget. The Governor recommends \$506,113 for salaries and wages, \$226,507 for contractual services, \$12,245 for commodities, and \$19,800 for capital outlay. The recommendation is consistent with the agency's FY 2004 estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Kansas Real Estate Commission **Bill No. --** **Bill Sec. --**
Analyst: Alishahi **Analysis Pg. No.** Vol. 1-697 **Budget Page No.** 70

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Operating Expenditures:			
Special Revenue Funds	\$ 764,665	\$ 764,665	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$764,665 is an increase of \$47,531 (6.6 percent) from the approved budget. The estimate includes \$506,113 for salaries and wages, \$226,507 for contractual services, \$12,245 for commodities, and \$19,800 for capital outlay.

The **Governor's** recommendation for FY 2004 operating expenditures of \$764,665 is an increase of \$47,531 (6.6 percent) from the approved budget. The Governor recommends \$506,113 for salaries and wages, \$226,507 for contractual services, \$12,245 for commodities, and \$19,800 for capital outlay. The recommendation is consistent with the agency's FY 2004 estimate.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas Real Estate Commission **Bill No.** SB 536 **Bill Sec.** 17
Analyst: Alishahi **Analysis Pg. No.** Vol. 1-697 **Budget Page No.** 70

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Operating Expenditures:			
Special Revenue Funds	\$ 830,887	\$ 795,796	\$ 8,498
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

* Includes a reduction of \$13,323 for deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$830,887 is an increase of \$39,657 (5.0 percent) from the approved amount. The request includes \$8,397 for the reclassification of 2.0 FTE positions, \$1,260 for fuel, and \$30,000 to purchase two new vehicles.

The **Governor's** recommendation for FY 2005 operating expenditures of \$795,796 is an increase of \$4,566 (0.6 percent) from the approved amount. The recommendation includes a 3.0 percent base salary increase of \$13,323, a BEST reduction of \$8,757 in contractual services, commodities, and capital outlay, and a Fee Fund transfer of \$508,438 to the State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment**—Delete \$13,323 to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Fee Fund Transfers**—The Governor recommends that all unencumbered biennial fee funds greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. This totals \$6.4 million for ten of the fee funded agencies. The Subcommittee does not recommend these transfers take place. For this agency, a transfer of \$508,438 to the State General Fund would be eliminated. The Subcommittee notes the Attorney General Opinion 2002-045

which states: "If a successful challenge of any of these or other fund transfers were to be made, the State would likely have to repay the overages. To avoid ending up in this position, we would encourage the Legislature to study the issue of indirect costs and ensure that transfers of money from fee funded agencies into the general fund are not made arbitrarily, but rather bear a relationship to the actual costs borne by the State on behalf of those agencies and the constituencies they regulate or supervise." In addition the Subcommittee notes that they are concerned because it appears that the fee fund transfers were erratically calculated and not applied uniformly across the agencies. The Subcommittee feels that if this agency should contribute a larger portion to the State General Fund, it should be made through the increase of the percent of receipts directed to the State General Fund for administrative services performed by the State.

In addition, the Senate Subcommittee notes that for this particular agency, the Governor's recommendation of a fee fund transfer of \$508,438 to the State General Fund will have an adverse affect upon the agency. It was brought to the attention of the Senate Subcommittee that the agency is concerned that the proposed sizeable transfer to the State General Fund may subject the agency to litigation from its licensees. The Senate Subcommittee understands that if the proposed transfer is approved, the agency will likely need to request a fee increase. The agency's receipts fluctuate from year to year because more licensees are scheduled for renewal in even-numbered years rather than odd-numbered years. The Senate Subcommittee realizes that revenues are historically lower in odd-numbered years and that expenditures recommended by the Governor for FY 2005 far exceed projected revenues after the agency transfers the 20.0 percent required to the State General Fund to cover indirect costs. The Senate Subcommittee notes that absent the proposed fee fund transfer, the agency has no plans to seek a fee increase for FY 2005.

3. **BEST Reduction**—The Senate Subcommittee notes that the agency's BEST reduction of \$6,821 in capital outlay is higher than it should be. It was brought to the attention of the Senate Subcommittee that the agency expended \$145,000 in FY 2001 and FY 2002 to develop from the ground up a new licensing database, which resulted in a higher four year average in capital outlay expenditures which inflated the agency's BEST reduction. The Senate Subcommittee does not recommend the \$6,821 BEST reduction in capital outlay for this agency.
4. The Senate Subcommittee notes that the agency has experienced an increase in consumer and licensing inquiries and complaints, and as a result, is in the process of reorganizing its enforcement program. The Senate Subcommittee understands that, despite the reorganization, the agency has a six month backlog of complaint investigations. It was brought to the attention of the Senate Subcommittee that the backlog is mainly due to an increase in inquiries received from consumers and licensees. The agency's enforcement staff averages about 155 inquires and 62 complaints each month. The Senate Subcommittee also notes that a large number of audits are now due in eastern Kansas and that the agency is considering seeking reclassification of the vacant Administrative Specialist position to a Real Estate Specialist position to assist with audits in eastern Kansas.

5. The Senate Subcommittee notes that the 2003 Legislature approved a proviso authorizing the Real Estate Commission to expend no more than \$200 for hospitality in FY 2005. The Senate Subcommittee recommends that the proviso be continued in the future.
6. The Senate Subcommittee notes that each of the agency's three auditors put more than 24,000 miles a year on their assigned vehicles and that the agency currently has one high mileage vehicle that has over 60,000 miles on it. The Senate Subcommittee was made aware that because of the two year moratorium, the Governor's recommendation did not include the agency's enhancement request for additional funds to purchase a new vehicle. The Senate Subcommittee recommends that the agency be given an authorization and an additional \$15,000 from the Real Estate Fee Fund for FY 2005 for the purchase of a vehicle, as well as the costs involved for fuel and maintenance, to replace the high mileage vehicle that the agency currently uses.

The Senate Subcommittee also notes that the elimination of the Central Motor Pool places a large financial burden on small agencies, such as the Real Estate Commission, who are prohibited by state law from purchasing collision insurance for their vehicles. The Senate Subcommittee understands the agency's concern that should there be an accident, the agency would not have the funds to replace its vehicles. The Senate Subcommittee believes that this is a global issue that needs to be addressed by the Department of Administration. The Senate Subcommittee requests that the Chair of the Senate Ways and Means Committee send the Department of Administration a letter recommending the agency examine this issue and develop a handbook addressing the problem.

7. The Senate Subcommittee understands that the agency sought an additional \$4,100 to cover the cost of a \$0.94 per square foot surcharge recommended by the Governor to be levied against state agencies based on the square footage of property an agency leases in Shawnee County. The surcharge includes both publicly and privately owned rental space occupied by any state agency; and it will cover the maintenance costs for the State Capitol Building, the Judicial Center, and Cedar Crest. It was brought to the attention of the Senate Subcommittee that the Governor's recommendation did not include the additional \$4,100 for FY 2005. The Senate Subcommittee feels that the Governor should have the opportunity to review this oversight. The Senate Subcommittee would encourage the Governor to consider a Governor's Budget Amendment to include funding for the \$4,100 surcharge. If the Governor chooses not to consider a Governor's Budget Amendment, the Senate Subcommittee recommends that this issue be revisited prior to omnibus and to decide if it should be included in the omnibus bill.
8. The Senate Subcommittee notes complaints from real estate companies that state auditors do not give advance notice of their arrival and show up unexpectedly, oftentimes catching many of them unprepared for audits or in the midst of other business. The Senate Subcommittee recommends that in the future, the agency provide real estate companies courtesy notices prior to onsite visits so that the real estate companies can be better prepared and as a result make more efficient use of the auditor's time.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation with the following adjustment:

1. Concur in part with GBA No. 1, Item No. 14 and reinstate the adjustment that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. Adjust the certification date for the transfer noted in the GBA and in Senate Bill 538 from the end of FY 2005 to no later than April 19, 2004. For this agency, that would be an estimated transfer of \$508,438.

House Budget Committee Report

Agency: Kansas Real Estate Commission

Bill No. HB 536

Bill Sec. 17

Analyst: Alishahi

Analysis Pg. No. Vol. 1-697

Budget Page No. 70

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 830,887	\$ 795,796	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$830,887 is an increase of \$39,657 (5.0 percent) from the approved amount. The request includes \$8,397 for the reclassification of 2.0 FTE positions, \$1,260 for fuel, and \$30,000 to purchase two new vehicles.

The **Governor's** recommendation for FY 2005 operating expenditures of \$795,796 is an increase of \$4,566 (0.6 percent) from the approved amount. The recommendation includes a 3.0 percent base salary increase of \$13,323, a BEST reduction of \$8,757 in contractual services, commodities, and capital outlay, and a Fee Fund transfer of \$508,438 to the State General Fund.

House Budget Committee Recommendation

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

1. The Budget Committee notes the Governor's recommendation of a fee fund transfer of \$508,438 to the State General Fund will have an adverse affect upon the agency. The Real Estate Commission is concerned that the proposed sizeable transfer to the State General Fund may subject it to litigation from its licensees; and that if the proposed transfer is approved, the agency will likely need to request a fee increase. The agency's receipts fluctuate from year to year because more licensees are scheduled for renewal in even-numbered years rather than odd-numbered years. The Budget Committee notes that revenues are historically lower in odd-numbered years and that expenditures recommended by the Governor for FY 2005 far exceed projected revenues after the agency transfers the 20.0 percent required to the State General Fund to cover indirect costs. The Budget Committee expresses its concern over the matter; and recommends a review of the fee fund transfer to the State General Fund for the Real Estate Commission prior to Omnibus to further determine its impact on the agency.
2. The agency reported that the Department of Administration charges each state agency located in Shawnee County a rent surcharge of \$0.94 per square foot to cover maintenance expenses for the State Capitol Building, the Judicial Center, and Cedar Crest; and that the Governor's recommendation for FY 2005 did not include an additional \$4,100 for the surcharge. The Budget Committee notes that the maintenance on these buildings is a function of general state government and should not be arbitrarily charged to state agencies. The Budget Committee encourages the Governor to consider a GBA to include funding for the surcharge. If the Governor chooses not to consider a GBA, the Budget Committee recommends that this issue be revisited prior to Omnibus to decide if it should be included in the Omnibus bill.
3. The Budget Committee understands that the Governor's FY 2005 recommendation did not include the agency's request of \$8,397 for the reclassification of 2.0 FTE positions. The Budget Committee recommends the reclassification of a Public Service Administrator II to a Public Service Executive I position, and a Senior Administrative Assistant to an Administrative Specialist position. However, it also recommends the agency work within its existing resources to reclassify the two positions.
4. The Budget Committee notes the 2003 Legislature approved a proviso authorizing the Real Estate Commission to expend no more than \$200 for hospitality in FY 2005; and recommends the proviso be continued in the future.
5. The Budget Committee notes the agency has solicited bids to purchase an electronic storage database system to replace obsolete microfilm equipment; and that the Governor recommended \$45,000 of KSIP funds be allocated to pay the costs of converting the records of current licensees to electronic format. The Budget Committee recognizes that several agencies are looking to purchase electronic storage databases as well; and that it may be beneficial to the state if there was a large electronic storage database set up for all agencies to utilize. The Budget Committee believes the idea makes more sense than each state agency purchasing its own electronic storage database; and encourages the

Budget Efficiency Savings Team (BEST) and/or the Legislative Chief Information Technology Officer (CITO) to look into this matter.

