

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 15, 2004 in Room 514-S of the Capitol.

All members were present except:

Representative Barbara Ballard- excused

Representative Dean Newton- excused

Committee staff present:

J. G. Scott, Legislative Research

Amy VanHouse, Legislative Research

Leah Robinson, Legislative Research

Michele Alishahi, Legislative Research

Nicoletta Buonasera, Legislative Research

Audrey Dunkel, Legislative Research

Susan Kannarr, Legislative Research

Melissa Calderwood, Legislative Research

Becky Krahl, Legislative Research

Robert Waller, Legislative Research

Amy Deckard, Legislative Research

Debra Hollon, 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:

Representative Bill Reardon

Chip Wheelan, Kansas Association of Osteopathic Medicine

Others attending:

See Attached List.

- Attachment 1 Budget Committee report on Department of Commerce, Kansas Inc., Kansas Technology Enterprise Corporation
- Attachment 2 Budget Committee report on Capital Improvements
- Attachment 3 House Capital Improvements Adjustments to Governor's Recommendation
- Attachment 4 Budget Committee report on Department of Agriculture
- Attachment 5 Budget Committee report on State Conservation Commission, Kansas Water Office
- Attachment 6 Fiscal note on **HB 2783**
- Attachment 7 Attorney General Opinion on Authority of Legislature to Transfer Money from Special Revenue Funds into the State General Fund (SGF) with regard to **HB 2783**
- Attachment 8 Written testimony on **HB 2925** from Carolyn Gaughan, Kansas Academy of Family Physicians
- Attachment 9 Draft amendment to **HB 2925** by Charles Wheelen, Kansas Association of Osteopathic Medicine

The Committee considered the budgets of the Department of Commerce, Kansas Technology Enterprise Corporation (KTEC) and Kansas, Inc.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Commerce 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 Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Commerce for

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 15, 2004 in Room 514-S of the Capitol.

FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 1). The motion was seconded by Representative Shriver. Motion carried.

Representative Shriver, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Technology Enterprise Corporation for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 1). The motion was seconded by Representative Pottorff. Motion carried.

Representative Shriver, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Technology Enterprise Corporation for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 1). The motion was seconded by Representative Pottorff. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for Kansas, Inc. 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 Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for Kansas, Inc. for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 1). The motion was seconded by Representative Shriver. Motion carried.

The Budget Committee noted that there will be a positive balance in Economic Development Initiatives Fund (EDIF) funds at the end of FY 2004 and a negative balance in EDIF funds at the end of FY 2005.

The Committee considered the budgets for capital improvements for FY 2004 and FY 2005.

Representative Pottorff moved that the Committee concur with the House Education Budget Committee on Capital Improvements for Postsecondary Education Systemwide for FY 2004 and FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Department of Corrections for FY 2004 and FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Juvenile Justice Authority for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Education Budget Committee on Capital Improvements for the State Historical Society for FY 2004 and FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Social Services Budget Committee on Capital Improvements for the Department of Social and Rehabilitation Services (SRS); State Hospitals for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

The Committee noted that during future consideration of capital improvements, attention should be given to buildings that are proposed for closure.

Representative Pottorff moved that the Committee concur with the House General Government and Commerce Budget Committee on Capital Improvements for the Department of Administration for FY 2004 and FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House General Government and

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 15, 2004 in Room 514-S of the Capitol.

Commerce Budget Committee on Capital Improvements for the Insurance Department for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Education Budget Committee on Capital Improvements for the School for the Blind for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Education Budget Committee on Capital Improvements for the School for the Deaf for FY 2004 and FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Highway Patrol for FY 2004(Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Highway Patrol for FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Kansas Bureau of Investigation for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff moved that the Committee concur with the House Public Safety Budget Committee on Capital Improvements for the Adjutant General for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff moved that the Committee concur with the House Tax, Judicial and Transportation Budget Committee on Capital Improvements for the Department of Transportation for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff moved that the Committee concur with the House Agriculture and Natural Resources Budget Committee on Capital Improvements for the Department of Wildlife and Parks for FY 2004 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Agriculture and Natural Resources Budget Committee on Capital Improvements for the Department of Wildlife and Parks for FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Schwartz. Motion carried.

Representative Pottorff moved that the Committee concur with the House General Government and Human Resources Budget Committee on Capital Improvements for the Department of Human Resources for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House Agriculture and Natural Resources Budget Committee on Capital Improvements for the Kansas State Fair for FY 2004 and FY 2005 (Attachment 2). The motion was seconded by Representative Minor. Motion carried.

Representative Pottorff moved that the Committee concur with the House General Government and Commerce Budget Committee on Capital Improvements for the Commission on Veterans' Affairs for FY 2004 (Attachment 2). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff moved that the Committee concur with the House General Government and Commerce Budget Committee on Capital Improvements for the Commission on Veterans' Affairs for FY 2005 (Attachments 2 and 3). The motion was seconded by Representative Shriver. Motion carried.

The Committee considered the budgets of the Department of Agriculture, State Conservation Commission

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 15, 2004 in Room 514-S of the Capitol.

and Kansas Water Office.

Representative Schwartz, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Agriculture for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 4). The motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Agriculture for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 4). The motion was seconded by Representative Gatewood. Motion carried.

Responding to a question from the Committee, the Budget Committee stated that the two requested FTE positions are to reduce the waiting list on water rights permits. The Committee expressed a concern that the proviso proposed in Item No. 2 might be too broad and give the agency authority to use the fee fund for an unintended purpose. The Committee noted that it would be beneficial to coordinate publications from the Department of Agriculture with publications from the County Extension Services and Department of Health and Environment to avoid duplication.

Representative Osborne, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Conservation Commission for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 5). The motion was seconded by Representative Schwartz. Motion carried.

In response to questions as regarding Budget Committee members not signing the report, Representative Gatewood noted his disagreement with the report was due to State Water Plan Fund money that was not returned to water projects.

Representative Osborne, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Conversation Commission for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 5). The motion was seconded by Representative Schwartz. Motion carried.

Representative Schwartz, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Water Office for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 5). The motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Water Office for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 5). The motion was seconded by Representative Osborne. Motion carried.

In response to a question from the Committee on Item No. 3, Amy VanHouse, Legislative Research Department, stated that the State of Kansas controls a portion of water in Cedar Bluff Reservoir and the cities of Hays and Russell also control a portion of water in Cedar Bluffs. The proviso is only directed at the pool of water controlled by the State of Kansas.

**Hearing on HB 2783 - Appropriation bills contain only provisions which relate to allocating or expending money; prohibiting certain fund transfers.**

J. G. Scott, Legislative Research Department, explained that **HB 2783** relates to two issues:

- Restricts provisos and allocations of expenditures and money
- Disallows transfer of money to accounts or funds unless the law allows the specific transfer.

A fiscal note of \$401 million is attached to **HB 2783**, if the bill is applied to the original statute (Attachment 6).

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 15, 2004 in Room 514-S of the Capitol.

Representative Mike O'Neal presented testimony in support of **HB 2783**. He presented an Attorney General Opinion issued in 2002 on the authority of the Legislature to transfer money from special revenue funds into the State General Fund (SGF) (Attachment 7). Representative O'Neal said that the transfer of fee funds to the SGF, beyond the 20 percent or up to \$200,000 as set in statute for administrative costs, or the use of demand transfer funds dedicated to a specific purpose, is contrary to law and in violation of the original purpose of the law. The language in **HB 2783** is broad and should focus on fee funds.

Responding to questions from the Committee, Representative O'Neal indicated that if there are excess funds in the fee fund accounts, there should be policy to have agencies reduce the fees charged. The Committee noted concern with regard to policy set by the Legislature and the need for a proviso to enforce the policy. The Committee also voiced concern that there be uniformity in language used in a proviso.

The Chair closed the hearing on **HB 2783**.

**Hearing on HB 2925 - Medical student loan act, definition of service commitment areas.**

Deb Hollon, Legislative Research Department, explained that **HB 2925** is a statute covering the medical student loan program at the KU Medical Center. The bill would remove Wyandotte County from the list of counties that are excluded in the definition of service commitment area for the loan program. The Division of Budget has not released a fiscal note on the bill at this time.

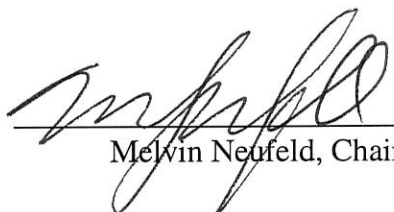
Representative Bill Reardon presented testimony in support of **HB 2925**. He noted that the five highest populated counties in the State were excluded from the original bill. Wyandotte County has high numbers of uninsured and Medicaid residents and is having a difficult time attracting physicians. Recipients would need to meet the critique as set forth in the program.

Written testimony in support of **HB 2925** from Carolyn Gaughan, Kansas Academy of Family Physicians, was distributed to the Committee (Attachment 8).

Chip Wheelan, Kansas Association of Osteopathic Medicine, presented a draft amendment which would amend **HB 2925** with the addition of language to conform the service commitment obligation of the Osteopathic medical service scholarship program to the one dealt with in **HB 2925** (Attachment 9). In response to a question from the Committee concerning the retroactive aspect of the legislation, Mr. Wheelan noted he would need to check with staff at the Board of Regents office to look at the location of recipients of the Osteopathic medical service scholarship program in order to know the effect.

Chairman Neufeld closed the hearing on **HB 2925**.

The meeting was adjourned at 10:45 a.m. The next meeting will be held at 9:00 a.m. on March 16, 2004.

  
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Melvin Neufeld, Chairman



**General Government and Commerce Budget Committee**

**Report on**

**Department of Commerce**

**Kansas Technology Enterprise Corporation**

**Kansas, Inc.**

**FY 2004 and FY 2005**

  
Representative Jo Ann Pottorff, Chair


  
Representative Annie Kuether

  
Representative Patricia Barbieri-Lightner

  
Representative Joe Shriver

  
Representative Andrew Howell

  
Representative Dan Thimesch

  
Representative Tom Sloan

**HOUSE APPROPRIATIONS**

DATE 3-15-2004  
ATTACHMENT 1

## Senate Subcommittee Report

**Agency:** Department of Commerce

**Bill No.** 536

**Bill Sec.** 24

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I, 634 **Budget Page No.** 87

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	Senate Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ 11,490,044	\$ 11,490,044	\$ 0
Aid to Local Units	26,272,549	26,272,549	0
Other Assistance	25,737,189	25,737,189	0
<b>TOTAL</b>	<b>\$ 63,499,782</b>	<b>\$ 63,499,782</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	108.5	108.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>109.5</b>	<b>109.5</b>	<b>0.0</b>

### Agency Estimate/Governor's Recommendation

The **agency** estimate for FY 2004 of \$63,499,782 is an increase of \$7,069,230, 12.5 percent, from the amount approved by the 2003 Legislature. The estimated expenditures from the Economic Development Initiatives Fund (EDIF) are an increase of \$608,509 from the approved budget. The EDIF request includes a re-appropriation of \$538,551.

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

### 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:** Department of Commerce

**Bill No.** 2900

**Bill Sec.** 24

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I, 634 **Budget Page No.** 87

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 11,490,044	\$ 11,490,044	\$ 0
Aid to Local Units	26,272,549	26,272,549	0
Other Assistance	25,737,189	25,737,189	0
<b>TOTAL</b>	<b>\$ 63,499,782</b>	<b>\$ 63,499,782</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	108.5	108.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>109.5</b>	<b>109.5</b>	<b>0.0</b>

### Agency Estimate/Governor's Recommendation

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

### House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

## Senate Subcommittee Report

**Agency:** Department of Commerce

**Bill No.** 538

**Bill Sec.** 24

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I, 634 **Budget Page No.** 87

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	Senate Subcommittee Adjustments*
<b>All Funds:</b>			
State Operations	\$ 11,368,062	\$ 13,804,036	\$ (1,244,450)
Aid to Local Units	25,512,549	25,663,727	0
Other Assistance	19,277,346	19,359,100	0
<b>TOTAL</b>	<b><u>\$ 56,157,957</u></b>	<b><u>\$ 58,826,863</u></b>	<b><u>\$ (1,244,450)</u></b>
<b>State General Fund:</b>			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>
FTE Positions	108.5	108.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>108.5</u></b>	<b><u>108.5</u></b>	<b><u>0.0</u></b>

\* Includes a reduction of \$144,450, including \$121,731 from the Economic Development Initiatives Fund for deletion of the Governor's recommended pay plan adjustments.

### Agency Request/Governor's Recommendation

The **agency** requests a budget of \$56,157,957 for FY 2005, a decrease of \$7,341,825, 11.6 percent, from the FY 2004 estimate. The request includes \$13,798,476 from the EDIF, a decrease of \$363,577, 2.6 percent, from the FY 2004 estimate. The agency requests one enhancement of \$126,000 from the EDIF.

The **Governor** recommends FY 2005 operating expenditures of \$58,826,863 including \$16,368,030 from the EDIF. The recommendation is a decrease of \$4,672,919, 7.4 percent, from the FY 2004 recommendation and an increase of \$2,668,906, 4.8 percent, above the agency request. Included in the recommendation is funding for the requested enhancement package (\$126,000), additional funding for the Governor's Economic Revitalization Plan (\$2,910,000), reductions for Budget Efficiency and Savings Teams recommendations (\$140,228) and reduction for a portion of the agency's reduced resource package (\$245,316).

## Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment**—Delete \$144,450, including \$121,731 from the Economic Development Initiatives 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 Brand and Image**—Delete \$1,900,000 EDIF from the Governor's recommendation of \$2,100,000 EDIF for a State Brand and Image enhancement as part of the Economic Revitalization Package for this agency. The remaining \$200,000 allows the agency to begin planning efforts. The Subcommittee recommends the agency return to the Legislature with a comprehensive design for implementation of the new brand and image concept developed during the planning phase. The design should include detailed estimates for future spending needs. After the agency presents an acceptable plan, presumably next session, financing for the implementation will be considered.
3. **Kansas Center for Entrepreneurship**—Add \$800,000 EDIF for funding of the Kansas Center for Entrepreneurship created by 2004 S.B. 393 currently under consideration. Of this amount, \$300,000 is intended to help fund a contract to operate the Center. The remaining \$500,000 is intended as seed money for the Kansas Community Entrepreneurship Fund with the understanding that it will be used to encourage foundation and federal investments. The Subcommittee is encouraged that the bill, in its current form, contains a requirement that Kansas, Inc. perform an evaluation of the effectiveness of this initiative after three years. The Subcommittee has been informed that Kansas, Inc. intends to develop an evaluation plan at the outset of the program to ensure that mechanisms are in place to provide information for the evaluation.
4. **BEST Transfers from the EDIF**—Although it makes no changes to the BEST transfers, the Subcommittee strongly disagrees with the policy of transferring funds intended for the specific purpose of economic development to the State General Fund to be used for other purposes. However, the Subcommittee believes this agency has enough internal flexibility to accommodate such transfers without interfering with the performance of its mission.
5. **Economic Growth Act**—The Subcommittee discussed the importance of the Economic Growth Act, 2004 HB 2647, currently under consideration. The Subcommittee notes that the funding mechanism in this bill represents a significant policy shift in that it returns future revenues generated by the bioscience industry to the industry to support future growth. The Subcommittee urges members of the Senate Ways and Means Committee to seriously consider the implications and effects of this legislation on future state revenues and financing decisions as it proceeds through the Legislative process.

## Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendation.

### House Budget Committee Report

**Agency:** Department of Commerce

**Bill No.** 2900

**Bill Sec.** 24

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I, 634

**Budget Page No.** 87

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 11,368,062	\$ 13,804,036	\$ (300,000)
Aid to Local Units	25,512,549	25,663,727	0
Other Assistance	19,277,346	19,359,100	0
<b>TOTAL</b>	<b>\$ 56,157,957</b>	<b>\$ 58,826,863</b>	<b>\$ (300,000)</b>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	108.5	108.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>108.5</b>	<b>108.5</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

The **agency** requests a budget of \$56,157,957 for FY 2005, a decrease of \$7,341,825, 11.6 percent, from the FY 2004 estimate. The request includes \$13,798,476 from the EDIF, a decrease of \$363,577, 2.6 percent, from the FY 2004 estimate. The agency requests one enhancement of \$126,000 from the EDIF.

The **Governor** recommends FY 2005 operating expenditures of \$58,826,863 including \$16,368,030 from the EDIF. The recommendation is a decrease of \$4,672,919, 7.4 percent, from the FY 2004 recommendation and an increase of \$2,668,906, 4.8 percent, above the agency request. Included in the recommendation is funding for the requested enhancement package (\$126,000), additional funding for the Governor's Economic Revitalization Plan (\$2,910,000),

reductions for Budget Efficiency and Savings Teams recommendations (\$140,228) and reduction for a portion of the agency's reduced resource package (\$245,316).

### **House Budget Committee Recommendation**

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

1. Delete \$800,000 EDIF from the \$2,100,000 recommended for a State Brand and Image enhancement as part of the Governor's Economic Revitalization Plan.
2. Delete \$300,000 EDIF recommended by the Governor as part of the Economic Revitalization Plan. to continue planning and development the Ad Astra program. Ad Astra is a comprehensive initiative for entrepreneurial and artisan encouragement, revenue realization, tourism industry support, travel services and Kansas image enhancement.
3. Add \$800,000 EDIF for funding of the Kansas Center for Entrepreneurship created by 2004 S.B. 393 currently under consideration.

## Senate Subcommittee Report

**Agency:** Kansas Technology  
Enterprise Corporation

**Bill No.** 536

**Bill Sec.** 29

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I, 653 **Budget Page No.** 299

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	Senate Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ 2,650,673	\$ 2,650,673	\$ 0
Aid to Local Units	0	0	0
Other Assistance	11,944,629	11,944,329	0
<b>TOTAL</b>	<b>\$ 14,595,302</b>	<b>\$ 14,595,302</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	29.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	17.0	17.0	0.0
<b>TOTAL</b>	<b>46.0</b>	<b>46.0</b>	<b>0.0</b>

### Agency Estimate/Governor's Recommendation

The **agency** estimates current year expenditures of \$14,595,302, a net decrease of \$822,075, or 5.3 percent, from actual FY 2003 expenditures. Expenditures from the Economic Development Initiatives Fund (EDIF) represent a decrease of \$898,538, or 7.2 percent, from FY 2003. The revised estimate is a net increase of \$299,188 (546,620 EDIF) from the budget approved by the 2003 Legislature.

The **Governor** concurs with 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 Technology  
Enterprise Corporation

**Bill No.** 2899

**Bill Sec.** 29

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I, 653 **Budget Page No.** 299

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 2,650,673	\$ 2,650,673	\$ 0
Aid to Local Units	0	0	0
Other Assistance	11,944,629	11,944,329	0
<b>TOTAL</b>	<b>\$ 14,595,302</b>	<b>\$ 14,595,302</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	29.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	17.0	17.0	0.0
<b>TOTAL</b>	<b>46.0</b>	<b>46.0</b>	<b>0.0</b>

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The **agency** estimates current year expenditures of \$14,595,302, a net decrease of \$822,075, or 5.3 percent, from actual FY 2003 expenditures. Expenditures from the Economic Development Initiatives Fund (EDIF) represent a decrease of \$898,538, or 7.2 percent, from FY 2003. The revised estimate is a net increase of \$299,188 (546,620 EDIF) from the budget approved by the 2003 Legislature.

The **Governor** concurs with the agency estimate.

### House Budget Committee Recommendations

The Budget Committee concurs with the Governor's recommendation.

## Senate Subcommittee Report

**Agency:** Kansas Technology  
Enterprise Corporation (KTEC)

**Bill No.** 538

**Bill Sec.** 26

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I, 635 **Budget Page No.** 299

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	Senate Subcommittee Adjustments*
<b>All Funds:</b>			
State Operations	\$ 2,818,975	\$ 2,609,607	\$ (49,266)
Aid to Local Units	0	0	0
Other Assistance	13,656,109	11,857,109	200,000
<b>TOTAL</b>	<b>\$ 16,475,084</b>	<b>\$ 14,466,716</b>	<b>\$ 150,734</b>
<b>State General Fund:</b>			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	29.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	17.0	17.0	0.0
<b>TOTAL</b>	<b>46.0</b>	<b>46.0</b>	<b>0.0</b>

\* Includes a reduction of \$49,266, including \$45,561 from the Economic Development Initiatives Fund for deletion of the Governor's recommended pay plan adjustments.

### Agency Request/Governor's Recommendation

The **agency's** requested FY 2005 budget of \$16,475,084 is an increase of \$1,879,782, or 12.9 percent, from the revised FY 2004 estimate. The agency requests expenditures of \$13,320,309 from the Economic Development Initiatives Fund (EDIF), an increase of \$1,825,203, or 15.9 percent. The budget includes enhancements totaling \$2,339,000 from the EDIF. Absent enhancements, the budget request of \$14,136,084 is a decrease of \$359,218, 2.5 percent, from the FY 2004 estimate.

The **Governor** recommends an FY 2005 budget of \$14,466,716 including \$11,310,217 from the EDIF. The recommendation includes the addition of \$300,000 EDIF for a new Bioscience Authority program, \$49,266 for the statewide pay plan and a reduction of \$18,634 (\$16,653 EDIF) for BEST reductions.



## Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment**—Delete \$49,266, including \$45,561 from the Economic Development Initiatives Fund (EDIF), 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. **Commercialization Enhancement**—Add \$200,000 EDIF to support and rebuild commercialization efforts.
3. **Cooperation Efforts**—The Subcommittee compliments KTEC, Kansas, Inc. and the Department of Commerce on the higher level of cooperation and communication than has occurred in the past. In particular, the Subcommittee commends the leadership of the agencies for fostering this environment which is beneficial to the state's economic development efforts.
4. **EDIF Balance**—The Subcommittee notes that its actions on the Department of Commerce, Kansas, Inc. and KTEC budgets results in a balance of \$933,044 in the EDIF based on the Governor's recommendation. If salary plan adjustments are excluded, the ending balance in FY 2005 is estimated to be \$760,000. The Subcommittee suggests that the Ways and Means Committee may consider this as a funding source for the National Institution for Aviation Research (NIAR) at Wichita State University.

## Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendation.

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### House Budget Committee Report

**Agency:** Kansas Technology  
Enterprise Corporation (KTEC)

**Bill No.** 2900

**Bill Sec.** 26

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I, 635 **Budget Page No.** 299

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 2,818,975	\$ 2,609,607	\$ 0
Aid to Local Units	0	0	0
Other Assistance	13,656,109	11,857,109	200,000
<b>TOTAL</b>	<b>\$ 16,475,084</b>	<b>\$ 14,466,716</b>	<b>\$ 200,000</b>
<b>State General Fund:</b>			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	29.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	17.0	17.0	0.0
<b>TOTAL</b>	<b>46.0</b>	<b>46.0</b>	<b>0.0</b>

#### Agency Request/Governor's Recommendation

The **agency's** requested FY 2005 budget of \$16,475,084 is an increase of \$1,879,782, or 12.9 percent, from the revised FY 2004 estimate. The agency requests expenditures of \$13,320,309 from the Economic Development Initiatives Fund (EDIF), an increase of \$1,825,203, or 15.9 percent. The budget includes enhancements totaling \$2,339,000 from the EDIF. Absent enhancements, the budget request of \$14,136,084 is a decrease of \$359,218, 2.5 percent, from the FY 2004 estimate.

The **Governor** recommends an FY 2005 budget of \$14,466,716 including \$11,310,217 from the EDIF. The recommendation includes the addition of \$300,000 EDIF for a new Bioscience Authority program, \$49,266 for the statewide pay plan and a reduction of \$18,634 (\$16,653 EDIF) for BEST reductions.

## House Budget Committee Recommendation

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

1. Add \$200,000 EDIF to support and rebuild commercialization efforts which assist Kansas entrepreneurs.

## Senate Subcommittee Report

**Agency:** Kansas, Inc.

**Bill No.** 536

**Bill Sec.** 31

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I , 665

**Budget Page No.** 281

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2004</u>	<u>Governor's Recommendation FY 2004</u>	<u>Senate Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ 448,985	\$ 448,985	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 448,985</b>	<b>\$ 448,985</b>	<b>\$ 0</b>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	4.0	4.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>

\* Although there is no total expenditure change, the Subcommittee recommendation adds \$40,000 EDIF to partially restore a lapse and decreases funding from other funds.

### Agency Estimate/Governor's Recommendation

The **agency** requests FY 2004 funding of \$448,985, a decrease of \$4,703, or 1.0 percent, from the amount approved by the 2003 Legislature. The requested funding is an increase of \$88,801, or 24.7 percent, from FY 2003. The requested EDIF expenditures are \$243,985, a decrease of \$7,516 from actual FY 2003 expenditures. Spending from other agency resources is increased to compensate for the decrease in EDIF.

The **Governor** concurs with the agency estimate for total expenditures but shifts funding of \$40,303 from the EDIF to other agency funds and lapses the EDIF amount re-appropriated from FY 2003.

### Senate Subcommittee Recommendation

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

1. Add \$40,000 EDIF to substantially restore the lapse of \$40,303 recommended by the Governor, and reduce expenditures from other funds by the same amount.

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## Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendation.

### House Budget Committee Report

**Agency:** Kansas, Inc.

**Bill No.** 2899

**Bill Sec.** 31

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I , 665

**Budget Page No.** 281

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 448,985	\$ 448,985	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 448,985</b>	<b>\$ 448,985</b>	<b>\$ 0</b>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	4.0	4.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>

\* Although there is no total expenditure change, the Budget Committee recommendation adds \$40,000 EDIF to partially restore a lapse and decreases funding from other funds.

### Agency Estimate/Governor's Recommendation

The **agency** requests FY 2004 funding of \$448,985, a decrease of \$4,703, or 1.0 percent, from the amount approved by the 2003 Legislature. The requested funding is an increase of \$88,801, or 24.7 percent, from FY 2003. The requested EDIF expenditures are \$243,985, a decrease of \$7,516 from actual FY 2003 expenditures. Spending from other agency resources is increased to compensate for the decrease in EDIF.

The **Governor** concurs with the agency estimate for total expenditures but shifts funding of \$40,303 from the EDIF to other agency funds and lapses the EDIF amount re-appropriated from FY 2003.

## House Budget Committee Recommendation

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

1. Add \$40,000 EDIF to substantially restore the lapse of \$40,303 recommended by the Governor, and reduce expenditures from other funds by the same amount.

## Senate Subcommittee Report

**Agency:** Kansas, Inc.

**Bill No.** 538

**Bill Sec.** 25

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I, 665

**Budget Page No.** 281

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 433,588	\$ 441,435	\$ 89,700
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 433,588</b>	<b>\$ 441,435</b>	<b>\$ 89,700</b>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	4.0	4.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>

\* Includes a reduction of \$10,300, including \$5,752 from the Economic Development Initiatives Fund for deletion of the Governor's recommended pay plan adjustments.

### Agency Request/Governor's Recommendation

The **agency** requests expenditures of \$433,588, a decrease of \$15,397, or 3.4 percent, from the revised FY 2004 request. Economic Development Initiatives Fund (EDIF) expenditures of \$210,154, are a decrease of \$33,311, or 13.7 percent, from FY 2004. Spending from the agency's private account is increased to compensate for decreased EDIF expenditures. The agency makes no enhancement request.

The **Governor** recommends expenditures of \$441,435, including \$215,906 from the EDIF. The recommendation is an overall increase of \$7,847 from the agency request and an EDIF increase of \$5,752, or 2.7 percent. The recommendation includes the agency base budget request, the addition of \$10,300 for salary plan adjustments and a reduction of \$2,453 for BEST recommendations from agency special revenue funds.

## Senate Subcommittee Recommendation

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

1. **Salary Plan**—Delete \$10,300, including \$5,752 from the EDIF, to remove pay plan funding recommended by the Governor (a 3.0 percent bas salary adjustment for all state employees) for consideration in a separate bill.
2. **Research Funding**—Add \$100,000 EDIF to support a research agenda at the agency. The Subcommittee anticipates this funding will help the agency leverage additional private funding.
3. **Research Mission**—The Subcommittee is recommending additional research resources for the agency on the belief that the agency can be an integral part of the State's efforts to foster economic development. The agency was created with a mission to provide research to evaluate the effectiveness of economic development efforts and serve as an advisor to the state and its partners. This research function was intended to help policymakers craft effective programs and make sound decisions based on empirical evidence. The agency's research could be used not only in decisions to begin new initiatives or programs but also to critically evaluate current activities to potentially bring about mid-course corrections or improvements. The intention is not to have such evaluations be adversarial in nature but as a critical element to help the State direct its resources effectively. The Subcommittee believes that the agency has not been fully utilized in the past and that the additional funding for research in FY 2005 will help the agency fulfill its original mission.

## Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendation, with the following adjustment:

1. As an addition to item 3, the Committee notes the February 2004 publication of "Business Taxes and Costs: A Cross-State Comparison 2003 Update," by Kansas, Inc. and the University of Kansas Policy Research Institute. The Committee acknowledges the efforts of the agency in preparing this report and appreciates the agency's continuing partnership with the Policy Research Institute.
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### House Budget Committee Report

**Agency:** Kansas, Inc.

**Bill No.** 2900

**Bill Sec.** 25

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I, 665 **Budget Page No.** 281

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 433,588	\$ 441,435	\$ 100,000
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 433,588</b>	<b>\$ 441,435</b>	<b>\$ 100,000</b>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
FTE Positions	4.0	4.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>

#### Agency Request/Governor's Recommendation

The **agency** requests expenditures of \$433,588, a decrease of \$15,397, or 3.4 percent, from the revised FY 2004 request. Economic Development Initiatives Fund (EDIF) expenditures of \$210,154, are a decrease of \$33,311, or 13.7 percent, from FY 2004. Spending from the agency's private account is increased to compensate for decreased EDIF expenditures. The agency makes no enhancement request.

The **Governor** recommends expenditures of \$441,435, including \$215,906 from the EDIF. The recommendation is an overall increase of \$7,847 from the agency request and an EDIF increase of \$5,752, or 2.7 percent. The recommendation includes the agency base budget request, the addition of \$10,300 for salary plan adjustments and a reduction of \$2,453 for BEST recommendations from agency special revenue funds.

## House Budget Committee Recommendation

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

1. Add \$100,000 EDIF to support the agency's suggested research agenda. The Subcommittee anticipates this funding will help the agency leverage additional private funding.

# House Capital Improvements

**FY 2004 and FY 2005**

HOUSE APPROPRIATIONS

DATE 3-15-2004

ATTACHMENT 2

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Postsecondary Education Systemwide

**Bill No.** SB 537

**Bill Sec.** Various

**Analyst:** Hollon

**Analysis Pg. No.** Vol. I, p 196, Various

**Capital Budget Page No.** 199

Project	Agency Est. FY 2004	Gov. Rec. FY 2004	JCSBC Rec. FY 2004	House Rec. FY 2004
<b>Projects:</b>				
<u>Board of Regents</u>				
Debt Service - Crumbling Classrooms	9,805,000	9,805,000	9,805,000	9,805,000
<i>Subtotal</i>	\$ 9,805,000	\$ 9,805,000	\$ 9,805,000	\$ 9,805,000
<u>University of Kansas</u>				
Rehabilitation and Repair	\$ 6,624,922	\$ 6,624,922	\$ 6,624,922	\$ 6,624,922
Dole Institute Construction	100,241	100,241	100,241	100,241
Scholarship Hall #3 Construction	2,864,460	2,864,460	2,864,460	2,864,460
Hall Center Construction	5,000,000	5,000,000	5,000,000	5,000,000
Ellsworth Hall Renovation	540,502	540,502	540,502	540,502
Student Health Center Improvements	41,848	41,848	41,848	41,848
Stouffer Place Apts Renovation	576,000	576,000	576,000	576,000
Utility Tunnel Improvements	500,000	500,000	500,000	500,000
Multicultural Resource Center	180,000	180,000	180,000	180,000
Parking Lot Maintenance	248,400	248,400	248,400	248,400
Student Housing Maintenance	2,378,023	2,378,023	2,378,023	2,378,023
Debt Service Principal	3,245,000	3,245,000	3,245,000	3,245,000
<i>Subtotal</i>	22,299,396	22,299,396	22,299,396	22,299,396
<u>KU Medical Center</u>				
Rehab and Repair	\$ 2,077,568	\$ 2,077,568	\$ 2,077,568	\$ 2,077,568
Nursing School Construction	4,876	4,876	4,876	4,876
Center for Health in Aging	60,072	60,072	60,072	60,072
Research Support Facility	444,129	444,129	444,129	444,129
Debt Service - Principal	300,000	300,000	300,000	300,000
<i>Subtotal</i>	\$ 2,886,645	\$ 2,886,645	\$ 2,886,645	\$ 2,886,645
<u>Kansas State University</u>				
Rehabilitation and Repair	\$ 3,877,600	\$ 5,416,998	\$ 5,416,998	\$ 5,416,998
Lease Payment - Aeronautical Center	189,446	189,446	189,446	189,446
General Maintenance	2,025,000	2,025,000	2,025,000	2,025,000
Residence Hall Renovation	2,660,000	2,660,000	2,660,000	2,660,000
Galichia Institute Addition	500,000	500,000	500,000	500,000
Rowing Facility Expansion	100,000	100,000	100,000	100,000
Parking Lot Maintenance	800,000	800,000	800,000	800,000
Debt Service Principal	2,438,204	2,438,204	2,438,204	2,438,204
<i>Subtotal</i>	\$ 12,590,250	\$ 14,129,648	\$ 14,129,648	\$ 14,129,648

KSU Veterinary Medical Center

Biohazard Level - 2 Laboratory Upgrade	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
<i>Subtotal</i>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>

KSU ESARP

Eastern KS Horticulture Research Center Construction	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Grain Science Center - Value Added Center	0	456,582	456,582	456,582
Grain Science Center - IGP Construction	4,000,000	4,000,000	4,000,000	4,000,000
<i>Subtotal</i>	<u>\$ 5,000,000</u>	<u>\$ 5,456,582</u>	<u>\$ 5,456,582</u>	<u>\$ 5,456,582</u>

Wichita State University

Rehabilitation and Repair	\$ 2,662,901	\$ 2,662,901	\$ 2,662,901	\$ 2,662,901
Debt Service Principal	720,000	720,000	720,000	720,000
<i>Subtotal</i>	<u>\$ 3,382,901</u>	<u>\$ 3,382,901</u>	<u>\$ 3,382,901</u>	<u>\$ 3,382,901</u>

Emporia State University

Rehabilitation and Repair	\$ 945,737	\$ 945,737	\$ 945,737	\$ 945,737
Residence Hall Improvements	45,000	45,000	45,000	45,000
Miscellaneous Improvements	16,362	16,362	16,362	16,362
Parking Lot Improvements	90,000	90,000	90,000	90,000
Debt Service Principal	471,000	471,000	471,000	471,000
<i>Subtotal</i>	<u>\$ 1,568,099</u>	<u>\$ 1,568,099</u>	<u>\$ 1,568,099</u>	<u>\$ 1,568,099</u>

Fort Hays State University

Rehabilitation and Repair	\$ 873,157	\$ 1,083,157	\$ 1,083,157	\$ 1,083,157
Parking Lot Maintenance	100,000	100,000	100,000	100,000
Debt Service Principal	210,000	210,000	210,000	210,000
<i>Subtotal</i>	<u>\$ 1,183,157</u>	<u>\$ 1,393,157</u>	<u>\$ 1,393,157</u>	<u>\$ 1,393,157</u>

Pittsburg State University

Rehabilitation and Repair	\$ 940,629	\$ 943,849	\$ 943,849	\$ 943,849
Student Health Center Improvements	100,000	100,000	100,000	100,000
Residence Hall Maintenance	1,250,000	1,250,000	1,250,000	1,250,000
Student Center Improvements	243,082	243,082	243,082	243,082
Parking Lot Maintenance	200,000	200,000	200,000	200,000
Debt Service Principal	432,150	432,150	432,150	432,150
<i>Subtotal</i>	<u>\$ 3,165,861</u>	<u>\$ 3,169,081</u>	<u>\$ 3,169,081</u>	<u>\$ 3,169,081</u>

**TOTAL**

	<u>\$ 62,181,309</u>	<u>\$ 64,390,509</u>	<u>\$ 64,390,509</u>	<u>\$ 64,390,509</u>
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**Financing:**

State General Fund	\$ 306,596	\$ 306,596	\$ 306,596	\$ 306,596
Educational Building Fund	27,107,317	29,316,517	29,316,517	29,316,517
Other Funds	34,767,396	34,767,396	34,767,396	34,767,396
<b>TOTAL</b>	<u>\$ 62,151,309</u>	<u>\$ 64,390,509</u>	<u>\$ 64,390,509</u>	<u>\$ 64,390,509</u>

## **Agency Request/Governor's Recommendation**

The agency requests FY 2004 capital improvement expenditures of \$62,151,309. The request includes \$306,596 from the State General Fund and \$27,107,317 from the Educational Building Fund.

The Governor recommends FY 2004 expenditures for capital improvements of \$64,390,509. The recommendation includes \$306,596 from the State General Fund and \$29,316,517 from the Educational Building Fund.

## **Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation with the following notation:

1. One result of the property tax accelerator was that the building funds received three distributions in FY 2004 (from the collections in June, December, and May). To prevent a "windfall" to the building funds, the Legislature reduced the mil levy to the funds for that year. The overall mil levy was to remain at 1.5 mils, but the distribution was changed to 0.6 mil to the Educational Building Fund (EBF), 0.3 mil to the State Institutions Building Fund (SIBF), and 0.6 mil to the State General Fund.

An unanticipated consequence of the property tax accelerator and the adjustments to the building fund mil levies was that receipts to the building funds have been much lower than anticipated. At the end of the 2003 Legislative Session, combined receipts to the two funds for FY 2004 were estimated to total \$41.2 million. Revised estimates total \$34.7 million. The effects are more noticeable in the Educational Building Fund due to the larger reduction in the mil levy as well as the fact that the EBF did not have sufficient balances to absorb the loss. The balance of the EBF at the end of FY 2004 is estimated to be (\$3,403,069).

The Joint Committee suggests that the Senate Ways and Means Subcommittee on Higher Education request a Governor's Budget Amendment to correct the negative balance at the end of FY 2004. It is the intent of this suggestion that the budget amendment will not reduce funding for projects in either FY 2004 or FY 2005.

## **House Budget Committee Recommendation**

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

## **House Committee Recommendation**

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

# HOUSE CAPITAL IMPROVEMENTS

**Agency:** Postsecondary Education Systemwide

**Bill No.** 537

**Bill Sec.** Various

**Analyst:** Hollon

**Analysis Pg. No.** Vol. I, p 196, Various

**Capital Budget Page No.** 199

Project	Agency Est. FY 2005	Gov. Rec. FY 2005	JCSBC Rec. FY 2005	House Rec. FY 2005
<b>Projects:</b>				
<u>Board of Regents</u>				
Systemwide Rehabilitation and Repair	13,000,000	7,000,000	7,000,000	7,000,000
Debt Service - Crumbling Classrooms	10,285,000	10,285,000	10,285,000	10,285,000
Debt Service - Research Corporation Bonds	10,000,000	2,890,000	2,890,000	2,890,000
<i>Subtotal</i>	<u>\$ 33,285,000</u>	<u>\$ 20,175,000</u>	<u>\$ 20,175,000</u>	<u>\$ 20,175,000</u>
<u>University of Kansas</u>				
Stouffer Place Apts Renovation	600,000	600,000	600,000	600,000
Utility Tunnel Improvements	8,800,000	0	0	0
Multicultural Resource Center	2,820,000	2,820,000	2,820,000	2,820,000
Parking Lot Maintenance	303,600	303,600	303,600	303,600
Student Housing Maintenance	1,700,000	1,700,000	1,700,000	1,700,000
Landscape Master Plan Imple.	1,358,000	1,358,000	1,358,000	1,358,000
Malott Hall Renovation	2,800,000	2,800,000	2,800,000	2,800,000
Debt Service Principal	5,275,000	5,275,000	5,275,000	5,275,000
<i>Subtotal</i>	<u>23,656,600</u>	<u>14,856,600</u>	<u>14,856,600</u>	<u>14,856,600</u>
<u>KU Medical Center</u>				
Applegate Energy Center	5,705,752	0	0	0
Cambridge Garage Elevator	900,000	900,000	900,000	900,000
Ambulatory Care Facility Const.	500,000	500,000	500,000	500,000
Parking Lot Maintenance	550,000	550,000	550,000	550,000
Debt Service - Principal	315,000	315,000	315,000	315,000
<i>Subtotal</i>	<u>\$ 7,970,752</u>	<u>\$ 2,265,000</u>	<u>\$ 2,265,000</u>	<u>\$ 2,265,000</u>
<u>Kansas State University</u>				
Lease Payment - Aeronautical Center	189,446	189,446	189,446	189,446
General Maintenance	2,025,000	2,025,000	2,025,000	2,025,000
Residence Hall Renovation	750,000	750,000	750,000	750,000
Galichia Institute Addition	770,000	770,000	770,000	770,000
Rowing Facility Expansion	1,011,000	1,011,000	1,011,000	1,011,000
Memorial Stadium Renovation	260,000	0	0	0
Parking Lot Maintenance	800,000	800,000	800,000	800,000
Debt Service Principal	2,763,348	2,763,348	2,763,348	2,763,348
<i>Subtotal</i>	<u>\$ 8,568,794</u>	<u>\$ 8,308,794</u>	<u>\$ 8,308,794</u>	<u>\$ 8,308,794</u>
<u>KSU Veterinary Medical Center</u>				
Biohazard Level - 2 Laboratory Upgrade	\$ 315,000	\$ 315,000	\$ 315,000	\$ 315,000
Equine Locomotion Track	400,000	400,000	400,000	400,000
<i>Subtotal</i>	<u>\$ 715,000</u>	<u>\$ 715,000</u>	<u>\$ 715,000</u>	<u>\$ 715,000</u>
<u>KSU ESARP</u>				
Grain Science Center - Feed Mill	5,000,000	5,000,000	5,000,000	5,000,000
Grain Science Center - Flour Mill	5,000,000	5,000,000	5,000,000	5,000,000
<i>Subtotal</i>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
<u>Wichita State University</u>				

Rehabilitation and Repair	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
3-D Art and Grad Painting Facility	490,000	0	0	0
Debt Service Principal	1,750,000	1,750,000	1,750,000	1,750,000
<i>Subtotal</i>	<u>\$ 2,315,000</u>	<u>\$ 1,825,000</u>	<u>\$ 1,825,000</u>	<u>\$ 1,825,000</u>

<u>Emporia State University</u>				
Residence Hall Improvements	45,000	45,000	45,000	45,000
WAW Library Addition	348,318	0	0	0
Parking Lot Improvements	90,000	90,000	90,000	90,000
Debt Service Principal	481,000	481,000	481,000	481,000
<i>Subtotal</i>	<u>\$ 964,318</u>	<u>\$ 616,000</u>	<u>\$ 616,000</u>	<u>\$ 616,000</u>