6. The Budget Committee notes that the agency will experience additional costs as the result of the elimination of the Central Motor Pool. Currently, the agency has three options available: purchase, buy fuel, and maintain three vehicle; rent vehicles; or pay employees \$0.36 per mile to use their own vehicles. Each auditor puts more than 24,000 a year on his/her vehicle. Any one of these choices will cost the agency approximately \$0.22 per mile more than what it used to pay to the Central Motor Pool.

Senate Subcommittee Report

Agency: Office of the Securities Commissioner **Bill No. --**

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol.1-697

Budget Page No. 70

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 2,215,776	\$ 2,215,776	\$ 0
FTE Positions	27.8	27.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>27.8</u>	<u>27.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$2,215,776 is an increase of \$146,500 (6.6 percent) from the approved budget. The estimate includes \$1,629,921 for salaries and wages, \$378,539 for contractual services, \$40,816 for commodities, and \$166,500 capital outlay.

The **Governor's** recommendation for FY 2004 operating expenditures of \$2,215,776 is an increase of \$146,500 (6.6 percent) from the approved budget. The recommendation includes \$1,629,921 for salaries and wages, \$378,539 for contractual services, \$40,816 for commodities, and \$166,500 capital outlay; and is consistent with the agency's FY 2004 estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Office of the Securities Commissioner **Bill No. --**

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. 1-697

Budget Page No. 70

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 2,215,776	\$ 2,215,776	\$ 0
FTE Positions	27.8	27.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>27.8</u>	<u>27.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$2,215,776 is an increase of \$146,500 (6.6 percent) from the approved budget. The estimate includes \$1,629,921 for salaries and wages, \$378,539 for contractual services, \$40,816 for commodities, and \$166,500 capital outlay.

The **Governor's** recommendation for FY 2004 operating expenditures of \$2,215,776 is an increase of \$146,500 (6.6 percent) from the approved budget. The recommendation includes \$1,629,921 for salaries and wages, \$378,539 for contractual services, \$40,816 for commodities, and \$166,500 capital outlay; and is consistent with the agency's FY 2004 estimate.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Office of the Securities Commissioner **Bill No.** SB 536

Bill Sec. 18

Analyst: Alishahi

Analysis Pg. No. Vol. 1-697

Budget Page No. 70

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Operating Expenditures:			
Special Revenue Funds	\$ 2,213,274	\$ 2,247,977	\$ (46,158)
FTE Positions	27.8	27.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.8	27.8	0.0

* The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$2,213,274 is a decrease of \$23,521 (1.1 percent) from the approved budget. The decrease is a result of salary and wages shrinkage savings from the recalculation of salaries and benefits for current staff. The estimate includes \$1,700,946 for salaries and wages, \$449,186 for contractual services, \$43,142 for commodities, and \$20,000 for capital outlay.

The **Governor's** recommendation for FY 2005 operating expenditures of \$2,247,977 is an increase of \$34,703 or (1.6 percent) from the approved budget. The recommendation includes \$1,747,104 for salaries and wages, \$443,570 for contractual services, \$40,045 for commodities, and \$17,258 for capital outlay. The Governor recommends a 3.0 percent base salary increase of \$46,158, and a BEST reduction of \$11,455 in contractual services, commodities, and capital outlay.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment**—Delete \$46,158 to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Office of the Securities Commissioner **Bill No.** HB 2899 **Bill Sec.** 18

Analyst: Alishahi **Analysis Pg. No.** Vol.1-697 **Budget Page No.** 70

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Operating Expenditures:			
Special Revenue Funds	\$ 2,213,274	\$ 2,247,977	\$ 0
FTE Positions	27.8	27.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.8	27.8	0.0

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$2,213,274 is a decrease of \$23,521 (1.1 percent) from the approved budget. The decrease is a result of salary and wages shrinkage savings from the recalculation of salaries and benefits for current staff. The estimate includes \$1,700,946 for salaries and wages, \$449,186 for contractual services, \$43,142 for commodities, and \$20,000 for capital outlay.

The **Governor's** recommendation for FY 2005 operating expenditures of \$2,247,977 is an increase of \$34,703 or (1.6 percent) from the approved budget. The recommendation includes \$1,747,104 for salaries and wages, \$443,570 for contractual services, \$40,045 for commodities, and \$17,258 for capital outlay. The Governor recommends a 3.0 percent base salary increase of \$46,158, and a BEST reduction of \$11,455 in contractual services, commodities, and capital outlay

House Budget Committee Recommendation

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

1. The Budget Committee understands that during FY 2004 the Office of the Securities Commissioner collected a total of \$3,875,000 in global settlements from nine Wall Street firms who were fined because of conflicts of interest. The agency explained the details of the investigation to the Budget Committee as noted below:
 - a. According to the agency, the primary issue that led to the settlements was that the investment banking departments of the brokerage firms were allegedly putting undue pressure on the analysts in the investment research departments of the firms to help promote initial public offerings (IPOs); and some firms paid their analysts incentive fees. The two departments, investment banking and investment research, are supposed to be separated;

2-41

and the investment research and recommendations must be done independently and objectively in order to be fair to investors. In the cases investigated, analysts issued "buy" recommendations for IPOs when their firms were underwriting the IPO, even when there was negative information about the prospects of the IPO companies, or a lack of information to justify a "buy" recommendation. As a result of the settlements, investment research analysts can not participate in IPO offerings or be paid based on the underwriting revenues generated by the firm. Research departments are now required to provide objective information to the public by contracting with at least three independent research firms.

- b. The agency also explained to the Budget Committee that its General Counsel contacted the General Counsel at KPERS in relation to the Enron and WorldCom cases and inquired as to whether losses occurred; and if investigations were needed. KPERS declined the agency's offer to consider enforcement action in relation to losses by KPERS; and the agency's General Counsel did not specifically discuss the global settlements with KPERS after it indicated no enforcement help was needed with the other cases. The agency pointed out that, as a large institutional investor with its own analysts, it may be difficult for KPERS to prove that it relied upon Wall Street analysts' buy and sell recommendations; and that KPERS may have actually made money based on its own investment management research.

The Budget Committee understands that FY 2004 was an exceptional year for the agency in collecting settlements; and commends the Office of the Securities Commissioner for its work. The Budget Committee also notes that the \$3,875,000 was deposited in the Investor Education Fund; and that there is language in House Bill 2899, Section 18 specifying the transfer of the entire amount to the State General Fund.

2. The Budget Committee commends the agency for its efforts to provide educational services to Kansans who are currently investing; and notes the Office of the Securities Commissioner is currently emphasizing an investor awareness program to familiarize Kansas investors with agency services.

Senate Subcommittee Report

Agency: Board of Veterinary Examiners

Bill No. --

Bill Sec. --

Analyst: VanHouse

Analysis Pg. No. Vol. 2 - 697

Budget Page No. 509

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Gov. Rec. FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund	\$ 256,043	\$ 256,043	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The Board of Veterinary Examiners estimates \$256,043 for FY 2004 operating expenditures from the Veterinary Examiners Fee Fund. The estimate is consistent with the amount approved by the 2003 Legislature.

The Governor concurs with the agency estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee Recommendation

The Senate has not yet considered this budget.

House Budget Committee Report

Agency: Board of Veterinary Examiners **Bill No. --**

Bill Sec. --

Analyst: VanHouse

Analysis Pg. No. Vol. 2 - 697 **Budget Page No.** 509

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Gov. Rec. FY 04</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 256,043	\$ 256,043	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The Board of Veterinary Examiners estimates \$256,043 for FY 2004 operating expenditures from the Veterinary Examiners Fee Fund. The estimate is consistent with the amount approved by the 2003 Legislature.

The Governor concurs with the agency estimate.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Board of Veterinary Examiners

Bill No. --

Bill Sec. --

Analyst: VanHouse

Analysis Pg. No. Vol. 2 - 697

Budget Page No. 509

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Gov. Rec. FY 05*</u>	<u>Senate Subcommittee Adjustments**</u>
Veterinary Examiners Fee Fund	\$ 281,217	\$ 281,238	\$ (3,963)
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

* Includes Governor's Budget Amendment No. 1, page 3, item 5.

** Includes a reduction of \$3,963 from the Veterinary Examiners Fee Fund for deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The Board of Veterinary Examiners requests \$281,217 for FY 2005 operating expenditures from the Veterinary Examiners Fee Fund. The estimate is consistent with the amount approved by the 2003 Legislature.

The Governor recommends \$261,620 for FY 2005 operating expenditures from the Veterinary Examiners Fee Fund. The recommendation includes a reduction of \$19,618 from the moratorium on new vehicle purchases, a decrease of \$3,942 for BEST reductions, and an increase of \$3,963 for the 3.0 percent pay plan adjustment.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following adjustments.

1. Delete \$3,963 from the Veterinary Examiners Fee Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee concurs with the item included in the Governor's Budget Amendment Number 1 (page 3, item 5) pertaining to the vehicle purchase moratorium. The GBA states that the reduction of \$19,618 taken from this agency was in error.
3. The Subcommittee recommends elimination of the transfer of \$3,942 to the State General Fund in relation to the BEST reductions.

2-45

4. The agency reported that inspections are usually conducted every two years. The Subcommittee notes that for some veterinarians this may not be necessary. The Subcommittee encourages the agency to consider lengthening the time between inspections for veterinarians who historically have had excellent inspections.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee Recommendation

The Senate has not yet considered this budget.

House Budget Committee Report

Agency: Board of Veterinary Examiners **Bill No. --** **Bill Sec. --**

Analyst: VanHouse **Analysis Pg. No.** Vol. 2 - 697 **Budget Page No.** 509

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Gov. Rec. FY 05*</u>	<u>House Budget Committee Adjustments</u>
Veterinary Examiners Fee Fund	\$ 281,217	\$ 281,238	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

* Includes Governor's Budget Amendment No. 1, page 3, item 5.

Agency Estimate/Governor's Recommendation

The Board of Veterinary Examiners requests \$281,217 for FY 2005 operating expenditures from the Veterinary Examiners Fee Fund. The estimate is consistent with the amount approved by the 2003 Legislature.

The Governor recommends \$261,620 for FY 2005 operating expenditures from the Veterinary Examiners Fee Fund. The recommendation includes a reduction of \$19,618 from the moratorium on new vehicle purchases, a decrease of \$3,942 for BEST reductions, and an increase of \$3,963 for the 3.0 percent pay plan adjustment.

House Budget Committee Recommendation


The Budget Committee concurs with the Governor's recommendation with the following adjustment.

1. The Budget Committee concurs with the item included in the Governor's Budget Amendment Number 1 (page 3, item 5) pertaining to the vehicle purchase moratorium. The GBA states that the reduction of \$19,618 taken from this agency was made in error.

FY 2004 and FY 2005

Tax, Judicial, Transportation, and Retirement Budget Committee

Board of Accountancy



Representative Bill McCreary, Chair



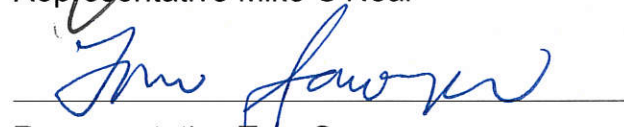
Representative Larry Campbell



Representative Tom Klein



Representative Mike O'Neal



Representative Tom Sawyer

HOUSE APPROPRIATIONS

DATE 3-11-2004
ATTACHMENT 3

Senate Subcommittee Report

Agency: Board of Accountancy

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697 Budget Page No. 473

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Board of Accountancy Fee Fund	\$ 242,290	\$ 242,290	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency estimates for FY 2004 operating expenditures is \$242,290, which is an increase of \$11,415 (4.9 percent) from the amount approved by the 2003 Legislature. The difference between the amount approved and the agency's estimate is the anticipated expenditure of \$11,415 from KSIP funds.

The Governor concurs with the agency's request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Board of Accountancy

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 1 - 697

Budget Page No. 473

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Board of Accountancy Fee Fund	\$ 242,290	\$ 242,290	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency estimates for FY 2004 operating expenditures is \$242,290, which is an increase of \$11,415 (4.9 percent) from the amount approved by the 2003 Legislature. The difference between the amount approved and the agency's estimate is the anticipated expenditure of \$11,415 from KSIP funds.

The Governor concurs with the agency's request.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Board of Accountancy

Bill No. SB 536

Bill Sec. 03

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697 **Budget Page No.** 473

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments*</u>
Board of Accountancy Fee Fund	\$ 248,853	\$ 251,694	\$ (3,588)
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

*The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency's Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$248,853 which is \$94 below the amount approved by the 2003 Legislature. This decrease is due to a difference in fringe benefits, found when salaries and wages were recalculated.

The Governor recommends restoring the \$94. Also included in the recommendation, is the addition of \$3,588 for the 3.0 percent pay plan increase and the reduction of \$841 for BEST reductions in contractual services and commodities. The Governor recommends the transfer of \$160,977 to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$3,588, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Governor recommends that all unencumbered biennial fee funds greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. This totals \$6.4 million for ten of the fee funded agencies. The Subcommittee does not recommend these transfers take place. For this agency, a transfer of

\$160,977 to the State General Fund would be eliminated. The Subcommittee noted the Attorney General Opinion 2002-045 which states: "If a successful challenge of any of these or other fund transfers were to be made, the State would likely have to repay the overages. To avoid ending up in this position, we would encourage the Legislature to study the issue of indirect costs and ensure that transfers of money from fee funded agencies into the general fund are not made arbitrarily, but rather bear a relationship to the actual costs borne by the State on behalf of those agencies and the constituencies they regulate or supervise." In addition the Subcommittee notes that it is concerned because it appears that the fee fund transfers were erratically calculated and not applied uniformly across the agencies. The Subcommittee feels that if this agency should contribute a larger portion to the State General Fund, it should be made through the increase of the percent of receipts directed to the State General Fund for administrative costs.

3. The Subcommittee notes that the agency's budget has become so tight and that there is no cushion to shift funds within the budget to cover unanticipated expenses. The Subcommittee recommends that the agency be allowed to use additional money from their fee fund to cover any unanticipated costs that may occur after receiving approval from the State Finance Council.

Senate Committee Recommendation

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

1. Concur in part with GBA #1, Item No. 14 and reinstate the adjustment that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. Adjust the certification date for the transfer noted in the GBA and in SB 538 from the end of FY 2005 to not later than April 19, 2004. For this agency, that would be an estimated transfer of \$160,977.
-

House Budget Committee Report

Agency: Board of Accountancy

Bill No. HB 2899

Bill Sec. 03

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697

Budget Page No. 473

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Board of Accountancy Fee Fund	\$ 248,947	\$ 251,694	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency's Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$248,947 which is \$94 below the approved amount. This decrease is due to a difference in fringe benefits, found when salaries and wages were recalculated.

The Governor recommends restoring the \$94. Also included in the recommendation, is the addition of \$3,588 for the 3.0 percent pay plan increase and the reduction of \$841 for BEST reductions in contractual services and commodities. The Governor recommends the transfer of \$160,977 to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

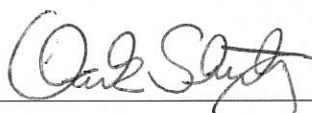
House Budget Committee Recommendation

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

FY 2004 and FY 2005

Education Budget Committee

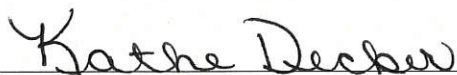
Behavioral Sciences Regulatory Board
Board of Healing Arts



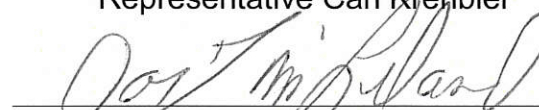
Representative Clark Shultz, Chair



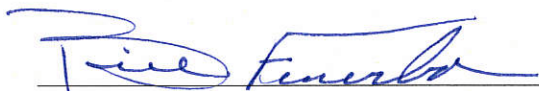
Representative Carl Krehbiel



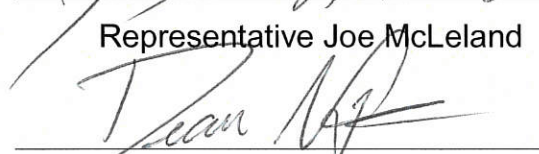
Representative Kathe Decker



Representative Joe McLeland



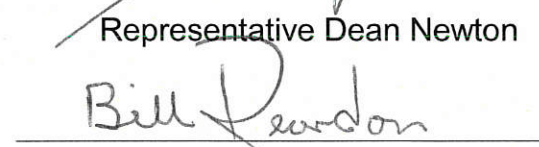
Representative Bill Feuerborn



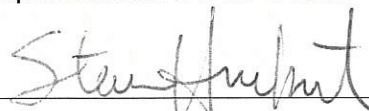
Representative Dean Newton



Representative Bob Grant



Representative Bill Reardon



Representative Steve Huebert

HOUSE APPROPRIATIONS

DATE 3-11-2004

ATTACHMENT 4

Senate Subcommittee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.** SB 536

Bill Sec. 06

Analyst: Deckard

Analysis Pg. No. Vol. 1 - 697

Budget Page No. 479

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Behavioral Sciences Reg Board Fee Fund	\$ 515,595	\$ 510,120	\$ 0
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency** requests FY 2004 expenditures of \$515,595, which is \$19,542 or 3.9 percent above the approved amount. Of the increase, \$4,976 is attributable to six months of health insurance coverage for two employees (one single coverage and one family coverage); \$1,566 is for increased Secretary of State and State Treasurer fees; \$12,800 is for expert witnesses, court reporting services, and hearing officer fees for three anticipated disciplinary cases; and \$200 is for increased charges for KSA's and KAR's.

The **Governor** recommends FY 2004 expenditures of \$510,120. This includes funding for all of the supplemental requests except for the health insurance coverage.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.** HB 2899

Bill Sec. 06

Analyst: Deckard

Analysis Pg. No. Vol. 1 - 697 **Budget Page No.** 479

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Behavioral Sciences Reg Board Fee Fund	\$ 515,595	\$ 510,120	\$ 0
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency** requests FY 2004 expenditures of \$515,595, which is \$19,542 or 3.9 percent above the approved amount. Of the increase, \$4,976 is attributable to six months of health insurance coverage for two employees (one single coverage and one family coverage); \$1,566 is for increased Secretary of State and State Treasurer fees; \$12,800 is for expert witnesses, court reporting services, and hearing officer fees for three anticipated disciplinary cases; and \$200 is for increased charges for KSA's and KAR's.

The **Governor** recommends FY 2004 expenditures of \$510,120. This includes funding for all of the supplemental requests except for the health insurance coverage.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.** SB 536

Bill Sec. 06

Analyst: Deckard

Analysis Pg. No. Vol. 1 - 697

Budget Page No. 479

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments*</u>
Behavioral Sciences Reg Board Fee Fund	\$ 540,883	\$ 548,009	\$ (9,161)
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

* The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency** requests FY 2005 expenditures of \$540,883, the same as the amount approved by the 2003 Legislature.

The **Governor** recommends FY 2005 expenditures of \$548,009, an increase from the agency's request of \$7,126. The increase is due to the addition of \$9,161 for the three percent pay plan increase and the reduction of \$2,035 for BEST savings. The \$2,035 will be transferred to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$9,161, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

4-4

House Budget Committee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.** HB 2899

Bill Sec. 06

Analyst: Deckard

Analysis Pg. No. Vol. 1 - 697 **Budget Page No.** 479

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Behavioral Sciences Reg Board Fee Fund	\$ 540,883	\$ 548,009	\$ 0
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	8.0	8.0	0.0

Agency Request/Governor's Recommendation

The **agency** requests FY 2005 expenditures of \$540,883, the same as the amount approved by the 2003 Legislature.