<u>Fort Hays State University</u>				
Picken Hall Renovation	240,000	0	0	0
Parking Lot Maintenance	300,000	300,000	300,000	300,000
Debt Service Principal	225,000	225,000	225,000	225,000
<i>Subtotal</i>	<u>\$ 765,000</u>	<u>\$ 525,000</u>	<u>\$ 525,000</u>	<u>\$ 525,000</u>

<u>Pittsburg State University</u>				
Student Health Center Improvements	550,000	550,000	550,000	550,000
Residence Hall Maintenance	1,200,000	1,200,000	1,200,000	1,200,000
Student Center Improvements	250,000	250,000	250,000	250,000
Armory/Clssrm/Rec Center Const.	3,038,627	2,080,727	2,080,727	2,080,727
Polymer Research Center Const.	309,000	309,000	309,000	309,000
Parking Lot Maintenance	200,000	200,000	200,000	200,000
Debt Service Principal	447,716	447,716	447,716	447,716
<i>Subtotal</i>	<u>\$ 5,995,343</u>	<u>\$ 5,037,443</u>	<u>\$ 5,037,443</u>	<u>\$ 5,037,443</u>

<b>TOTAL</b>	<u><u>\$ 92,535,807</u></u>	<u><u>\$ 64,323,837</u></u>	<u><u>\$ 64,323,837</u></u>	<u><u>\$ 64,323,837</u></u>
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<b>Financing:</b>				
State General Fund	\$ 27,114,132	\$ 3,202,162	\$ 3,202,162	\$ 3,202,162
Educational Building Fund	24,118,257	17,618,257	17,618,257	17,618,257
Other Funds	41,303,418	43,503,418	43,503,418	43,503,418
<b>TOTAL</b>	<u><u>\$ 92,535,807</u></u>	<u><u>\$ 64,323,837</u></u>	<u><u>\$ 64,323,837</u></u>	<u><u>\$ 64,323,837</u></u>

**Agency Request/Governor's Recommendation**

The agency requests FY 2005 capital improvement expenditures of \$92,535,807. The request includes \$27,114,132 from the State General Fund and \$24,118,257 from the Educational Building Fund.

The Governor recommends FY 2005 expenditures for capital improvements of \$64,323,837. The recommendation includes \$3,202,162 from the State General Fund and \$17,618,257 from the Educational Building Fund.

**Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.



### **House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

### **House Committee Recommendation**

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

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Department of Corrections

**Bill No.** HB 2898

**Bill Sec.** 6

**Analyst:** Krahl

**Analysis Pg. No.** Vol II - 742

**Capital Budget Page No.** 193

Project	Agency Est. FY 2004	Gov. Rec. FY 2004	JCSBC Rec. FY 2004	House Rec. FY 2004
<b>Projects:</b>				
<b>Department of Corrections</b>				
Rehabilitation on Repair	\$ 3,780,061	\$ 3,560,603	\$ 3,560,603	\$ 3,560,603
KCI Rehabilitation and Repair	201,000	201,000	201,000	201,000
Debt Service Principal	9,240,000	9,240,000	9,240,000	9,240,000
Subtotal - DOC	<u>\$ 13,221,061</u>	<u>\$ 13,001,603</u>	<u>\$ 13,001,603</u>	<u>\$ 13,001,603</u>
<b>El Dorado Correctional Facility</b>				
Rehabilitation and Repair	\$ 1,709	\$ 1,709	\$ 1,709	\$ 1,709
<b>Ellsworth Correctional Facility</b>				
Rehabilitation and Repair	\$ 201,217	\$ 201,217	\$ 201,217	\$ 201,217
<b>Hutchinson Correctional Facility</b>				
Rehabilitation and Repair	\$ 361,706	\$ 361,706	\$ 361,706	\$ 361,706
Debt Service Principal	218,382	218,382	218,382	218,382
Subtotal - HCF	<u>\$ 580,088</u>	<u>\$ 580,088</u>	<u>\$ 580,088</u>	<u>\$ 580,088</u>
<b>Lansing Correctional Facility</b>				
Rehabilitation and Repair	\$ 288,282	\$ 288,282	\$ 288,282	\$ 288,282
<b>Norton Correctional Facility</b>				
Rehabilitation and Repair	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000
<b>Topeka Correctional Facility</b>				
Rehabilitation and Repair	\$ 37,274	\$ 37,274	\$ 37,274	\$ 37,274
<b>Winfield Correctional Facility</b>				
Rehabilitation and Repair	166,614	166,614	166,614	166,614
<b>TOTAL DOC and Facilities</b>	<u><u>\$ 14,766,245</u></u>	<u><u>\$ 14,546,787</u></u>	<u><u>\$ 14,546,787</u></u>	<u><u>\$ 14,546,787</u></u>
<b>Financing:</b>				
State General Fund	\$ 7,245,495	\$ 7,245,495	\$ 7,245,495	\$ 7,245,495
CIBF	6,796,560	6,577,102	6,577,102	6,577,102
Correctional Industries Fund	201,000	201,000	201,000	201,000
All Other Funds	523,190	523,190	523,190	523,190
<b>TOTAL</b>	<u><u>\$ 14,766,245</u></u>	<u><u>\$ 14,546,787</u></u>	<u><u>\$ 14,546,787</u></u>	<u><u>\$ 14,546,787</u></u>

**The Department of Corrections and Facilities estimate FY 2004 capital improvements expenditures of \$5,307,863 for rehabilitation and repairs and \$9,458,382 for debt service principal.**

**The Governor recommends FY 2004 capital improvements of \$5,088,405 for rehabilitation and repairs, a decrease of \$219,458 from the DOC request. This amount is a lapse of funds as the**

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Correctional Institutions Building Fund was over appropriated. The Governor concurs with \$9,458,382 for debt service principal.

### **Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### **House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction recommendation.

### **House Committee Recommendation**

The House Committee concurs with the House Budget Committee recommendation.

## HOUSE CAPITAL IMPROVEMENTS

Agency: Department of Corrections

Bill No. HB 2898

Bill Sec. 6

Analyst: Krahl

Analysis Pg. No. Vol II - 742 Capital Budget Page Bo. 193

Project	Agency Est. FY 2005	Gov. Rec. FY 2005	JCSBC Rec. FY 2005	House Rec. FY 2005
<b>Projects:</b>				
<b>Department of Corrections</b>				
Rehabilitation on Repair	\$ 4,992,000	\$ 3,302,303	\$ 3,302,303	\$ 3,302,303
KCI Rehabilitation and Repair	985,967	204,967	204,967	204,967
Debt Service Principal	7,745,000	7,745,000	7,745,000	7,745,000
CIBF Reductions for Insurance	(51,975)	(51,975)	(51,975)	(51,975)
Subtotal - DOC	<u>13,670,992</u>	<u>11,200,295</u>	<u>11,200,295</u>	<u>11,200,295</u>
<b>Hutchinson Correctional Facility</b>				
Debt Service Principal	<u>218,382</u>	<u>218,382</u>	<u>218,382</u>	<u>218,382</u>
<b>TOTAL DOC and Facilities</b>	<u>\$ 13,889,374</u>	<u>\$ 11,418,677</u>	<u>\$ 11,418,677</u>	<u>\$ 11,418,677</u>
<b>Financing:</b>				
State General Fund	\$ 7,963,382	\$ 6,273,685	\$ 6,273,685	\$ 6,273,685
CIBF	4,940,025	4,940,025	4,940,025	4,940,025
Correctional Industries Fund	985,967	204,967	204,967	204,967
<b>TOTAL</b>	<u>\$ 13,889,374</u>	<u>\$ 11,418,677</u>	<u>\$ 11,418,677</u>	<u>\$ 11,418,677</u>

The Department of Corrections and Facilities estimate FY 2005 capital improvement expenditures of \$5,925,992 for rehabilitation and repairs and \$7,963,382 for debt service principal. The DOC request includes an enhancement of \$1,689,697 SGF for debt service to leave the \$1,689,697 in the Correctional Institutions Building Fund (CIBF) to be used toward rehabilitation and repairs. Kansas Correctional Industries (KCI) requests \$985,957 for the expansion of buildings at Lansing and Hutchinson Correctional Facilities.

The Governor recommends FY 2005 capital improvements of \$3,455,295, a decrease of \$2,470,697 from the DOC request. The recommendation does not include the enhancement request. The Governor does not recommend the KCI request but does recommend that \$781,00 be transferred from KCI fee funds to the DOC fee funds and that this transfer be utilized to offset State General Fund expenditures for inmate programs. The Governor concurs with \$7,963,382 for debt service principal.

### Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor's recommendation with the following notation:

1. The JCSBC requests a further review of the policy change to have insurance cost expenditures for corrections buildings funded from the CIBF instead of the State General Fund.

**House Budget Committee Recommendation**

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

**House Committee Recommendation**

The House Committee concurs with the House Budget Committee recommendation.

# HOUSE CAPITAL IMPROVEMENTS

**Agency:** Juvenile Justice Authority

**Bill No. - -**

**Bill Sec. - -**

**Analyst:** Buonasera

**Analysis Pg. No. Vol. 2-881**

**Capital Budget Page No. 195**

Project	Agency Est. FY 2004	Gov. Rec. FY 2004	JCSBC FY 2004	House FY 2004
<b>Rehabilitation and Repairs/Projects:</b>				
JJA Central Office	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
Atchison Juvenile Correctional Facility	300,000	300,000	300,000	300,000
Beloit Juvenile Correctional Facility	173,000	173,000	173,000	173,000
Larned Juvenile Correctional Facility	116,000	116,000	116,000	116,000
Kansas Juvenile Correctional Complex	--	--	--	--
Topeka Juvenile Correctional Facility	266,000	266,000	266,000	266,000
Re-appropriated - Construction & Remolding/ Facility Planning Projects	497,134	497,134	497,134	497,134
Beloit SIBF transfer	406	406	406	406
Subtotal—Rehabilitation and Repair Projects:	\$ 1,467,540	\$ 1,467,540	\$ 1,467,540	\$ 1,467,540
<b>Debt Service</b> (principal) on Larned and Topeka facilities	\$ 1,625,000	\$ 1,625,000	\$ 1,625,000	\$ 1,625,000
<b>TOTAL</b>	<u>\$ 3,092,540</u>	<u>\$ 3,092,540</u>	<u>\$ 3,092,540</u>	<u>\$ 3,092,540</u>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
State Institutions Building Fund	3,092,540	3,092,540	3,092,540	3,092,540
<b>TOTAL</b>	<u>\$ 3,092,540</u>	<u>\$ 3,092,540</u>	<u>\$ 3,092,540</u>	<u>\$ 3,092,540</u>

**Note:** Interest payments on the bonds are included in the operating budget of the Juvenile Justice Authority including \$2,372,263 in FY 2004 from the State Institutions Building Fund.

## Agency Estimate/Governor Recommendation

The Juvenile Justice Authority estimates FY 2004 capital improvements expenditures of \$3,092,540. The estimate includes \$1,467,540 for rehabilitation and repair projects and \$1,625,000 in debt service principal payments.

The Governor concurs with the agency's estimate.

## Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### **House Budget Committee Recommendation**

The House Budget Committee concurs with the recommendation of the Joint Committee on State Building Construction.

### **House Committee Recommendation**

The House Committee concurs with the House Budget Committee recommendation.

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# HOUSE CAPITAL IMPROVEMENTS

**Agency:** Juvenile Justice Authority

**Bill No.** HB 2898

**Bill Sec.** 25

**Analyst:** Buonasera

**Analysis Pg. No.** Vol. 2-881 **Capital Budget Page No.** 195

Project	Agency Req. FY 2005	Gov. Rec. FY 2005	JCSBC FY 2005	House FY 2005
<b>Rehabilitation and Repairs/ Projects:</b>				
JJA Central Office	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
Atchison Juvenile Correctional Facility	287,000	287,000	287,000	287,000
Beloit Juvenile Correctional Facility	130,000	130,000	130,000	130,000
Larned Juvenile Correctional Facility	98,000	98,000	98,000	98,000
Kansas Juvenile Correctional Complex	--	--	--	--
Topeka Juvenile Correctional Facility	480,000	480,000	480,000	480,000
Re-appropriated—Construction & Remolding/ Facility Planning Projects	--	--	--	--
Subtotal—Rehabilitation and Repair Projects:	\$ 1,120,000	\$ 1,120,000	\$ 1,120,000	\$ 1,120,000
<b>Debt Service</b> (principal) on Larned and Topeka facilities	\$ 1,710,000	\$ 1,710,000	\$ 1,710,000	\$ 1,710,000
<b>Enhancements</b>				
<b>Remodeling Projects:</b>				
Renovate Dietary Bldg. - Topeka JCF	\$ 517,585	\$ 0	\$ 0	\$ 0
<b>New Construction:</b>				
Construct New Green House - Beloit JCF	65,290	0	0	0
Install Emergency Electrical Power Generator per ACA - Topeka JCF	494,908	494,908	494,908	494,908
<b>Razing Projects:</b>				
Raze Arapaho/Cheyenne	150,000	0	0	0
<b>TOTAL</b>	<u>\$ 4,057,783</u>	<u>\$ 3,324,908</u>	<u>3,324,908</u>	<u>3,324,908</u>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
State Institutions Building Fund	4,057,783	3,324,908	3,324,908	3,324,908
<b>TOTAL</b>	<u>\$ 4,057,783</u>	<u>\$ 3,324,908</u>	<u>3,324,908</u>	<u>3,324,908</u>

**Note:** Interest payments on the bonds are included in the operating budget of the Juvenile Justice Authority including \$2,291,013 in FY 2005 from the State Institutions Building Fund.

## Agency Request/Governor Recommendation

The Juvenile Justice Authority estimates FY 2005 capital improvements expenditures of \$4,057,783. The request includes \$1,120,000 for rehabilitation and repair projects and \$1,710,000 in debt service principal payments. Also included in the request is a capital improvement enhancement package totaling \$1,227,783.

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**The Governor** concurs with the agency's request for rehabilitation and repair projects and debt service principal payments. The Governor recommends the enhancement of \$494,908 to install a Emergency Electrical Power Generator at the Topeka Juvenile Correctional Facility.

### **Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### **House Budget Committee Recommendation**

The House Budget Committee concurs with the recommendation of the Joint Committee on State Building Construction.

### **House Committee Recommendation**

The House Committee concurs with the House Budget Committee recommendation.