The **Governor** recommends FY 2005 expenditures of \$548,009, an increase from the agency's request of \$7,126. The increase is due to the addition of \$9,161 for the three percent pay plan increase and the reduction of \$2,035 for BEST savings. The \$2,035 will be transferred to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Board of Healing Arts

Bill No. --

Bill Sec. --

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697

Budget Page No. 489

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund	\$ 2,360,567	\$ 2,360,567	\$ 0
FTE Positions	29.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u>30.0</u>	<u>30.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency requests current year expenditures of \$2,360,567, which is consistent with the amount approved by the 2003 Legislature.

The Governor recommends current year expenditures of \$2,360,567, an amount consistent with the approved amount.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 2004.

Senate Committee Recommendation

The Senate Subcommittee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Board of Healing Arts

Bill No. --

Bill Sec. --

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697 **Budget Page No.** 489

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 2,360,567	\$ 2,360,567	\$ 0
FTE Positions	29.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u>30.0</u>	<u>30.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests current year expenditures of \$2,360,567, which is consistent with the amount approved by the 2003 Legislature.

The Governor recommends current year expenditures of \$2,360,567, an amount consistent with the approved amount.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2004.

Senate Subcommittee Report

Agency: Board of Healing Arts

Bill No. SB 536

Bill Sec. 07

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697 **Budget Page No.** 489

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Special Revenue Fund	\$ 2,467,714	\$ 2,483,523	\$ (36,888)
FTE Positions	29.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	29.0	29.0	0.0

* The entire adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The agency requests FY 2005 expenditures of \$2,467,714, which is \$10,000 or 0.4 percent above the amount approved by the 2003 Legislature. The enhancement request is for the rent surcharge for buildings in Shawnee County.

The Governor recommends FY 2005 expenditures of \$2,483,523, which is \$25,809 or 1.1 percent above the approved amount. The Governor recommends the addition of \$36,888 for a 3.0 percent pay plan increase and the reduction of \$11,079 for BEST reductions in contractual services, commodities, and capital outlay. The Governor does not recommend the agency's enhancement request.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment**—Delete \$36,888, including \$0 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee is encouraged by the board's progress with its Information Technology project. The project addresses on-line renewals for all practitioners; improved case management through on-line complaint forms and access to disciplinary reports, and complaint tracking; and an improved document management system. The Subcommittee commends the excellent efforts of the board on this important project.

4-8

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Board of Healing Arts

Bill No. HB 2899

Bill Sec. 07

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697 **Budget Page No.** 489

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 2,467,714	\$ 2,483,523	\$ 0
FTE Positions	29.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>29.0</u>	<u>29.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 2005 expenditures of \$2,467,714, which is \$10,000 or 0.4 percent above the amount approved by the 2003 Legislature. The enhancement request is for the rent surcharge for buildings in Shawnee County.

The Governor recommends FY 2005 expenditures of \$2,483,523, which is \$25,809 or 1.1 percent above the approved amount. The Governor recommends the addition of \$36,888 for a 3.0 percent pay plan increase and the reduction of \$11,079 for BEST reductions in contractual services, commodities, and capital outlay. The Governor does not recommend the agency's enhancement request.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2005.

FY 2004 and FY 2005

General Government and Commerce Budget Committee

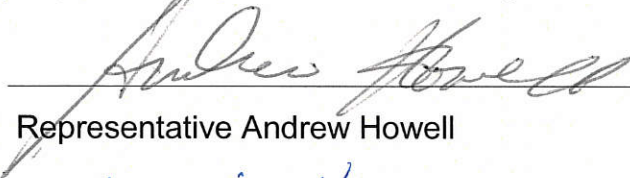
Board of Barbering
Board of Cosmetology
Board of Mortuary Arts
Kansas Dental Board
Board of Hearing Aid Examiners
Board of Optometry
Board of Pharmacy




Representative Jo Ann Pottorff, Chair



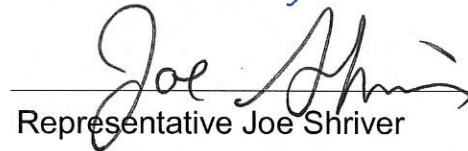
Representative Patricia Barbieri-Lightner



Representative Andrew Howell



Representative Annie Kuether



Representative Joe Shriver



Representative Tom Sloan



Representative Dan Thimesch

HOUSE APPROPRIATIONS

DATE 3-11-2004

ATTACHMENT 5

Senate Subcommittee Report

Agency: Board of Barbering

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697 **Budget Page No.** 477

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Board of Barbering Fee Fund	\$ 124,092	\$ 124,092	\$ 0
FTE Positions	1.5	1.5	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.0	0.0
TOTAL	<u>2.0</u>	<u>1.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's estimate for FY 2004 operating expenditures is \$124,092, which is the same amount approved by the 2003 Legislature.

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Board of Barbering

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697

Budget Page No. 477

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Board of Barbering Fee Fund	\$ 124,092	\$ 124,092	\$ 0
FTE Positions	1.5	1.5	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.0	0.0
TOTAL	2.0	1.5	0.0

Agency Request/Governor's Recommendation

The agency's estimate for FY 2004 operating expenditures is \$124,092, which is the same amount approved by the 2003 Legislature.

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Board of Barbering

Bill No. SB 536

Bill Sec. 05

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697 **Budget Page No.** 477

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Board of Barbering Fee Fund	\$ 129,649	\$ 131,275	\$ (2,210)
FTE Positions	1.5	1.5	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.0	0.0
TOTAL	<u>2.0</u>	<u>1.5</u>	<u>0.0</u>

*The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$129,649 which is an increase of \$12,573 (10.7 percent) from the approved amount. The enhancement request is for a Special Projects 0.5 non-FTE position. The expenditure authority would have been included in the original FY 2005 request if the balance in the fee fund had been sufficient. Since the 2003 Legislature passed a bill that increases the maximum fee schedule for the Board, the additional expenditure is now possible.

The Governor concurs with the enhancement request of \$12,573. Also included in the recommendation is the addition of \$2,210 for the 3.0 percent pay plan increase and the reduction of \$584 for BEST reductions in contractual services, commodities and capital outlay.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustment and notation:

1. **Pay Plan Adjustment** - Delete \$2,210, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee notes that the agency's budget has become so tight and that there is no cushion to shift funds within the budget to cover unanticipated expenses. The Subcommittee recommends that the agency be allowed to use additional money from their fee fund to cover any unanticipated costs that may occur after receiving approval from the State Finance Council.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Board of Barbering

Bill No. HB 2899

Bill Sec. 05

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697

Budget Page No. 477

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Board of Barbering Fee Fund	\$ 129,649	\$ 131,275	\$ 0
FTE Positions	1.5	1.5	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.0	0.0
TOTAL	<u>2.0</u>	<u>1.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$129,649 which is an increase of \$12,573 (10.7 percent) from the approved amount. The enhancement request is for a Special Projects 0.5 non-FTE position. The expenditure authority would have been included in the original FY 2005 request if the balance in the fee fund had been sufficient. Since the 2003 Legislature passed a bill that increases the maximum fee schedule for the Board, the additional expenditure is now possible.

The Governor concurs with the enhancement request of \$12,573. Also included in the recommendation is the addition of \$2,210 for the 3.0 percent pay plan increase and the reduction of \$584 for BEST reductions in contractual services, commodities and capital outlay.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Board of Cosmetology

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697 **Budget Page No.** 481

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Board of Cosmetology Fee Fund	\$ 675,307	\$ 675,307	\$ 0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>12.0</u>	<u>12.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's estimates for FY 2004 operating expenditures is \$675,307, which is an increase of \$24,010 (3.7 percent) from the amount approved by the 2003 Legislature. The difference between the amount approved and the agency's estimate is the anticipated expenditure of \$24,010 from KSIP funds.

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Board of Cosmetology

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697

Budget Page No. 481

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Board of Cosmetology Fee Fund	\$ 675,307	\$ 675,307	\$ 0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>12.0</u>	<u>12.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's estimates for FY 2004 operating expenditures is \$675,307, which is an increase of \$24,010 (3.7 percent) from the amount approved by the 2003 Legislature. The difference between the amount approved and the agency's estimate is the anticipated expenditure of \$24,010 from KSIP funds.

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Board of Cosmetology

Bill No. SB 536

Bill Sec. 08

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697 **Budget Page No.** 481

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustment*
Board of Cosmetology Fee Fund	\$ 715,727	\$ 722,874	\$ (11,494)
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

*The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$715,727 which is the same amount approved by the 2003 Legislature.

The Governor recommends the addition of \$11,494 for the 3.0 percent pay plan increase and the reduction of \$4,347 for BEST reductions in contractual services, commodities and capital outlay.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustment and notation:

1. **Pay Plan Adjustment** - Delete \$11,494, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee notes that the agency's budget has become so tight and that there is no cushion to shift funds within the budget to cover unanticipated expenses. The Subcommittee recommends that the agency be allowed to use additional money from their fee fund to cover any unanticipated costs that may occur after receiving approval from the State Finance Council.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Board of Cosmetology

Bill No. HB 2899

Bill Sec. 08

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697

Budget Page No. 481

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustment
Board of Cosmetology Fee Fund	\$ 715,727	\$ 722,874	\$ 0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

Agency Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$715,727 which is the same amount approved by the 2003 Legislature.

The Governor recommends the addition of \$11,494 for the 3.0 percent pay plan increase and the reduction of \$4,347 for BEST reductions in contractual services, commodities and capital outlay.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Board of Mortuary Arts

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697 **Budget Page No.** 493

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Board of Mortuary Arts Fee Fund	\$ 236,432	\$ 236,432	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's estimates for FY 2004 operating expenditures is \$236,432 which is an increase of \$21,184 (9.8 percent) from the amount approved by the 2003 Legislature. The difference between the amount approved and the agency's estimate is the anticipated expenditure of \$21,184 from KSIP funds.

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Board of Mortuary Arts

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Board of Mortuary Arts Fee Fund	\$ 236,432	\$ 236,432	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's estimates for FY 2004 operating expenditures is \$236,432 which is an increase of \$21,184 (9.8 percent) from the amount approved by the 2003 Legislature. The difference between the amount approved and the agency's estimate is the anticipated expenditure of \$24,010 from KSIP funds.

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Board of Mortuary Arts

Bill No. SB 536

Bill Sec. 11

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697 **Budget Page No.** 493

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustment*
Board of Mortuary Arts Fee Fund	\$ 234,785	\$ 237,971	\$ (4,128)
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

*The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Estimate/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$234,785 which is the same amount approved by the 2003 Legislature.

The Governor recommends the addition of \$4,128 for the 3.0 percent pay plan increase and the reduction of \$942 for BEST reductions in contractual services, commodities and capital outlay.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustment and notation:

1. **Pay Plan Adjustment** - Delete \$4,128, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee notes that the agency's budget has become so tight and that there is no cushion to shift funds within the budget to cover unanticipated expenses. The Subcommittee recommends that the agency be allowed to use additional money from their fee fund to cover any unanticipated costs that may occur after receiving approval from the State Finance Council.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

5-12

House Budget Committee Report

Agency: Board of Mortuary Arts

Bill No. HB 2899

Bill Sec. 11

Analyst: Buonasera

Analysis Pg. No. Vol. 1-697

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustment</u>
Board of Mortuary Arts Fee Fund	\$ 234,785	\$ 237,971	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$234,785 which is the same amount approved by the 2003 Legislature.

The Governor recommends the addition of \$4,128 for the 3.0 percent pay plan increase and the reduction of \$942 for BEST reductions in contractual services, commodities and capital outlay.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas Dental Board

Bill No. --

Bill Sec. --

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697 Budget Page No. 485

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund	\$ 317,870	\$ 317,870	\$ 0
FTE Positions	2.5	2.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>2.5</u>	<u>2.5</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency requests current year expenditures of \$317,870, which is consistent with the amount approved by the 2003 Legislature.

The Governor concurs with the current year estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 2004.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Kansas Dental Board

Bill No. --

Bill Sec. --

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697 Budget Page No. 485

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 317,870	\$ 317,870	\$ 0
FTE Positions	2.5	2.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>2.5</u>	<u>2.5</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency requests current year expenditures of \$317,870, which is consistent with the amount approved by the 2003 Legislature.

The Governor concurs with the current year estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2004.

Senate Subcommittee Report

Agency: Kansas Dental Board

Bill No. SB 536

Bill Sec. 10

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697

Budget Page No. 485

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Special Revenue Fund	\$ 343,809	\$ 344,517	\$ (1,537)
FTE Positions	2.5	2.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>2.5</u>	<u>2.5</u>	<u>0.0</u>

*The entire adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The agency requests FY 2005 expenditures of \$343,809, which is consistent with the amount approved by the 2003 Legislature.

The Governor recommends FY 2005 expenditures of \$344,517, which is \$708 or 0.2 percent above the approved amount. The Governor recommends the addition of \$1,537 for a 3.0 percent pay plan increase and the reduction of \$2,575 for BEST reductions in contractual services and commodities. The Governor recommends the transfer of \$354,960 to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$1,537, including \$0 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Governor recommends that all unencumbered biennial fee funds greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. This totals \$6.4 million for ten of the fee funded agencies. The Subcommittee does not recommend these transfers take place. For this agency, a transfer of \$354,960 to the State General Fund would be eliminated. The Subcommittee

noted the Attorney General Opinion 2002-045 which states: "If a successful challenge of any of these or other fund transfers were to be made, the State would likely have to repay the overages. To avoid ending up in this position, we would encourage the Legislature to study the issue of indirect costs and ensure that transfers of money from fee funded agencies into the general fund are not made arbitrarily, but rather bear a relationship to the actual costs borne by the State on behalf of those agencies and the constituencies they regulate or supervise." In addition the Subcommittee notes that they are concerned because it appears that the fee fund transfers were erratically calculated and not applied uniformly across the agencies. The Subcommittee feels that if this agency should contribute a larger portion to the State General Fund, it should be made through the increase of the percent of receipts directed to the State General Fund for administrative services actually performed by the State.

3. The Governor submitted GBA No. 1, Item No. 14 as a technical correction to the calculations of the recommended fee funds transfers for a portion of the fee funded agencies. Because of the Subcommittee's recommendation to not transfer these funds to the State General Fund, the Subcommittee does not recommend concurring with GBA No. 1, Item No. 14.
4. The Subcommittee notes the GBA to correct the amount of the transfer to SGF. The Division of the Budget indicated that the transfer amount needs to be reduced from \$354,960 to \$42,841. The Subcommittee expresses concern about the fee fund balance as FY 2006 revenues will be generated from the renewal of dental hygienists, a much smaller revenue than when dentists' licenses are renewed.

Senate Committee Recommendation

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

1. Concur in part with GBA No. 1, Item 14 and reinstate the adjustment that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. Adjust the certification date for the transfer noted in the GBA and in SB 538 from the end of FY 2005 to not later than April 19, 2004. For this agency, that would be an estimated transfer of \$15,584.
-

House Budget Committee Report

Agency: Kansas Dental Board

Bill No. HB 2899

Bill Sec. 10

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697

Budget Page No. 485

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Special Revenue Fund	\$ 343,809	\$ 344,517	\$ 0
FTE Positions	2.5	2.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2.5	2.5	0.0

Agency Request/Governor's Recommendation

The agency requests FY 2005 expenditures of \$343,809, which is consistent with the amount approved by the 2003 Legislature.

The Governor recommends FY 2005 expenditures of \$344,517, which is \$708 or 0.2 percent above the approved amount. The Governor recommends the addition of \$1,537 for a 3.0 percent pay plan increase and the reduction of \$2,575 for BEST reductions in contractual services and commodities. The Governor recommends the transfer of \$354,960 to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2005, with the following adjustment:

1. The Budget Committee concurs with GBA #1, Item No. 14, a technical correction to the calculations of the recommended fee funds transfers for some fee funded agencies. The sweep of \$354,960 to the State General Fund as recommended in the Governor's original budget would reduce the FY 2005 ending balance to a negative balance of \$139,376. The Budget Committee notes the technical correction to the sweep amount to reflect the Board's salary and wages expenditures. The effect of this GBA would reduce the total sweep amount for the Kansas Dental Board to \$15,584.

Senate Subcommittee Report

Agency: Hearing Aid Board of Examiners

Bill No. --

Bill Sec. --

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697

Budget Page No. 491

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund	\$ 18,833	\$ 18,833	\$ 0
FTE Positions	0.4	0.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.4</u>	<u>0.4</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency requests current year expenditures of \$18,833, which is \$37 or 0.2 percent below the amount approved by the 2003 Legislature. The reduction occurred in the calculation of agency salaries and wages.

The Governor concurs with the revised request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 2004.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Hearing Aid Board of Examiners **Bill No. - -**

Bill Sec. - -

Analyst: Calderwood

Analysis Pg. No. Vol.1-697

Budget Page No. 491

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 18,833	\$ 18,833	\$ 0
FTE Positions	0.4	0.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.4</u>	<u>0.4</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency requests current year expenditures of \$18,833, which is \$37 or 0.2 percent below the amount approved by the 2003 Legislature. The reduction occurred in the calculation of agency salaries and wages.

The Governor concurs with the revised request.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2004.

Senate Subcommittee Report

Agency: Hearing Aid Board of Examiners

Bill No. SB 536

Bill Sec. 12

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697

Budget Page No. 491

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
Special Revenue Fund	\$ 21,486	\$ 21,916	\$ (507)
FTE Positions	0.4	0.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	0.4	0.4	0.0

* The entire adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The agency requests expenditures of \$21,486 for FY 2005 which is consistent with the amount approved by the 2003 Legislature.

The Governor recommends FY 2005 expenditures of \$21,916, which is \$430 or 2.0 percent above the approved amount. The Governor recommends the addition of \$507 for a 3.0 percent pay plan increase and the reduction of \$77 for BEST reductions in contractual services and commodities.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$507, including \$0 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Hearing Aid Board of Examiners **Bill No.** HB 2899 **Bill Sec.** 12

Analyst: Calderwood **Analysis Pg. No.** Vol.1 - 697 **Budget Page No.** 491

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 21,486	\$ 21,916	\$ 0
FTE Positions	0.4	0.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	0.4	0.4	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$21,486 for FY 2005 which is consistent with the amount approved by the 2003 Legislature.

The Governor recommends FY 2005 expenditures of \$21,916, which is \$430 or 2.0 percent above the approved amount. The Governor recommends the addition of \$507 for a 3.0 percent pay plan increase and the reduction of \$77 for BEST reductions in contractual services and commodities.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2005.

Senate Subcommittee Report

Agency: Board of Optometry

Bill No. --

Bill Sec. --

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697 Budget Page No. 497

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund	\$ 111,514	\$ 104,970	\$ 0
FTE Positions	0.8	0.8	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u>1.8</u>	<u>1.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency requests current year expenditures of \$111,514, which is \$6,544 or 6.2 percent above the amount approved by the 2003 Legislature. The increase is due to additional funding requested for legal services. The board cut legal services to accommodate the 5.9 percent reduction (transfer to SGF) approved by the 2003 Legislature.

The Governor recommends current year expenditures of \$104,970, an amount consistent with the approved amount. The Governor does not recommend the supplemental request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 2004.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Board of Optometry

Bill No. - -

Bill Sec. - -

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697 Budget Page No. 497

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Special Revenue Fund	\$ 111,514	\$ 104,970	\$ 0
FTE Positions	0.8	0.8	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	1.8	1.8	0.0

Agency Estimate/Governor's Recommendation

The agency requests current year expenditures of \$111,514, which is \$6,544 or 6.2 percent above the amount approved by the 2003 Legislature. The increase is due to additional funding requested for legal services. The board cut legal services to accommodate the 5.9 percent reduction (transfer to SGF) approved by the 2003 Legislature.

The Governor recommends current year expenditures of \$104,970, an amount consistent with the approved amount. The Governor does not recommend the supplemental request.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2004.

Senate Subcommittee Report

Agency: Board of Optometry

Bill No. SB 536

Bill Sec. 14

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697

Budget Page No. 497

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Special Revenue Fund	\$ 112,292	\$ 113,511	\$ (1,381)
FTE Positions	0.8	0.8	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u>1.8</u>	<u>1.8</u>	<u>0.0</u>

*The entire adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The agency requests FY 2005 expenditures of \$112,292 which is consistent with the amount approved by the 2003 Legislature.