## House Capital Improvements

Agency: State Historical Society Bill No. HB 2898

Bill Sec. - -

Analyst: Calderwood

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<u>Project</u>	<u>Agency Est. FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>JCSBC FY 2004</u>	<u>House FY 2004</u>
Routine Maintenance/Emergency Repairs, Special Sites	\$ 147,076	\$ 147,076	\$ 147,076	\$ 147,076
<b>TOTAL</b>	<b>\$ 147,076</b>	<b>\$ 147,076</b>	<b>\$ 147,076</b>	<b>\$ 147,076</b>
<b>Financing:</b>				
State General Fund	\$ 47,076	\$ 47,076	\$ 47,076	\$ 47,076
Other Funds	100,000	100,000	100,000	100,000
<b>TOTAL</b>	<b>\$ 147,076</b>	<b>\$ 147,076</b>	<b>\$ 147,076</b>	<b>\$ 147,076</b>

### Agency Request/Governor's Recommendation

The agency requests \$147,076 for FY 2004 capital improvements. The request includes \$46,550 and an unlimited reappropriation of \$526 from the State General Fund. The request includes \$100,000 from the agency's General Fees Fund. The request includes funding for sites at both Hays and Kaw Mission. These TEA-21 projects required \$44,700 in matching funds, which the agency plans to match from its General Fees Fund.

The Governor concurs with the agency request.

### Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor's recommendation for FY 2004.

### House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2004.

## House Capital Improvements

**Agency:** State Historical Society

**Bill No.** HB 2898

**Bill Sec.** 07

**Analyst:** Calderwood

**Analysis Pg. No.** Vol. 1 - 124

**Capital Budget Page No.** 193

Project	Agency Est. FY 2005	Gov. Rec. FY 2005	JCSBC FY 2005	House FY 2005
Routine Maintenance/Emergency Repairs, Special Sites	\$ 171,550	\$ 125,000	\$ 125,000	\$ 125,000
Historic Sites Development	329,803	0	0	0
ADA Museum Alarms	55,802	0	0	0
Engineered Systems Survey & Plan/Cyclical Maintenance	92,100	0	0	0
<b>TOTAL</b>	<u>\$ 649,255</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>
<b>Financing:</b>				
State General Fund	\$ 649,255	\$ 125,000	\$ 125,000	\$ 125,000
Other Funds	0	0	0	0
<b>TOTAL</b>	<u>\$ 649,255</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>

### Agency Request/Governor's Recommendation

**The agency** requests \$649,255 from the State General Fund for FY 2005 capital improvements. The request includes \$46,550 for routine maintenance and emergency repairs. The request includes an enhancement package of \$602,705 which includes \$125,000 for routine maintenance and emergency repairs, \$329,803 for ongoing work at the state's historic sites based on a three-year plan of rehabilitation and repair, \$55,802 for signs and alarms to make the Museum compliant with the Americans With Disabilities Act, and \$92,100 for development of a cyclical maintenance plan for the historic sites and the Kansas History Center.

**The Governor** recommends \$125,000 from the State General Fund for routine maintenance and emergency repairs.

Requested funding by site is detailed in the following table:

<b>Historic Sites</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
Adair Cabin/John Brown	\$ 21,156	\$ 0	\$ 0
Constitution Hall	20,300	0	14,565
Cottonwood Ranch*	65,142	0	0
First Territorial Capitol	0	0	51,830
Fort Hays**	22,773	397,233	244,998
Goodnow House	0	169,423	126,526
Grinter Place	102,683	107,050	53,684
Hollenberg Station	0	31,928	16,105
Kaw Mission***	22,080	0	53,684
Marais des Cygnes	32,210	0	0
Mine Creek Battlefield	6,395	30,562	16,105
Native American Heritage Museum	0	96,631	21,473
Pawnee Indian Village Museum	0	34,638	69,648
Pawnee Rock	12,614	0	0
Shawnee Mission	0	169,715	318,551
Tobias Archeology Site	24,450	0	0
William Allen White House	0	0	350,000
<b>TOTAL</b>	<b>\$ 329,803</b>	<b>\$ 1,037,180</b>	<b>\$ 1,337,169</b>

\* FY 2005 state funds requested total; total project cost is \$130,284.  
\*\* FY 2005 state funds requested for guard house rehabilitation; total project cost is \$227,232.  
\*\*\* FY 2005 state funds requested for main building rehabilitation; total project cost is \$220,801.

### **Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation for FY 2005, with the following notation:

1. The Joint Committee on State Building Construction recommends a review of the agency request of \$55,802 SGF for ADA signs and alarms at Omnibus.

### **House Budget Committee Recommendation**

The House Budget Committee concurs with the Governor's recommendation for FY 2005.

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** SRS; State Hospitals

**Bill No.** 2899

**Bill Sec.** 35

**Analyst:** Dunkel

**Analysis Pg. No.** Vol. II - 1331 **Capital Budget Page No.** 386

Project	Agency Est. FY 2004	Gov. Rec. FY 2004	JCSBC FY 2004	House Rec. FY 2004
<b>Projects:</b>				
State Hospitals Rehabilitation and Repair Bonds	\$ 49,163,883	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000
<i>LSH - Rehab. &amp; Repair (1<sup>st</sup> and 2<sup>nd</sup> Priority)</i>	19,751,467	0	0	0
<i>SRS - Rehab. &amp; Repair OSH, RMHF, PSH&amp;TC &amp; KNI (2<sup>nd</sup> Priority)</i>	16,584,250	0	0	0
<i>SRS - Rehab. &amp; Repair LSH, OSH, RMHF, PSH&amp;TC &amp; KNI (3<sup>rd</sup> Priority)</i>	12,828,166	0	0	0
SRS - Rehab. & Repair OSH, RMHF, PSH&TC, & KNI (1 <sup>st</sup> Priority)	4,055,891	4,055,891	4,055,891	4,055,891
SRS - Chanute Area Office Rehab. & Repair (1 <sup>st</sup> Priority)	300,000	300,000	300,000	300,000
State Hospital Rehabilitation and Repair	0	0	0	0
Debt Service on the new State Security Hospital	3,506,316	3,312,940	3,312,940	3,312,940
<b>TOTAL</b>	<b><u>\$ 57,026,090</u></b>	<b><u>\$ 42,668,831</u></b>	<b><u>\$ 42,668,831</u></b>	<b><u>\$ 42,668,831</u></b>
<b>Financing:</b>				
SGF	\$ 0	\$ 0	\$ 0	\$ 0
SIBF	64,588,297	50,037,662	50,037,662	50,037,662
Bond Proceeds	49,163,883	35,000,000	35,000,000	35,000,000
Other Funds	300,000	300,000	300,000	300,000
<b>TOTAL</b>	<b><u>\$ 57,026,090</u></b>	<b><u>\$ 42,668,831</u></b>	<b><u>\$ 42,668,831</u></b>	<b><u>\$ 42,668,831</u></b>

### Agency Estimate/Governor's Recommendation

The **agency** requests FY 2004 capital improvements expenditures of \$57.0 million other funds, with \$49.2 million from bond proceeds. The request includes \$3.5 million SIBF for debt service on the new Larned State Security Hospital and \$300,000 Other Fees Fund for rehabilitation and repair projects at the Chanute area office.

The **Governor** recommends FY 2004 capital improvements expenditures of \$42.7 million other funds, with \$35.0 million in bond proceeds. The reduction in bonds reflects concerns about dedicating too much of the State Institutions Building Fund (SIBF) to bond payments, given the annual rehabilitation and repair expenditures from the SIBF.

### Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

**House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

**House Committee Recommendation**

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

# HOUSE CAPITAL IMPROVEMENTS

**Agency:** SRS; State Hospitals

**Bill No.** 2898

**Bill Sec.** 3

**Analyst:** Dunkel

**Analysis Pg. No.** Vol. II - 1331 **Capital Budget Page No.** 386

Project	Agency Req. FY 2005	Gov. Rec. FY 2005	JCSBC FY 2005	House Rec. FY 2005
<b>Projects:</b>				
SRS - Chanute Area Office Rehab. & Repair (1 <sup>st</sup> Priority)	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
State Hospital Rehabilitation and Repair	5,950,947	7,000,000	7,000,000	7,000,000
Debt Service on the new State Security Hospital	3,909,213	3,847,536	3,847,536	3,847,536
Debt Service on Rehabilitation and Repair Bonding	3,750,000	3,400,000	3,400,000	3,400,000
<b>TOTAL</b>	<b><u>\$ 13,910,160</u></b>	<b><u>\$ 14,547,536</u></b>	<b><u>\$ 14,547,536</u></b>	<b><u>\$ 14,547,536</u></b>
<b>Financing:</b>				
SGF	\$ 0	\$ 0	\$ 0	\$ 0
SIBF	13,610,160	14,247,536	14,247,536	14,247,536
Bond Proceeds	0	0	0	0
Other Funds	300,000	300,000	300,000	300,000
<b>TOTAL</b>	<b><u>\$ 13,910,160</u></b>	<b><u>\$ 14,547,536</u></b>	<b><u>\$ 14,547,536</u></b>	<b><u>\$ 14,547,536</u></b>

## Agency Request/Governor's Recommendation

The **agency** requests FY 2005 capital improvements expenditures of \$13.9 million all funds, with \$7.7 million SIBF for debts service on bonds for both the Larned State Security Hospital and rehabilitation and repair projects.

The **Governor** recommends FY 2005 capital improvements expenditures of \$14.5 million all funds, with \$7.2 million SIBF for debt service. The reduced debt service amount reflects the reduced bonding for the state hospitals rehabilitation and repair projects. The increase reflects additional rehabilitation and repair funds to offset the reduced bond recommendation.

## Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

## House Budget Committee Recommendation

The Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

## House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation.

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Department of Administration

**Bill No.** 2898

**Bill Sec.** 9

**Analyst:** Robinson

**Analysis Pg. No.** Vol. 1 - 534

**Capital Budget Pg. No.** 182

Project	Agency Est. FY 2004	Gov. Rec. FY 2004	JCSBC FY 2004	House Rec. FY 2004
<b>Reportable Projects:</b>				
Debt Service Principal				
Energy Conservation	\$ 1,735,000	\$ 1,735,000	\$ 1,735,000	\$ 1,735,000
Judicial Center Improvements	55,000	55,000	55,000	55,000
Statehouse R&R, Phase 1	1,325,000	1,325,000	1,325,000	1,325,000
Statehouse Parking Garage	575,000	575,000	575,000	575,000
Grounds Shop	16,752	16,752	16,752	16,752
Rehabilitation and Repair	206,892	206,892	206,892	206,892
Judicial Center Improvements	361,285	361,285	361,285	361,285
Parking Improvements	308,027	308,027	308,027	308,027
<b>TOTAL</b>	<u>\$ 4,582,956</u>	<u>\$ 4,582,956</u>	<u>\$ 4,582,956</u>	<u>\$ 4,582,956</u>

**Financing:**

State General Fund	\$ 3,936,362	\$ 3,936,362	\$ 3,936,362	\$ 3,936,362
All Other Funds	646,594	646,594	646,594	646,594
<b>TOTAL</b>	<u>\$ 4,582,956</u>	<u>\$ 4,582,956</u>	<u>\$ 4,582,956</u>	<u>\$ 4,582,956</u>

**Nonreportable Projects:**

Debt Service Principal				
Motor Pool Shop	\$ 26,484	\$ 26,484	\$ 26,484	\$ 26,484
Printing Plant	166,417	166,417	166,417	166,417
Landon State Office Building	562,250	562,250	562,250	562,250
Memorial Hall	205,000	205,000	205,000	205,000
State of Kansas Projects	330,000	330,000	330,000	330,000
Rehab and Repair	335,921	335,921	335,921	335,921
DSOB Electrical Equip. Study	6,503	6,503	6,503	6,503
DSOB Lighting Upgrade	110,000	110,000	110,000	110,000
Capitol Complex Ref. Code Study	80,000	80,000	80,000	80,000
DSOB Dock Replacement	91,000	91,000	91,000	91,000
LSOB Elec. System Failure Model	180,000	180,000	180,000	180,000
<b>TOTAL</b>	<u>\$ 2,093,575</u>	<u>\$ 2,093,575</u>	<u>\$ 2,093,575</u>	<u>\$ 2,093,575</u>

**Financing:**

State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	2,093,575	2,093,575	2,093,575	2,093,575
<b>TOTAL</b>	<u>\$ 2,093,575</u>	<u>\$ 2,093,575</u>	<u>\$ 2,093,575</u>	<u>\$ 2,093,575</u>



## **Agency Estimate/Governor's Recommendation**

The **agency requests** \$4.6 million for current year **reportable** capital improvements, including \$3.7 million for debt service principal payments and \$0.9 million for renovation and repair projects. The current year estimate is financed with \$3.9 million from the State General Fund and \$0.6 million from other funds.

The **Governor concurs** with the agency's FY 2004 estimate for reportable capital improvements.

The **agency requests** \$2.1 million for current year **nonreportable** capital improvements, including \$1.3 million for debt service principal payments and \$0.8 million for renovation and repair projects. The **Governor concurs** with the agency's FY 2004 estimate for reportable capital improvements.

## **Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the recommendations of the Governor.

## **House Budget Committee Recommendation**

The House Budget Committee concurs with the recommendation of the Joint Committee on State Building Construction.

## **House Committee Recommendation**

The House Committee concurs with the recommendations of the Budget Committee.