The Governor recommends FY 2005 expenditures of \$113,511, which is \$1,219 or 1.1 percent above the approved amount. The Governor recommends the addition of \$1,381 for a 3.0 percent pay plan increase and the reduction of \$162 for BEST reductions in contractual services, commodities, and capital outlay. The Governor recommends the transfer of \$16,684 to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$1,381, including \$0 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Governor recommends that all unencumbered biennial fee funds greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. This totals \$6.4 million for ten of the fee funded agencies. The Subcommittee does not recommend these transfers take place. For this agency, a transfer of \$16,684 to the State General Fund would be eliminated. The Subcommittee noted the Attorney General Opinion 2002-045 which states: "If a successful challenge of any of these or other fund transfers were to be made, the State would likely have

to repay the overages. To avoid ending up in this position, we would encourage the Legislature to study the issue of indirect costs and ensure that transfers of money from fee funded agencies into the general fund are not made arbitrarily, but rather bear a relationship to the actual costs borne by the State on behalf of those agencies and the constituencies they regulate or supervise." In addition the Subcommittee notes that they are concerned because it appears that the fee fund transfers were erratically calculated and not applied uniformly across the agencies. The Subcommittee feels that if this agency should contribute a larger portion to the State General Fund, it should be made through the increase of the percent of receipts directed to the State General Fund for administrative services performed by the State.

3. The Governor submitted GBA #1, Item No. 14 as a technical correction to the calculations of the recommended fee funds transfers for a portion of the fee funded agencies. Because of the Subcommittee's recommendation to not transfer these funds to the State General Fund, the Subcommittee does not recommend concurring with GBA #1, Item No. 14.
4. The Subcommittee notes agency testimony regarding the fee balance at the end of FY 2005. The Governor's office has changed revenue estimates and a sweep of \$16,684 would bring the balance below the recommended \$200,000 to \$132,468. The agency testified that the fee fund balance would be impacted by plans to move during FY 2006 to Topeka to establish a permanent office and continuing legal expenses associated with on-line contact lens purchases. The Board also testified about cash flow issues relating to the availability of funds for the transfer.

Senate Committee Recommendation

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

1. Concur in part with GBA #1 Item No. 14 and reinstate the adjustment that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. Adjust the certification date for the transfer noted in the GBA and in SB 538 from the end of FY 2005 to not later than April 19, 2004. For this agency, that would be an estimated transfer of \$0.

House Budget Committee Report

Agency: Board of Optometry

Bill No. SB 536

Bill Sec. 14

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697

Budget Page No. 497

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 112,292	\$ 113,511	\$ 1,000
FTE Positions	0.8	0.8	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u>1.8</u>	<u>1.8</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 2005 expenditures of \$112,292 which is consistent with the amount approved by the 2003 Legislature.

The Governor recommends FY 2005 expenditures of \$113,511, which is \$1,219 or 1.1 percent above the approved amount. The Governor recommends the addition of \$1,381 for a 3.0 percent pay plan increase and the reduction of \$162 for BEST reductions in contractual services, commodities, and capital outlay. The Governor recommends the transfer of \$16,684 to the State General Fund.

Under the Governor's FY 2005 statutory budget recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2005, with the following adjustments:

1. The Budget Committee concurs with GBA #1, Item No. 14, a technical correction to the calculations of the recommended fee funds transfers for some fee funded agencies. The sweep as recommended in the Governor's original budget would reduce the FY 2005 ending balance to \$132,468. The Budget Committee notes the technical correction in the amount of the Board's revenues. The effect of this GBA would reduce the total sweep amount for the Board of Optometry to \$0.

2. The Budget Committee recommends an increase of \$1,000 in the Board's expenditure limitation for FY 2005 to address the Board's communications needs. The Budget Committee notes testimony from the Board indicating that the Board currently has a dial-up network connection and that its efforts to conform to the directive to enter STARS and SHARP data has been delayed by budget reductions for both FY 2004 and FY 2005.

Senate Subcommittee Report

Agency: Board of Pharmacy

Bill No. --

Bill Sec. --

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697

Budget Page No. 499

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund	\$ 623,415	\$ 586,872	\$ 0
FTE Positions	7.0	7.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>7.0</u>	<u>7.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency requests current year expenditures of \$623,415, which is \$36,543 or 6.2 percent above the amount approved by the 2003 Legislature. The increase is due to additional expenses related to the pharmacy compliance inspector position and the registration of pharmacy technicians approved by the 2003 Legislature, increases in legal fees and related costs for investigation and disciplinary cases, and new and increased fees charged to state agencies.

The Governor recommends current year expenditures of \$586,872, an amount consistent with the approved amount. The Governor does not recommend the supplemental request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 2004.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: Board of Pharmacy

Bill No. - -

Bill Sec. - -

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697

Budget Page No. 499

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 623,415	\$ 586,872	\$ 0
FTE Positions	7.0	7.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	7.0	7.0	0.0

Agency Estimate/Governor's Recommendation

The agency requests current year expenditures of \$623,415, which is \$36,543 or 6.2 percent above the amount approved by the 2003 Legislature. The increase is due to additional expenses related to the pharmacy compliance inspector position and the registration of pharmacy technicians approved by the 2003 Legislature, increases in legal fees and related costs for investigation and disciplinary cases, and new and increased fees charged to state agencies.

The Governor recommends current year expenditures of \$586,872, an amount consistent with the approved amount. The Governor does not recommend the supplemental request.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2004.

Senate Subcommittee Report

Agency: Board of Pharmacy

Bill No. SB 536

Bill Sec. 15

Analyst: Calderwood

Analysis Pg. No. Vol.1 - 697

Budget Page No. 499

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Special Revenue Fund	\$ 666,995	\$ 637,221	\$ (11,159)
FTE Positions	7.0	7.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>7.0</u>	<u>7.0</u>	<u>0.0</u>

*The entire adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The agency requests FY 2005 expenditures of \$666,995, which is \$33,391 or 5.3 percent above the amount approved by the 2003 Legislature. The increase is due to: additional expenses related to the pharmacy compliance inspector position and the registration of pharmacy technicians approved by the 2003 Legislature; increases in legal fees and related costs for investigation and disciplinary cases; and new and increased fees charged to state agencies.

The Governor recommends FY 2005 expenditures of \$637,221, which is \$3,617 or 0.6 percent above the approved amount. The Governor recommends the addition of \$11,159 for a 3.0 percent pay plan increase and the reduction of \$7,542 for BEST reductions in contractual services, commodities, and capital outlay. The Governor does not recommend the agency's enhancement request. The Governor recommends the transfer of \$1,178,600 to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$11,159, including \$0 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Governor recommends that all unencumbered biennial fee funds greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. This totals \$6.4 million for ten of the fee funded agencies. For this agency, a transfer

of \$1,178,600 to the State General Fund would be eliminated. The Subcommittee noted the Attorney General Opinion 2002-045 which states: "If a successful challenge of any of these or other fund transfers were to be made, the State would likely have to repay the overages. To avoid ending up in this position, we would encourage the Legislature to study the issue of indirect costs and ensure that transfers of money from fee funded agencies into the general fund are not made arbitrarily, but rather bear a relationship to the actual costs borne by the State on behalf of those agencies and the constituencies they regulate or supervise." In addition the Subcommittee notes that they are concerned because it appears that the fee fund transfers were erratically calculated and not applied uniformly across the agencies. The Subcommittee feels that if this agency should contribute a larger portion to the State General Fund, it should be made through the increase of the percent of receipts directed to the State General Fund for administrative services performed by the State.

3. The Governor submitted GBA #1, Item No. 14 as a technical correction to the calculations of the recommended fee funds transfers for a portion of the fee funded agencies. Because of the Subcommittee's recommendation to not transfer these funds to the State General Fund, the Subcommittee does not recommend concurring with GBA #1, Item No. 14.
4. The Subcommittee notes board testimony regarding the use of its fee fund balance. It is the Governor's intent to sweep \$1,178,600 from the board's fee fund at the end of FY 2005. The board stated that it would like to encumber \$500,000 to address the illegal operations of Canadian storefronts in Kansas. The board must secure private counsel and has been advised that the litigation could incur up to 3,000 billable hours. In addition, the board seeks to encumber \$100,000 to assist the Governor's Office of Health Planning and Finance by providing communications to consumers on prescription drugs. The board noted that it was also studying prescription drug monitoring and is working at the federal level with the Department of Justice. The board would like to encumber \$100,000 to help provide education to pharmacies and physicians.
5. The Subcommittee notes three bills related to the board: HB 2538, a drug repository bill regarding donated drugs to low-income pharmacies; HB 2505, allows for the establishment of a pharmaceutical lab at the University of Kansas; and SB 268, which affects person licensed by state boards.
6. The Subcommittee expresses concern about the unanticipated costs for car insurance that the board may incur due to policy changes regarding state vehicles.
7. The Subcommittee encourages the board to review its information technology equipment and its software for licensing and tracking disciplinary complaints. The board had stated that updated software could alleviate data replication problems within its current system.

Senate Committee Recommendation

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

1. Concur in part with GBA # 1 Item No. 14 and reinstate the adjustment that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. Adjust the certification date for the transfer noted in the GBA and in SB 538 from the end of FY 2005 to not later than April 19, 2004. For this agency, that would be an estimated transfer of \$1,178,600.

House Budget Committee Report

Agency: Board of Pharmacy **Bill No.** HB 2899 **Bill Sec.** 15
Analyst: Calderwood **Analysis Pg. No.** Vol.1 - 697 **Budget Page No.** 499

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Special Revenue Fund	\$ 666,995	\$ 637,221	\$ 0
FTE Positions	7.0	7.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	7.0	7.0	0.0

Agency Request/Governor's Recommendation

The agency requests FY 2005 expenditures of \$666,995, which is \$33,391 or 5.3 percent above the amount approved by the 2003 Legislature. The increase is due to: additional expenses related to the pharmacy compliance inspector position and the registration of pharmacy technicians approved by the 2003 Legislature; increases in legal fees and related costs for investigation and disciplinary cases; and new and increased fees charged to state agencies.