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Department of Administration    **Bill No.** 2898

**Bill Sec.** 9

**Analyst:** Robinson

**Analysis Pg. No.** Vol. 1 - 534

**Capital Budget Pg. No.** 182

Project	Agency Req. FY 2005	Gov. Rec. FY 2005	JCSBC FY 2005	House Rec. FY 2005
<b>Reportable Projects:</b>				
Debt Service Principal				
Energy Conservation	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000
Judicial Center Improvements	60,000	60,000	60,000	60,000
Statehouse R&R, Phase 1	1,385,000	1,385,000	1,385,000	1,385,000
Statehouse Parking Garage	600,000	600,000	600,000	600,000
Grounds Shop	18,323	18,323	18,323	18,323
Statehouse Renovation Phase 2	890,000	890,000	890,000	890,000
Rehabilitation and Repair	200,000	143,886	143,886	143,886
Judicial Center Improvements	100,000	100,000	100,000	100,000
Parking Improvements	95,000	95,000	95,000	95,000
Docking Chiller	96,000	0	0	0
Landon Chiller	98,410	0	0	0
Docking Fire Detection	367,642	0	0	0
Landon Fire Detection	754,503	0	0	0
Landon Fire Pump	75,000	0	0	0
Docking Fire Suppression	457,870	0	0	0
Landon Fire Suppression	451,044	0	0	0
KJC Fire Suppression	500,000	0	0	0
KJC Repair South	60,000	0	0	0
KJC Clean and Caulk	92,000	0	0	0
KJC Improvements	957,600	0	0	0
KJC Fire Alarm Replacement	420,660	0	0	0
Statehouse-to-Curtis Tunnel	3,820,000	0	0	0
Landon Transformer	40,000	0	0	0
Landon Electric	67,500	0	0	0
Docking Roof Drain	100,000	0	0	0
Forbes Cooling Tower	250,000	0	0	0
Forbes Re-roof	51,153	0	0	0
Docking Exterior Envelope	320,000	0	0	0
Landon Roof NW Corner	86,000	0	0	0
Forbes Tuckpoint and Reseal	60,000	0	0	0
Ray Building Re-roof	251,680	0	0	0
Capital Complex Infrastructure	400,000	0	0	0
KJC Access Control	101,500	0	0	0
State Complex West Heating	500,000	0	0	0
Memorial Hall Chiller	299,897	0	0	0
Landon Lighting	49,000	0	0	0
Docking Lighting	181,139	0	0	0
Landon Chiller Repl.	728,992	0	0	0
Docking Heating/Cooling	1,400,000	0	0	0
Landon HVAC	1,400,000	0	0	0
Landon Generator Control	40,000	0	0	0
Landon Ventilation	423,061	0	0	0

Project	Agency Req. FY 2005	Gov. Rec. FY 2005	JCSBC FY 2005	JCSBC FY 2005
Docking Remodel	9,195,240	0	0	0
Landon Remodel	6,854,853	0	0	0
Landon New Generator	300,000	0	0	0
Forbes Parking	91,800	0	0	0
Cedar Crest Signage	55,000	0	0	0
McClennan Park Toilets	160,000	0	0	0
Topeka State Hospital	200,000	200,000	200,000	200,000
Dillon House Repairs	88,200	0	0	0
<b>TOTAL</b>	<b>\$ 36,499,067</b>	<b>\$ 4,797,209</b>	<b>\$ 4,797,209</b>	<b>\$ 4,797,209</b>

**Financing:**

State General Fund	\$ 36,185,744	\$ 4,483,886	\$ 4,483,886	\$ 4,483,886
All Other Funds	313,323	313,323	313,323	313,323
<b>TOTAL</b>	<b>\$ 36,499,067</b>	<b>\$ 4,797,209</b>	<b>\$ 4,797,209</b>	<b>\$ 4,797,209</b>

**Nonreportable Projects:**

Debt Service Principal				
Motor Pool Shop	\$ 29,423	\$ 29,423	\$ 29,423	\$ 29,423
Printing Plant	171,816	171,816	171,816	171,816
Landon State Office Building	562,250	562,250	562,250	562,250
Memorial Hall	215,000	215,000	215,000	215,000
State of Kansas Projects	335,000	335,000	335,000	335,000
7th and Harrison	820,000	820,000	820,000	820,000
Rehab and Repair	200,000	200,000	200,000	200,000
<b>TOTAL</b>	<b>\$ 2,333,489</b>	<b>\$ 2,333,489</b>	<b>\$ 2,333,489</b>	<b>\$ 2,333,489</b>

**Financing:**

State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	2,333,489	2,333,489	2,333,489	2,333,489
<b>TOTAL</b>	<b>\$ 2,333,489</b>	<b>\$ 2,333,489</b>	<b>\$ 2,333,489</b>	<b>\$ 2,333,489</b>

**Agency Request/Governor's Recommendation**

The **agency** requests \$36.2 million from the State General Fund and \$0.3 million from other funds for **reportable** capital improvements in **FY 2005**. The request includes \$4.3 million in debt service principal payments, and \$32.2 million for renovation and repair projects. The agency also included a reduced resources package totaling \$22,542 from the State General Fund, indicating that it would defer that amount in rehabilitation and repair expenses should the package be approved.

**The Governor recommends** a total of \$4.8 million, including \$4.5 million from the State General Fund for FY 2005 reportable capital improvements.

The **agency** requests \$2.3 million for **nonreportable** capital improvements in FY 2005. The request includes \$2.1 million for debt service principal payments and \$0.2 million for renovation and repair projects.

**The Governor** concurs.

## **Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the recommendations of the Governor, with the following observation:

1. At the request of the House Appropriations Committee, the Joint Committee on State Building Construction reviewed the issue of using building funds (the Educational Building Fund, the State Institutions Building Fund, and the Correctional Institutions Building Fund) to cover the costs of insurance on selected buildings. The Committee believes that the Governor's recommendation to offset \$438,326 in State General Fund expenditures with these funds represents an appropriate use of those funds.

## **House Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Joint Committee on State Building Construction.

## **House Committee Recommendation**

The House Committee concurs with the recommendations of the Budget Committee.

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Insurance Department

**Bill No. - -**

**Bill Sec. - -**

**Analyst:** Deckard **Analysis Pg. No.** Vol. I - 464

**Capital Budget Page No.** 184

Project	Agency Est. FY 2004	Gov. Rec. FY 2004	JCSBC FY 2004	House FY 2004
<b>Projects:</b>				
Debt Service Principal	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Rehab and Repair	20,000	20,000	20,000	20,000
<b>TOTAL</b>	<b>\$ 160,000</b>	<b>\$ 160,000</b>	<b>\$ 160,000</b>	<b>\$ 160,000</b>
Debt Service Interest*	\$ 44,300	\$ 44,300	\$ 44,300	\$ 44,300
 <b>TOTAL CAPITAL IMPROVEMENTS AND INTEREST</b>	 <b>\$ 204,300</b>	 <b>\$ 204,300</b>	 <b>\$ 204,300</b>	 <b>\$ 204,300</b>
<b>Financing:</b>				
Insurance Building Principal and Interest Fund	\$ 184,300	\$ 184,300	\$ 184,300	\$ 184,300
Insurance Department Rehab. and Repair Fund	20,000	20,000	20,000	20,000
<b>TOTAL</b>	<b>\$ 204,300</b>	<b>\$ 204,300</b>	<b>\$ 204,300</b>	<b>\$ 204,300</b>

\* Interest is shown as part of the agency's operating budget.

\*\* Actual receipts to pay for the expenditures would come from the agency's various fee funds by way of transfers to the funds listed above.

### Agency Estimate/ Governor Recommendation

The **agency** estimates FY 2004 capital improvement expenditures of \$160,000 of which \$140,000 is for debt service principal and \$20,000 is for rehabilitation and repair.

The **Governor** recommends \$160,000 for FY 2004 capital improvements, the same as the agency's estimate.

### Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### House Budget Committee Recommendation

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

**House Committee Recommendation**

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

39754(3/12/4{4:06PM})

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Insurance Department

**Bill No.** HB 2898

**Bill Sec.** 08

**Analyst:** Deckard Analysis Pg. No. Vol. I - 464

**Capital Budget Page No.** 184

Project	Agency Req. FY 2005	Gov. Rec. FY 2005	JCSBC FY 2005	House FY 2005
<b>Projects:</b>				
Debt Service Principal	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Rehab and Repair	30,000	30,000	30,000	30,000
Carpet Replacement	30,000	30,000	30,000	30,000
Upgrade HVAC	200,000	200,000	200,000	200,000
Exterior Lighting	10,000	10,000	10,000	10,000
Window Screens	40,000	0	0	0
Dillon House	40,000	0	0	0
<b>TOTAL</b>	<u>500,000</u>	<u>420,000</u>	<u>420,000</u>	<u>420,000</u>
Debt Service Interest*	<u>\$ 35,358</u>	<u>\$ 35,358</u>	<u>\$ 35,358</u>	<u>\$ 35,358</u>
<b>TOTAL CAPITAL IMPROVEMENTS AND INTEREST</b>	<u>\$ 535,358</u>	<u>\$ 455,358</u>	<u>\$ 455,358</u>	<u>\$ 455,358</u>
<b>Financing:</b>				
Insurance Building Principal and Interest Fund	\$ 185,358	\$ 185,358	\$ 185,358	\$ 185,358
Insurance Department Rehab and Repair Fund	350,000	270,000	270,000	270,000
<b>TOTAL</b>	<u>\$ 535,358</u>	<u>\$ 455,358</u>	<u>\$ 455,358</u>	<u>\$ 455,358</u>

\* Interest is shown as part of the agency's operating budget.

\*\* Actual receipts to pay for the expenditures would come from the agency's various fee funds by way of transfers to the funds listed above.

**Staff Note:** The Governor approved the Insurance Department capital improvement expenditures for the Dillon House contingent upon the Department of Administration receiving funding to complete their portion of the project. Since the Governor is not recommending the Department of Administration receive funding for this project, it is not shown as approved in the Governor's Recommendation for the Insurance Department.

### Agency Request/ Governor Recommendation

The **agency** requests \$500,000 for FY 2005 capital improvements. This is an increase of \$340,000 or 212.5 percent from the FY 2004 estimate. The increase is due to the agency's request for carpet replacement, an HVAC upgrade, exterior lighting, window screens, and the Dillon House project.

The **Governor** recommends \$420,000 for FY 2005 capital improvements, a decrease of \$80,000 from the agency's request. The Governor does not recommend funding for the window screens or the Dillon House project.

**Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

**House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

**House Committee Recommendation**

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

39758(3/12/4{4:03PM})



## HOUSE CAPITAL IMPROVEMENTS

**Agency:** School for the Blind

**Bill No. - -**

**Bill Sec. - -**

**Analyst:** Deckard

**Analysis Pg. No.** Vol. I - 154

**Capital Budget Page No.** 188

Project	Agency Est. FY 2004	Gov. Rec. FY 2004	JCSBC FY 2004	House FY 2004
<b>Projects:</b>				
Major Maintenance	\$ 68,090	\$ 68,090	\$ 68,090	\$ 68,090
Fire Alarm System Upgrade	77,590	0	0	0
Replace Boilers	62,061	62,061	62,061	62,061
<b>TOTAL</b>	<u>\$ 207,741</u>	<u>\$ 130,151</u>	<u>\$ 130,151</u>	<u>\$ 130,151</u>
<b>Financing:</b>				
State Institutions Building Fund (SIBF)	\$ 207,741	\$ 130,151	\$ 130,151	\$ 130,151
<b>TOTAL</b>	<u>\$ 207,741</u>	<u>\$ 130,151</u>	<u>\$ 130,151</u>	<u>\$ 130,151</u>

### Agency Estimate/ Governor Recommendation

The **agency** estimates capital improvements of \$207,741 in FY 2004, the same amount that was approved by the 2003 Legislature, financed from the State Institutions Building Fund (SIBF). The estimate includes \$6,910 in SIBF reappropriation for major maintenance and \$77,590 in SIBF reappropriation for the Fire Alarm System Upgrade.

The **Governor** recommends \$130,151 for FY 2004 capital improvements, a decrease of \$77,590 from the agency's request. The reduction is due to the Governor not recommending the reappropriation of \$77,590 from the fire alarm system upgrade.

### Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### House Budget Committee Recommendation

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

### House Committee Recommendation

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

# HOUSE CAPITAL IMPROVEMENTS

Agency: School for the Blind

Bill No. HB 2898

Bill Sec. 04

Analyst: Deckard

Analysis Pg. No. Vol. I - 154

Capital Budget Page No. 188

Project	Agency Req. FY 2005	Gov. Rec. FY 2005	JCSBC FY 2005	House FY 2005
<b>Projects:</b>				
Major Maintenance	\$ 61,180	\$ 57,410	\$ 57,410	\$ 57,410
Brighton Hall ADA Remodel	34,250	34,250	34,250	34,250
Brighton Building Renovation	50,800	50,800	50,800	50,800
<b>TOTAL</b>	<b>\$ 146,230</b>	<b>\$ 142,460</b>	<b>\$ 142,460</b>	<b>\$ 142,460</b>
<b>Financing:</b>				
State Institutions Building Fund (SIBF)	\$ 146,230	\$ 142,460	\$ 142,460	\$ 142,460
<b>TOTAL</b>	<b>\$ 146,230</b>	<b>\$ 142,460</b>	<b>\$ 142,460</b>	<b>\$ 142,460</b>

## Agency Request/Governor Recommendation

The **agency** requests FY 2005 capital improvements of \$146,230, financed from the State Institutions Building Fund (SIBF). The request includes \$61,180 for major maintenance, \$34,250 for the ADA remodel of Brighton Hall, and \$50,800 for the Brighton Building remodel.

The **Governor** recommends \$142,460 for FY 2005 capital improvements, a decrease of \$3,770 from the agency's request. The reduction was in the area of major maintenance.

## Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

## House Budget Committee Recommendation

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

## House Committee Recommendation

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

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** School for the Deaf

**Bill No. - -**

**Bill Sec. - -**

**Analyst:** Deckard

**Analysis Pg. No. Vol. I - 169**

**Capital Budget Page No. 188**

Project	Agency Est. FY 2004	Gov. Rec. FY 2004	JCSBC FY 2004	House FY 2004
<b>Projects:</b>				
Rehabilitation and Repair	\$ 170,000	\$ 170,000	\$ 170,000	\$ 170,000
Roth Roof Replacement	40,600	40,600	40,600	40,600
Dorm Renovation	352,323	352,323	352,323	352,323
Asbestos Removal	144	0	0	0
Rehabilitation and Repair	4,070	4,070	4,070	4,070
Construction Elementary School	1,829	0	0	0
Parks Bilger/Taylor Gym Roof	137,396	137,396	137,396	137,396
Roberts Building Renovation	19,229	19,229	19,229	19,229
Pool and Laundry Roof Replacement	23,320	0	0	0
Air-conditioning Auditorium	241	0	0	0
Dorm Renovation	378,045	378,045	378,045	378,045
<b>TOTAL</b>	<b>\$ 1,127,197</b>	<b>\$ 1,101,663</b>	<b>\$ 1,101,663</b>	<b>\$ 1,101,663</b>
<b>Financing:</b>				
State Institutions Building Fund (SIBF)	\$ 1,127,197	\$ 1,101,663	\$ 1,101,663	\$ 1,101,663
<b>TOTAL</b>	<b>\$ 1,127,197</b>	<b>\$ 1,101,663</b>	<b>\$ 1,101,663</b>	<b>\$ 1,101,663</b>

### Agency Estimate/Governor Recommendation

The **agency** estimates FY 2004 capital improvements of \$1,127,197, the same amount that was approved by the 2003 Legislature. The estimate includes \$170,000 for rehabilitation and repair, \$40,600 for the Roth Building roof replacement, \$352,323 for dorm renovation, and \$564,274 in reappropriated funds for asbestos removal, rehabilitation and repair, construction of the elementary school, Parks Bilger/Taylor Gym roof, Roberts Building renovation, pool and laundry roof replacement, air-conditioning the auditorium, and dorm renovation.