The Governor recommends FY 2005 expenditures of \$637,221, which is \$3,617 or 0.6 percent above the approved amount. The Governor recommends the addition of \$11,159 for a 3.0 percent pay plan increase and the reduction of \$7,542 for BEST reductions in contractual services, commodities, and capital outlay. The Governor does not recommend the agency's enhancement request. The Governor recommends the transfer of \$1,178,600 to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2005, with the following notation:

1. The Budget Committee recommends that consideration be given at Omnibus to the Board's request to encumber \$500,000 of its fee fund balance for litigation purposes. The Budget Committee notes that Board testimony indicated six storefronts are currently operating businesses in Kansas, offering to make sales arrangements involving ordering and purchasing of prescription drugs from Canada. The Board indicated that the FDA has not approved these drugs and therefore has concerns about the safety and efficacy of the drugs. The Board noted that the FDA has sent warning to stores of this nature indicating that they are in violation of 21 U.S.C. 381 (d) (1). The Board further noted that the Board of Pharmacy in Oklahoma, a state with similar regulations to Kansas, has successfully obtained a restraining order against these kind of businesses. It is the Board's intent to encumber \$500,000 of its fee fund in FY 2005 to pursue this matter with outside counsel. The Board noted that the Attorney General's Office advised that they did not have the manpower or funds available to pursue this type of lengthy prosecution. The Budget Committee notes that \$1,178,600 transferred from the fee fund to the State General Fund in its adoption of the Governor's recommendation and that the sweep amount/ adjustment of the Board's revenues and expenditure limitation would need to be included in the Omnibus discussion.

FY 2004 and FY 2005

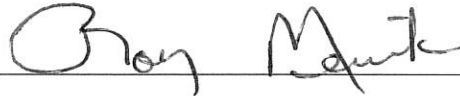
Public Safety Budget Committee

Abstracters Board of Examiners

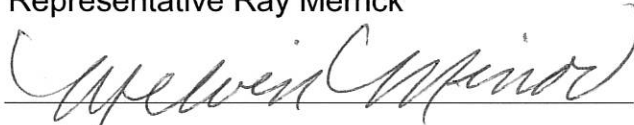


Representative Bill Light, Chair

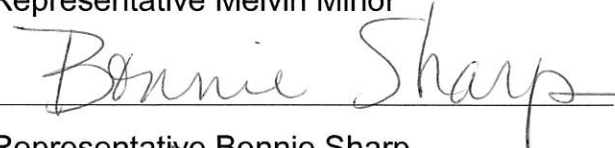
Representative Rob Boyer



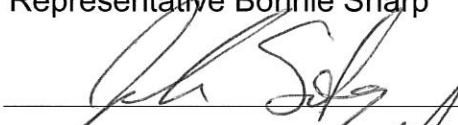
Representative Ray Merrick



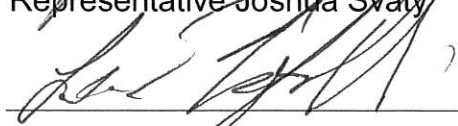
Representative Melvin Minor



Representative Bonnie Sharp



Representative Joshua Svaty



Representative Lee Tafanelli

HOUSE APPROPRIATIONS

DATE 3-11-2004
ATTACHMENT 6

Senate Subcommittee Report

Agency: Abstracters' Board of Examiners **Bill No. --**

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol 1-697

Budget Page No. 471

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Abstracters' Fee Fund	\$ 19,463	\$ 19,463	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency** estimates FY 2004 expenditures at \$19,463 the same as the amount approved by the 2003 Legislature.

The **Governor** recommends FY 2004 expenditures of \$19,463, the same amount requested by the agency.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Abstracters' Board of Examiners **Bill No. --**

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol 1-697 **Budget Page No.** 471

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Abstracters' Fee Fund	\$ 19,463	\$ 19,463	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0

Agency Estimate/Governor's Recommendation

The **agency** estimates FY 2004 expenditures at \$19,463 the same as the amount approved by the 2003 Legislature.

The **Governor** recommends FY 2004 expenditures of \$19,463, the same amount requested by the agency.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Abstracters' Board of Examiners **Bill No.** SB 536

Bill Sec. 02

Analyst: Deckard

Analysis Pg. No. Vol 1-697

Budget Page No. 471

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments*</u>
Abstracters' Fee Fund	\$ 20,878	\$ 21,315	\$ (478)
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

* The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency** requests FY 2005 expenditures of \$20,878, the same amount approved by the 2003 Legislature.

The **Governor** recommends \$21,315 for FY 2005, an increase of \$437 from the agency's request. The increase is due to the addition of \$478 for the three percent pay plan adjustment and the reduction of \$41 in BEST recommendations. The \$41 will be transferred to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment**—Delete \$478, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Abstracters' Board of Examiners **Bill No.** HB 2899

Bill Sec. 02

Analyst: Deckard

Analysis Pg. No. Vol 1-697 **Budget Page No.** 471

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Abstracters' Fee Fund	\$ 20,878	\$ 21,315	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0

Agency Request/Governor's Recommendation

The **agency** requests FY 2005 expenditures of \$20,878, the same amount approved by the 2003 Legislature.

The **Governor** recommends \$21,315 for FY 2005, an increase of \$437 from the agency's request. The increase is due to the addition of \$478 for the three percent pay plan adjustment and the reduction of \$41 in BEST recommendations. The \$41 will be transferred to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

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

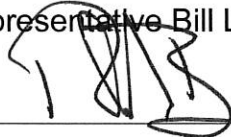
FY 2004 and FY 2005

Public Safety Budget Committee

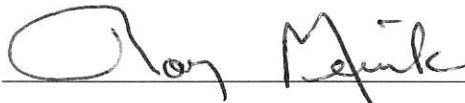
Board of Technical Professions



Representative Bill Light, Chair



Representative Rob Boyer



Representative Ray Merrick

Representative Melvin Minor

Representative Bonnie Sharp

Representative Joshua Svaty



Representative Lee Tapanelli

HOUSE APPROPRIATIONS

DATE 3-11-2004
ATTACHMENT 7

Senate Subcommittee Report

Agency: Board of Technical Professions

Bill No. --

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol 1- 697

Budget Page No. 507

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Board of Technical Professions Fee Fund	\$ 528,936	\$ 528,936	\$ 0
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency** requests FY 2004 expenditures of \$528,936, an increase of \$3,000 from the amount approved by the 2003 Legislature. The increase was the addition of \$3,000 in KSIP expenditures.

The **Governor** recommends \$528,936, the same amount requested by the agency.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Board of Technical Professions **Bill No. --**

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol 1- 697 **Budget Page No.** 507

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Board of Technical Professions Fee Fund	\$ 528,936	\$ 528,936	\$ 0
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	6.0	6.0	0.0

Agency Estimate/Governor's Recommendation

The **agency** requests FY 2004 expenditures of \$528,936, an increase of \$3,000 from the amount approved by the 2003 Legislature. The increase was the addition of \$3,000 in KSIP expenditures.

The **Governor** recommends \$528,936, the same amount requested by the agency.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Board of Technical Professions **Bill No.** SB 536

Bill Sec. 19

Analyst: Deckard

Analysis Pg. No. Vol 1- 697 **Budget Page No.** 507

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Board of Technical Professions Fee Fund	\$ 556,422	\$ 555,857	\$ (6,661)
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	6.0	6.0	0.0

* The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency** requests \$556,422 which is \$3,277 or 0.6 percent less than the approved amount. The agency indicated that there are internal savings that will be realized and budgeted only for the actual amount that will be required.

The **Governor** recommends \$555,857 for FY 2005, a decrease of \$565 from the agency request. The recommendation includes an increase of \$6,661 for the three percent pay plan increase and a reduction of \$7,226 for the BEST team recommendations. The \$7,226 will be transferred to the State General Fund. In addition, \$617,646 from the Technical Professions Fee Fund will be transferred to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$6,661, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Fee Fund Transfers** - The Governor recommends that all unencumbered biennial fee funds greater than \$200,000 at the end of FY 2005 be transferred to

the State General Fund. This totals \$6.4 million for ten of the fee funded agencies. The Subcommittee does not recommend these transfers take place. For this agency, a transfer of \$617,646 to the State General Fund would be eliminated. The Subcommittee noted the Attorney General Opinion 2002-045 which states: "If a successful challenge of any of these or other fund transfers were to be made, the State would likely have to repay the overages. To avoid ending up in this position, we would encourage the Legislature to study the issue of indirect costs and ensure that transfers of money from fee funded agencies into the general fund are not made arbitrarily, but rather bear a relationship to the actual costs borne by the State on behalf of those agencies and the constituencies they regulate or supervise." In addition the Subcommittee notes that they are concerned because it appears that the fee fund transfers were erratically calculated and not applied uniformly across the agencies. The Subcommittee feels that if this agency should contribute a larger portion to the State General Fund, it should be made through the increase of the percent of receipts directed to the State General Fund for administrative services performed by the State.

The Senate Subcommittee notes that this agency has a cyclical revenue stream and that, according to the agency, the transfer of their fee funds to the State General Fund as recommended by the Governor would cause the agency to experience a negative balance in their fee fund account. In addition, the Subcommittee notes that in the past it requested that the agency reduce its fees to the regulated entities as it was experiencing a large balance in its fee fund account. The agency reported that it has reduced the fees it charges over the past two years. In addition, the agency noted that if the transfer was made from their fee fund balance, the fees charged to the regulated entities would have to be raised soon.

3. The Governor submitted GBA No. 1, Item No. 14 as a technical correction to the calculations of the recommended fee funds transfers for a portion of the fee funded agencies. Because of the Subcommittee's recommendation to not transfer these funds to the State General Fund, the Subcommittee does not recommend concurring with GBA No. 1, Item No. 14.
4. The Subcommittee notes that the agency had its KSIP fund reduced by \$6,741 and the same amount transferred to the State General Fund in FY 2004. Also in FY 2004 the agency experienced move related costs of \$65,688.
5. The Subcommittee notes that testimony was provided by industry for this agency. See Attachments A and B.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations with the following adjustments:

1. Concur in part with GBA No. 1, Item 14 and reinstate the adjustment that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. Adjust the certification date for the transfer noted in the GBA and in SB 538 from the end

of FY 2005 to not later than April 19, 2004. For this agency, that would be an estimated transfer of \$617,646.

2. The Committee removes Attachments A and B and replaces them with the following: The Kansas Society of Professional Engineers and the Kansas Chapter of the American Institute of Architects expressed their concern at the potential transfer of \$617,646 from the Board of Technical Professions Fee to the State General Fund. The two entities indicated that the Board had reduced fees in the recent past and now faces the possibility of a fee increase to offset the transfer. Both statements included a statement that the fee transfer to the State General Fund are an inappropriate action to impose upon the Board of Technical Professions.

House Budget Committee Report

Agency: Board of Technical Professions **Bill No.** HB 2899 **Bill Sec.** 19

Analyst: Deckard **Analysis Pg. No.** Vol 1- 697 **Budget Page No.** 507

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Board of Technical Professions Fee Fund	\$ 556,422	\$ 555,857	\$ 0
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The **agency** requests \$556,422 which is \$3,277 or 0.6 percent less than the approved amount. The agency indicated that there are internal savings that will be realized and budgeted only for the actual amount that will be required.

The **Governor** recommends \$555,857 for FY 2005, a decrease of \$565 from the agency request. The recommendation includes an increase of \$6,661 for the three percent pay plan increase and a reduction of \$7,226 for the BEST team recommendations. The \$7,226 will be transferred to the State General Fund. In addition, \$617,646 from the Technical Professions Fee Fund will be transferred to the State General Fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

House Budget Committee Recommendation

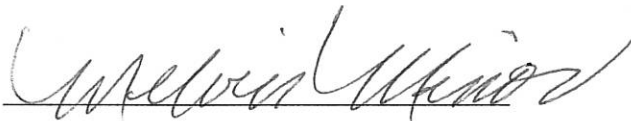
The House Budget Committee concurs with the Governor's recommendation with the following adjustment:

1. Do not transfer \$617,646 from the Board of Technical Professions Fee Fund to the State General Fund. The Budget Committee has a philosophical objection regarding the transfer of moneys from the fee funds to the State General Fund. The Committee feels that the money is not being used for the purpose it was collected for, namely the regulation of the professionals who paid the fees. The Budget Committee feels that the transfers are not good public policy. In addition, the Budget Committee feels that the transfers create a disincentive for the agency to manage their funds most efficiently. The agency is essentially being punished for utilizing good business practices.

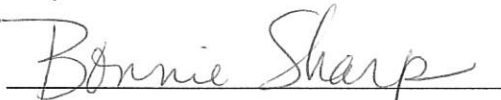
MINORITY REPORT

The minority concurs with the Governor's FY 2005 recommendation. The minority does not agree with the Budget Committee's recommendation for the following reasons:

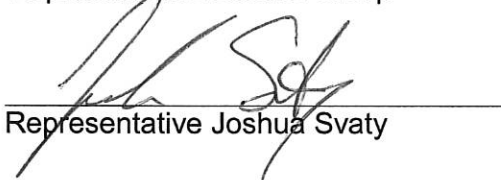
1. The recommended transfer from the Board of Technical Professions is not different than the transfers from any of the other fee boards. The minority notes that in fact this agency has an additional \$300,000 in a special litigation reserve fund that was not subject to the transfer. This combined with the \$200,000 in the Board of Technical Professions Fee Fund, leaves the Board with \$500,000 at the beginning of FY 2006.
2. The minority notes that not transferring the funds from the biennial fee boards would result in a net reduction of \$6,422,848 in State General Fund revenue. In addition, the minority notes that it is not a new policy to transfer funds from fee funds to the State General Fund. The minority notes that list of transfers occurring in the last five years from fee funds to the State General Fund (Attachment A).



Representative Melvin Minor



Representative Bonnie Sharp



Representative Joshua Svaty

**TRANSFERS FROM SPECIAL REVENUE FUNDS TO THE STATE GENERAL FUND
FY 2000-FY 2005**

<u>Year</u>	<u>Agency/Fund</u>	<u>Amount</u>
FY 2000	Kansas Corporation Commission - Well Plugging Fund	\$ 400,000
	Commission on Veterans Affairs	545,000
	Department of Health and Environment - Air and Radiation	235,000
	University of Kansas - Special Capital Improvements Fund	52,447
	Total - FY 2000	\$ 1,232,447
FY 2001	Department of Human Resources - Workers Compensation Fee Fund	\$ 500,000
	Department of Human Resources - Penalty and Interest Fund	700,000
	Animal Health Department	49,000
	Juvenile Justice Authority - Juvenile Detention Facilities Fund	1,000,000
	Department of Health and Environment - Air and Radiation	210,000
	Department of Health and Environment - Trauma Fund	168,750
Total - FY 2001	\$ 2,627,750	
FY 2002	Juvenile Justice Authority - Juvenile Detention Facilities Fund	\$ 1,000,000
	Department of Administration - Workers Compensation Fund	1,250,000
	Department of Revenue - Electronic Databases Fee Fund	1,117,263
	Department of Revenue - Cigarette and Tobacco Registration Fund	208,555
	Department of Revenue - Central Stores Fund	50,000
	Department of Revenue - Automated Tax Systems Fund	451,302
	Department of Health and Environment - Waste Tire Management Fund	195,000
	Department of Health and Environment - Trauma Fund	200,000
	KPERS - Death and Disability Fund	1,065,538
	Board of Pharmacy Fee Fund	250,000
	Board of Nursing Fee Fund	200,000
	Bank Commissioner Fee Fund	500,000
	Board of Healing Arts Fee Fund	200,000
	Real Estate Commission Fee Fund	100,000
	Department of Human Resources - Special Employment Security Fund	159,140
Department of Transportation - State Highway Fund	94,608,648	
Total - FY 2002	\$ 101,555,446	
FY 2003	Department of Human Resources - Workers Compensation Fee Fund	\$ 500,000
	Department on Aging - Long Term Care Loan and Grant Fund	500,000
	Department of Social and Rehabilitation Services - SRS Fee Fund	2,000,000
	Children's Initiatives Fund	3,858,868
	Department of Education - Certificate Fee Fund	100,000
	KPERS - Death and Disability Fund	965,770
	Department of Administration - Workers Compensation Fee Fund	1,000,000
	Department of Administration - Property Contingency Fund	36,291
	Department of Administration - Equipment Lease Fund	112,500
	Department of Administration - Flexible Spending Fund	150,000
	Fire Marshal Fee Fund	1,700,000
	Highway Patrol - Motor Vehicle Fund	600,000
	Juvenile Justice Authority - Juvenile Detention Facilities Fund	500,000
	Department of Agriculture - Feeding Stuffs Fee Fund	200,000
Department of Agriculture - Petroleum Inspection Fee Fund	200,000	

Year	Agency/Fund	Amount
	Department of Wildlife and Parks - State Agriculture Production Fund	200,000
	Department of Transportation - Coordinated Public Transportation Fund	500,000
	Department of Transportation - KSIP Fund transfer	260,896
	Economic Development Initiatives Fund balance transfer	2,301,112
	Kansas Endowment for Youth Balance Transfer	14,400,000
	Senior Services Trust Fund transfers	8,300,000
	Long Term Care Loan and Grant Fund	7,400,000
	Insurance Department - Workers Compensation Fund	4,000,000
	KPERS - Death and Disability Fund	858,000
	Department of Health and Environment - Waste Tire Fund	1,000,000
	Department of Health and Environment - Underground Petroleum St. Tank.	10,000,000
	Total - FY 2003	\$ 61,643,437
FY 2004	Biennial and Fee Funded Agencies 5.9 Percent Reduction:	
	Abstracters Fee Fund	\$ 1,220
	Board of Accountancy Fee Fund	14,378.
	Bank Commissioner Fee Fund	358,775
	Board of Barbering Fee Fund	6,784
	Behavioral Sciences Regulatory Board Fee Fund	30,857
	Board of Healing Arts Fee Fund	128,208
	Board of Cosmetology Fee Fund	40,526
	Department of Credit Unions Fee Fund	51,492
	Kansas Dental Board Fee Fund	19,846
	Board of Mortuary Arts Fee Fund	13,384
	Hearing Aid Examiners Fee Fund	1,173
	Board of Nursing Fee Fund	83,202
	Board of Optometry Fee Fund	6,544
	Board of Pharmacy Fee Fund	36,505
	Real Estate Appraisal Board	13,884
	Real Estate Commission	44,587
	Securities Commissioner	128,461
	Technical Professions	32,149
	Veterinary Examiners	14,999
	Governmental Ethics Commission	6,910
	Kansas Corporation Commission	948,821
	Citizens Utility Ratepayer Board	36,400
	Kansas Lottery	542,800
	Insurance Department	613,757
	Emergency Medical Services Board	51,269
	State Fire Marshal	179,475
	Kansas Endowment for Youth Balance Transfer	9,875,000
	KPERS - Death and Disability Fund	3,386,000
	Insurance Department - Service Regulation Fund	850,000
	Department of Administration - Motor Pool Operating Fund	3,254,000
	Department of Administration - Motor Pool Depreciation Fund	1,818,000
	Department of Health and Environment - Waste Tire Management Fund	304,000
	Department of Health and Environment - Subsurface Hydrocarbon Fund	152,000
	Department of Health and Environment - Solid Waste Management Fund	424,000
	Juvenile Justice Authority - Community Planning Fund	25,000
	Highway Patrol - Motor Vehicle Fund	500,000
	Total - FY 2004	\$ 23,994,406

Year	Agency/Fund	Amount
FY 2005 (Gov. Rec.)	BEST Savings	\$ 20,136,400
	Fee Fund Transfers - Biennial Budget Agencies	6,422,848
	Kansas Lottery - Lottery Operating Fund	500,000
	Department of Health and Environment - Waste Tire Management Fund	311,000
	Department of Health and Environment - Subsurface Hydrocarbon Fund	151,000
	Department of Health and Environment - Solid Waste Management Fund	317,000
	Juvenile Justice Authority - Juvenile Detention Facilities Fund	300,000
	Emergency Medical Services Board - Operating Fund	1,000,000
	State Fire Marshal - Fire Marshal Fee Fund	500,000
	Highway Patrol - Motor Vehicle Fund	1,000,000
	Total - FY 2005	\$ 30,638,248
TOTAL - FY 2000-FY 2005		\$ 221,691,734

Fund Repayments from the State General Fund
FY 2007 - FY 2010

Agency	Fund	Amount	2003 Session Bill No.
Dept. of Revenue	State Highway Fund	\$1,603,590	SB 6
Insurance Department	Insurance Department Workers Compensation Fund	4,000,000	HB 2026
KPERS	Various Fee Funds	858,000	HB 2026
Department of Health and Environment	Waste Tire Management Fund	1,000,000	HB 2026
Department of Health and Environment	Underground Petroleum Storage Tank Release Trust Fund (demand transfers)	10,000,000	HB 2026
Kansas Department of Transportation	State Highway Fund	<u>94,608,648</u>	HB 2026
Total		\$112,070,238	
Yearly repayment		\$28,017,560	

Kansas Legislative Research Department

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