The **Governor** recommends \$1,101,663 for FY 2004 capital improvements, a decrease of \$25,534 from the agency's request. The reduction is due to the Governor not recommending the reappropriation of \$25,534 from asbestos removal, rehabilitation and repair, pool and laundry roof replacement, and air-conditioning the auditorium.

### Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor recommendation.

**House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

**House Committee Recommendation**

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

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** School for the Deaf

**Bill No.** HB 2898

**Bill Sec.** 05

**Analyst:** Deckard

**Analysis Pg. No.** Vol. I - 169

**Capital Budget Page No.** 188

Project	Agency Req. FY 2005	Gov. Rec. FY 2005	JCSBC FY 2005	House FY 2005
<b>Projects:</b>				
Rehabilitation and Repair	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
Roberts Bldg Roof Replacement	85,000	85,000	85,000	85,000
Key Card Entry System	112,000	112,000	112,000	112,000
Dorm Renovation	429,794	529,794	991,663	991,663
Land Acquisition	100,000	0	0	0
<b>TOTAL</b>	<u>\$ 901,794</u>	<u>\$ 901,794</u>	<u>\$ 1,363,663</u>	<u>\$ 1,363,663</u>
<b>Financing:</b>				
State Institutions Building Fund (SIBF)	\$ 901,794	\$ 901,794	\$ 1,363,663	\$ 1,363,663
<b>TOTAL</b>	<u>\$ 901,794</u>	<u>\$ 901,794</u>	<u>\$ 1,363,663</u>	<u>\$ 1,363,663</u>

### Agency Request/Governor Recommendation

The **agency** requests FY 2005 capital improvements of \$901,794, financed from the State Institutions Building Fund (SIBF). The request includes \$175,000 for major maintenance, \$85,000 for the Roberts Building roof replacement, \$112,000 for a key card entry system, and \$100,000 for land acquisition.

The **Governor** recommends \$901,794 for FY 2005 capital improvements, the same as the agency's request. However, the Governor does not recommend the requested \$100,000 land acquisition, but instead adds \$100,000 for dorm renovation.

### Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor's recommendation with the following adjustment:

1. The Committee recommends accelerating \$461,869 in dorm renovation from FY 2006 into FY 2005. The agency indicated that there would be cost savings associated with bidding the phases together instead of a separate bid for each floor every year.

**House Budget Committee Recommendation**

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

**House Committee Recommendation**

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

# HOUSE COMMITTEE ON CAPITAL IMPROVEMENTS

## CAPITAL IMPROVEMENTS

**Agency:** Kansas Highway Patrol

**Bill No. - -**

**Bill Sec. - -**

**Analyst:** Robert Waller

**Analysis Pg. No.** Vol. II-1057

**Capital Budget Page No.** 196

Project	Agency Est. FY 04	Governor Rec. FY 04	JCSBC Rec. FY 04	House Rec. FY 04
Debt Service-Highway Patrol Training Center-Principal	\$ 405,000	\$ 405,000	\$ 405,000	\$ 405,000
Motor Carrier Insp. Facilities-Rehabilitation & Repair	0	0	0	0
Highway Patrol Training Center-Rehabilitation & Repair	50,000	50,000	50,000	50,000
Debt Service-Fleet Center-Principal	225,000	225,000	225,000	225,000
Debt Service-MCI Port Modernization-Principal	0	0	0	0
Debt Service-VIN Building acquisition (Olathe)	0	0	0	0
<b>TOTAL</b>	<b><u>\$ 680,000</u></b>	<b><u>\$ 680,000</u></b>	<b><u>\$ 680,000</u></b>	<b><u>\$ 680,000</u></b>

**Financing:**

State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
Highway Patrol Training Center Fund	455,000	455,000	455,000	455,000
Motor Carrier Inspection Fund	225,000	225,000	225,000	225,000
KHP Operating Fund	0	0	0	0
Vehicle Identification Fund	0	0	0	0
<b>TOTAL</b>	<b><u>\$ 680,000</u></b>	<b><u>\$ 680,000</u></b>	<b><u>\$ 680,000</u></b>	<b><u>\$ 680,000</u></b>

**Debt Service Interest**

**Expenditures:**

Debt Service-Highway Patrol Training Center-Interest	\$ 242,925	\$ 242,925	\$ 242,925	\$ 242,925
Debt Service-Fleet Center-Interest	101,000	101,000	101,000	101,000
Debt Service-MCI Port Modernization-Interest	0	0	0	0
Debt Service-VIN Building Acquisition (Olathe)	0	0	0	0
<b>TOTAL</b>	<b><u>\$ 343,925</u></b>	<b><u>\$ 343,925</u></b>	<b><u>\$ 343,925</u></b>	<b><u>\$ 343,925</u></b>

**Agency Estimate/Governor Recommendation**

For FY 2004, the agency requests \$680,000 from special revenue sources. Included within the \$680,000 amount is \$405,000 to finance debt service payments on bonds for the Training Center in Salina, \$225,000 to finance debt service payments on bonds to finance the construction of the Fleet Center, \$50,000 for training center repairs.

**The Governor concurs.**

**Joint Committee on State Building Construction Recommendation**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

**House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

**House Committee Recommendation**

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



# HOUSE COMMITTEE ON CAPITAL IMPROVEMENTS

## CAPITAL IMPROVEMENTS

**Agency:** Kansas Highway Patrol

**Bill No.** HB 2898

**Bill Sec.** 21

**Analyst:** Robert Waller

**Analysis Pg. No.** Vol II-1057

**Capital Budget Page No.** 196

Project	Agency Req. FY 05	Governor Rec. FY 05	JCSBC Rec. FY 05	House Rec. FY 05
Debt Service-Highway Patrol Training Center- Principal	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000
Motor Carrier Insp. Facilities-Rehabilitation & Repair	234,144	234,144	234,144	234,144
Highway Patrol Training Center-Rehabilitation & Repair	50,000	49,034	49,034	49,034
Debt Service-Fleet Center-Principal	200,000	200,000	200,000	200,000
Debt Service-MCI Port Modernization-Principal	41,817	41,817	41,817	41,817
Debt Service-VIN Building acquisition (Olathe)	0	45,000	45,000	45,000
<b>TOTAL</b>	<b>\$ 950,961</b>	<b>\$ 994,995</b>	<b>\$ 994,995</b>	<b>\$ 994,995</b>

**Financing:**

State General Fund	\$ 0	\$ 0	\$ 0	\$ 475,961
Highway Patrol Training Center Fund	475,000	474,034	474,034	474,034
Motor Carrier Inspection Fund	475,961	0	0	0
KHP Operating Fund	0	475,961	475,961	0
Vehicle Identification Fund	0	45,000	45,000	45,000
<b>TOTAL</b>	<b>\$ 950,961</b>	<b>\$ 994,995</b>	<b>\$ 994,995</b>	<b>\$ 994,995</b>

**Debt Service Interest**

**Expenditures:**

Debt Service-Highway Patrol Training Center-Interest	\$ 174,975	\$ 174,975	\$ 174,975	\$ 174,975
Debt Service-Fleet Center-Interest	83,788	83,788	83,788	83,788
Debt Service-MCI Port Modernization-Interest	69,044	69,044	69,044	69,044
Debt Service-VIN Building Acquisition (Olathe)	0	14,848	14,848	14,848
<b>TOTAL</b>	<b>\$ 327,807</b>	<b>\$ 342,655</b>	<b>\$ 342,655</b>	<b>\$ 342,655</b>

**Agency Request/Governor Recommendation**

**For FY 2005**, the agency requests \$950,961 from special revenue sources. Included within the \$950,961 amount is \$425,000 to finance debt service payments on bonds for the Training Center in Salina, \$200,000 to finance debt service payments on bonds to finance the construction of the Fleet Center, \$234,144 for facility rehabilitation, repair, and scale replacement for motor carrier inspection ports, and \$41,817 to finance debt service payments on bonds authorized by the 2002 Legislature to redesign weight stations and upgrade the existing facilities.

**The Governor** recommends capital improvement expenditures totaling \$994,995 from special revenue sources. The Governor concurs with the agency's debt service amounts for the Training Center, Fleet Operations, and MCI Port Modernization bond funding. However, **the Governor** recommends adding \$59,848 (from the Vehicle Identification Fund) to finance debt service associated with the acquisition of the VIN Inspection Building in Olathe. **The Governor** also reduces the agency's Training Center rehabilitation and repair request from \$50,000 to \$49,034.

### **Joint Committee on State Building Construction Recommendation**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### **House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation, with the following adjustment:

1. Transfers \$475,961 from the State Highway Fund to the State General Fund to finance Kansas Highway Patrol capital improvement expenditures.

### **House Committee Recommendation**

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

**HOUSE COMMITTEE ON CAPITAL IMPROVEMENTS**

**CAPITAL IMPROVEMENTS**

**Agency:** Kansas Bureau of Investigation

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robert Waller

**Analysis Pg. No.** Vol. II-1011

**Budget Page No.** 271

Project	Agency Est. FY 04	Governor Rec. FY 04	JCSBC Rec. FY 04	House Rec. FY 04
Debt Service Principal - Headquarters	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
Rehabilitation and Repair	0	0	0	0
Relocation to the former Topeka State Hospital Campus	0	0	0	0
Renovate 2nd floor of Great Bend Lab.	0	0	0	0
<b>TOTAL</b>	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ 210,000</u>
State General Fund	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
Other Funds	0	0	0	0
<b>TOTAL</b>	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ 210,000</u>
Interest - Headquarters	\$ 95,680	\$ 95,680	\$ 95,680	\$ 95,680

**Agency Estimate/Governor Recommendation**

The agency requests \$210,000 (from the State General Fund) to finance debt service principal costs.

**Governor's Recommendation**

The Governor concurs.

**Joint Committee on State Building Construction Recommendation**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

**House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

**House Committee Recommendation**

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

# HOUSE COMMITTEE ON CAPITAL IMPROVEMENTS

## CAPITAL IMPROVEMENTS

**Agency:** Kansas Bureau of Investigation

**Bill No.** HB 2898

**Bill Sec.** 20

**Analyst:** Robert Waller

**Analysis Pg. No.** Vol. II-1011

**Budget Page No.** 271

Project	Agency Req. FY 05	Governor Rec. FY 05	JCSBC Rec. FY 05	House Rec. FY 05
Debt Service Principal - Headquarters	\$ 230,000	\$ 230,000	\$ 230,000	\$ 230,000
Rehabilitation and Repair	30,000	0	0	0
Relocation to the former Topeka State Hospital Campus	0	0	0	0
Renovate 2nd floor of Great Bend Lab.	<u>1,115,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>\$ 1,375,000</u></b>	<b><u>\$ 230,000</u></b>	<b><u>\$ 230,000</u></b>	<b><u>\$ 230,000</u></b>
State General Fund	\$ 1,375,000	\$ 230,000	\$ 1,375,000	\$ 1,375,000
Other Funds	0	0	0	0
<b>TOTAL</b>	<b><u>\$ 1,375,000</u></b>	<b><u>\$ 230,000</u></b>	<b><u>\$ 1,375,000</u></b>	<b><u>\$ 1,375,000</u></b>
Interest - Headquarters	\$ 83,905	\$ 83,905	\$ 83,905	\$ 83,905

### Agency Request/Governor Recommendation

The agency requests \$230,000 (from the State General Fund) to finance debt service principal costs.

### Enhancements

**Relocation to the former Topeka State Hospital Campus.** With the backing of the Governor and the Department of Administration, the agency proposes to move to the former Topeka State Hospital Campus and occupy the Jarrett, Rapaport, Southard, and Boisen buildings.

**Renovation of the 2nd Floor of the Great Bend Laboratory.** The agency requests \$1,115,000 from the State General Fund to renovate the second floor of the Great Bend Laboratory.

**Repair and Rehabilitation Fund.** The agency requests \$30,000 from the State General Fund to maintain and repair the agency's headquarters.

### Governor's Recommendation

The Governor concurs with the agency debt service principal and interest request. However, does **not recommend** the enhancement requests.

### **Joint Committee on State Building Construction Recommendation**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### **House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

### **House Committee Recommendation**

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

**HOUSE COMMITTEE ON CAPITAL IMPROVEMENTS**

**CAPITAL IMPROVEMENTS**

**Agency:** Adjutant General

**Bill No.** - -

**Bill Sec.** - -

**Analyst:** Robert Waller

**Analysis Pg. No.** Vol. II-993 **Capital Budget Page No.** 196

<u>Project</u>	<u>Agency Est. FY 04</u>	<u>Governor Rec. FY 04</u>	<u>Agency Rec. FY 04</u>	<u>House Rec. FY 04</u>
<b>Debt Service Principal on Armory Bonds</b>				
First Issuance	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000
Second Issuance	105,000	105,000	105,000	105,000
Third Issuance	0	0	0	0
Roofs - SDB Building	0	0	0	0
Exhaust systems - Maintenance Shops	0	0	0	0
Asphalt Upgrade - SDB	0	0	0	0
<b>TOTAL</b>	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ 215,000</u>
<b>Financing:</b>				
State General Fund	\$ 215,000	\$ 215,000	\$ 215,000	\$ 215,000
Military Fees Fund	0	0	0	0
<b>TOTAL</b>	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ 215,000</u>

Non-expense (Bond proceeds)

Debt Service Interest on Armory Bonds

First Issuance	\$ 87,313	\$ 87,313	\$ 87,313	\$ 87,313
Second Issuance	78,740	78,740	78,740	78,740
Third Issuance	0	0	0	0
<b>TOTAL</b>	<u>\$ 166,053</u>	<u>\$ 166,053</u>	<u>\$ 166,053</u>	<u>\$ 166,053</u>

**Staff Note:** The 2000 Legislature authorized the issuance of bonds to finance the acquisition, construction, equipping, renovation, reconstruction and repair of the 58 statewide armories. The issuance of 15 year bonds was authorized over a 5 year period initiating in FY 2001 and ending in FY 2005. The aggregate total of the bonds will not exceed \$22,000,000, and the Adjutant General was directed to appear before the State Finance Council before the issuance of each phase of bonds to inform the State Finance Council of any federal funding which has become available that could offset the amount of the subsequent bond issue.

**Agency Estimate/Governor Recommendation**

The agency requests \$215,000 from the State General Fund to finance the debt service principal payments on bonds issued to repair and rehabilitate the agency's 58 statewide armories and to initiate the agency's 5-year capital improvements plan.

**The Governor** concurs.

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### **Joint Committee on State Building Construction Recommendation**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### **House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

### **House Committee Recommendation**

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



**HOUSE COMMITTEE ON CAPITAL IMPROVEMENTS**

**CAPITAL IMPROVEMENTS**

**Agency:** Adjutant General

**Bill No.** HB 2898

**Bill Sec.** 22

**Analyst:** Robert Waller

**Analysis Pg. No.** Vol. II-993 **Capital Budget Page No.** 196

<u>Project</u>	<u>Agency Req. FY 05</u>	<u>Governor Rec. FY 05</u>	<u>JCSBC Rec. FY 05</u>	<u>House Rec. FY 05</u>
<b>Debt Service Principal on Armory Bonds</b>				
First Issuance	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
Second Issuance	110,000	110,000	110,000	110,000
Third Issuance	265,000	265,000	265,000	265,000
Roofs - SDB Building	304,062	0	0	0
Exhaust systems - Maintenance Shops	70,639	0	0	0
Asphalt Upgrade - SDB	173,536	0	0	0
<b>TOTAL</b>	<b><u>\$ 1,038,237</u></b>	<b><u>\$ 490,000</u></b>	<b><u>\$ 490,000</u></b>	<b><u>\$ 490,000</u></b>
<b>Financing:</b>				
State General Fund	\$ 768,688	\$ 490,000	\$ 490,000	\$ 490,000
Military Fees Fund	269,549	0	0	0
<b>TOTAL</b>	<b><u>\$ 1,038,237</u></b>	<b><u>\$ 490,000</u></b>	<b><u>\$ 490,000</u></b>	<b><u>\$ 490,000</u></b>

Non-expense (Bond proceeds)

Debt Service Interest on Armory Bonds

First Issuance	\$ 82,250	\$ 82,250	\$ 82,250	\$ 82,250
Second Issuance	75,516	75,516	75,516	75,516
Third Issuance	264,239	264,239	264,239	264,239
<b>TOTAL</b>	<b><u>\$ 422,005</u></b>	<b><u>\$ 422,005</u></b>	<b><u>\$ 422,005</u></b>	<b><u>\$ 422,005</u></b>

**Staff Note:** The 2000 Legislature authorized the issuance of bonds to finance the acquisition, construction, equipping, renovation, reconstruction and repair of the 58 statewide armories. The issuance of 15 year bonds was authorized over a 5 year period initiating in FY 2001 and ending in FY 2005. The aggregate total of the bonds will not exceed \$22,000,000, and the Adjutant General was directed to appear before the State Finance Council before the issuance of each phase of bonds to inform the State Finance Council of any federal funding which has become available that could offset the amount of the subsequent bond issue.

**Agency Request/Governor Recommendation**

**The agency** requests \$1,038,237 (\$768,688 from the State General Fund) to finance the debt service principal payments on bonds issued to repair and rehabilitate the agency's 58 statewide armories and to initiate the agency's 5-year capital improvements plan.

## **Enhancements**

**5-Year Capital Improvement Plan.** The agency requests \$548,237 (from the State General Fund) to finance the repair of facilities for the Kansas National Guard. Operation costs are reimbursed through a Cooperative Fund Agreement with the federal government providing 75 percent of the funds and the state the remaining 25 percent. However, due to budget constraints, the agency states the upgrades and repairs have not been completed.

**The Governor** concurs with the agency's request for \$490,000 in debt service payment associated with the first three bond issuance to renovate and rehabilitate the state-wide armories. **The Governor** does not recommend the enhancement request.

## **Joint Committee on State Building Construction Recommendation**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

## **House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

## **House Committee Recommendation**

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



# HOUSE COMMITTEE ON CAPITAL IMPROVEMENTS

## CAPITAL IMPROVEMENTS

**Agency:** Kansas Department of Transportation

**Bill No.** HB 2898

**Bill Sec.** 66

**Analyst:** Robert Waller

**Analysis Pg. No.** Vol. II-1077

**Capital Budget Page No.** 198

Project	Agency Req. FY 05	Governor Rec. FY 05	JCSBC Rec. FY 05	House Rec. FY 05
Rehabilitation and Repair	\$ 2,447,603	\$ 2,447,603	\$ 2,447,603	\$ 2,447,603
Reroof Buildings - Various Locations	409,071	409,071	409,071	409,071
Equipment Storage Sheds	516,096	516,096	516,096	516,096
Remote Chemical Storage Bunkers	588,408	588,408	588,408	588,408
Construct Subarea Wash Bay - Louisburg	320,493	320,493	320,493	320,493
Renovate District Three Materials Lab - Norton	354,000	354,000	354,000	354,000
Renovate Old Construction Office - Salina	703,000	0	0	0
Construct District Two Materials Lab - Salina	840,000	0	0	0
Construct KHP Headquarters - Wichita	2,630,000	0	0	0
Construct District Five Paint Booth - Hutchinson	412,000	0	0	0
Purchase Land - Various Locations	250,000	0	0	0
<b>TOTAL</b>	<b>\$ 9,470,671</b>	<b>\$ 4,635,671</b>	<b>\$ 4,635,671</b>	<b>\$ 4,635,671</b>

### Financing:

State Highway Fund \$ 9,470,671 \$ 4,635,671 \$ 4,635,671 \$ 4,635,671

### Agency Request/Governor Recommendation

The agency requests a total of \$9,470,971 for building projects. This is a decrease of \$3,563,078 (27.3 percent) from the FY 2004 estimate of \$13,033,749.

**The Governor** recommends building project expenditures of \$4,635,671. This is \$4,835,000 (51.1 percent) below the agency's request of \$9,470,671.

### Joint Committee on State Building Construction Recommendation

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### House Budget Committee Recommendation

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation.

### House Committee Recommendation

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

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Kansas Department of Wildlife and Parks

**Bill No.** 2899

**Bill Sec.** 51

**Analyst:** Efird

**Analysis Pg. No.** 81

**Budget Page No.** 451

Expenditure	Agency Est. FY 04	Governor Rec. FY 04	Jt Cmt State Bld Const Rec. FY 04	House Budget Committee Recommendation
Capital Improvements:				
State General Fund	\$ 34,172	\$ 1,534,872	\$ 1,534,872	\$ (1,500,000)
Other Funds	15,133,261	15,213,261	15,213,261	1,500,000
Subtotal – Cap. Impr.	<u>\$ 15,167,433</u>	<u>\$ 16,748,133</u>	<u>\$ 16,748,133</u>	<u>\$ 0</u>

### Agency Estimate/Governor's Recommendation

The **agency's** revised operating budget includes an increase of \$8,612,723 due to carryover funds from prior fiscal years for numerous projects approved previously. Funding for a Cheyenne Bottoms tourist information center is estimated at \$1,999,264 in FY 2004, and appears in the revised budget. The project was discussed during the 2003 Legislature after being announced by the previous Governor at the end of that administration.

The **Governor** concurs with the agency's revised budget for capital improvements, with two modifications in capital improvements. SGF financing of \$1,500,000 is recommended for a Tuttle Creek State Park project and \$80,000 is recommended for completing a shooting range project at the Cheney Wildlife Area. Both projects were requested by the agency after the budget submission. In addition, the Governor recommends repaying \$68,323 to the State Agricultural Production Fund for an amount of money in excess of that allowable after federal review of a transfer to the SGF for administrative expenses in FY 2003. Repayment is recommended from the Wildlife and Parks Nonrestricted Fund.

<b>CHANGE FROM APPROVED FY 2004 CAPITAL IMPROVEMENTS BUDGET</b>					
	Approved 2003 Legislature	Agency Est. FY 04	Agency Change from Approved	Gov. Rec. FY 04	Governor Change from Approved
State General Fund	\$ 0	\$ 34,172	\$ 34,172	\$ 1,534,872	\$ 1,534,872
All Other Funds	6,554,710	15,133,261	8,578,551	15,213,261	8,658,551
<b>TOTAL</b>	<b><u>\$ 6,554,710</u></b>	<b><u>\$ 15,167,433</u></b>	<b><u>\$ 8,612,723</u></b>	<b><u>\$ 16,748,133</u></b>	<b><u>\$ 10,193,423</u></b>
<b>Project Areas</b>					
Parks Maintenance	\$ 1,345,600	\$ 2,131,755	\$ 786,155	\$ 2,131,755	\$ 786,155
Parks Roads and Bridges	1,700,000	2,784,862	1,084,862	2,784,862	1,084,862
Water Line at Milford	1,282,110	1,282,110	0	1,282,110	0
Tuttle Creek Campground	0	0	0	1,500,000	1,500,000
Cedar Bluff Park Office	0	256,000	256,000	256,000	256,000
Cheyenne Bottoms Info Ctr	0	1,999,264	1,999,264	1,999,264	1,999,264
Public Land Acquisition	500,000	1,043,024	543,024	1,043,024	543,024
Public Land Maintenance	235,000	498,264	263,264	498,264	263,264
Wetlands Acquisition/Maint.	450,000	737,488	287,488	737,488	287,488
Crawford State Lake Sewer	0	34,172	34,172	34,872	34,872
Other State Lakes Projects	0	265,071	265,071	265,071	265,071
Dam Repair at State Lakes	0	1,333,936	1,333,936	1,333,936	1,333,936
Cheney Shooting Range	0	0	0	80,000	80,000
Other Misc. Projects	0	364,866	364,866	364,866	364,866
River & Motor Boat Access	1,042,000	2,436,621	1,394,621	2,436,621	1,394,621
<b>Totals</b>	<b><u>\$ 6,554,710</u></b>	<b><u>\$ 15,167,433</u></b>	<b><u>\$ 8,612,723</u></b>	<b><u>\$ 16,748,133</u></b>	<b><u>\$ 10,193,423</u></b>

### Joint Committee on State Building Construction Recommendation

The Committee concurs with the Governor's recommendation in FY 2004.

### House Budget Committee Recommendation

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

1. Delete \$1,500,000 for the Tuttle Creek project from the State General Fund and replace the financing with a loan from the Pooled Money Investment Board.

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Kansas Department of Wildlife and Parks

**Bill No.** 2898

**Bill Sec.** 23

**Analyst:** Efird

**Analysis Pg. No.** 81

**Budget Page No.** 451

Expenditure	Agency Req. FY 05	Governor Rec. FY 05	Jt Cmt State Bld Const Rec. FY 05	House Budget Committee Recommendation
Capital Improvements:				
State General Fund	\$ 100,000	\$ 0	\$ 0	0
Other Funds	6,647,314	5,284,491	5,284,491	(440,491)
Subtotal – Cap. Impr.	<u>\$ 6,747,314</u>	<u>\$ 5,284,491</u>	<u>\$ 5,284,491</u>	<u>\$ (441,491)</u>

### Agency Request/Governor's Recommendation

The **agency** includes four enhancements in its capital improvements request that totals \$6,747,314, including enhancement funding of \$440,491 for the first-year cost of acquiring the Circle K Ranch, \$200,000 in funds for unidentified land acquisitions, \$100,000 for developing a new state park in Topeka, and \$1,015,703 for completing the Prairie Spirit Trail. The **Governor** concurs with most of the agency's base request, except \$100,000 for river access and \$137,800 for parks major maintenance are not recommended. The **Governor** recommends two enhancements in the capital improvements budget: the Circle K Ranch acquisition and development of a new state park in Topeka, with a shift in financing from the State General Fund to the Parks Fee Fund.

FY 2005 CAPITAL IMPROVEMENTS BUDGET SUMMARY			
	Agency Request	Governor's Recommendations	Difference
<b>Total Request/Recommendation</b>	<b>\$ 6,747,314</b>	<b>\$ 5,284,491</b>	<b>\$ (1,462,823)</b>
State General Fund	\$ 100,000	\$ 0	\$ (100,000)
All Other Funds	6,647,314	5,284,491	(1,362,823)
<b>TOTAL</b>	<u><b>\$ 6,747,314</b></u>	<u><b>\$ 5,284,491</b></u>	<u><b>\$ (1,462,823)</b></u>
<b>Project Areas</b>			
Parks Maintenance	\$ 936,800	\$ 799,000	\$ (137,800)
Parks Roads and Bridges	1,709,320	1,700,000	(9,320)
Menninger State Park development	100,000	100,000	0
Prairie Spirit Trail	1,015,703	0	(1,015,703)
Circle K Ranch	440,491	440,491	0
Public Land Acquisition	700,000	500,000	(200,000)
Public Land Maintenance	150,000	150,000	0
Wetlands Acquisition/Development	550,000	550,000	0
River & Motor Boat Access	1,045,000	945,000	(100,000)
Coast Guard Projects	100,000	100,000	0
<b>TOTAL</b>	<u><b>\$ 6,747,314</b></u>	<u><b>\$ 5,284,491</b></u>	<u><b>\$ (1,462,823)</b></u>

### **Joint Committee on State Building Construction Recommendation**

The Committee concurs with the Governor's FY 2005 recommendation.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's FY 2005 recommendation, with the following exception:

1. Delete \$440,491 for the Circle K Ranch purchase and return balance to the State Water Plan Fund in FY 2005.



## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Department of Human Resources

**Bill No.** HB 2898

**Bill Sec.** 18

**Analyst:** Alishahi

**Analysis Pg. No.** Vol. II, p. 1164

**Capital Budget Page No.** 186

Project	Agency Est. FY 2004	Gov. Rec. FY 2004	JCSBC FY 2004	House FY 2004
<b>Projects:</b>				
401 Topeka Blvd Purchase 6 Properties/ Raze/Pave	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Kansas City Parking Lot	96,750	96,750	96,750	96,750
Rehabilitation and Repair	183,550	183,550	183,550	183,550
Debt Service Principal	200,000	200,000	200,000	200,000
<b>TOTAL</b>	<b>\$ 680,300</b>	<b>\$ 680,300</b>	<b>\$ 680,300</b>	<b>\$ 680,300</b>
Debt Service Interest*	212,718	212,718	212,718	212,718
<b>TOTAL CAPITAL IMPROVEMENTS AND INTEREST</b>	<b>\$ 893,018</b>	<b>\$ 893,018</b>	<b>\$ 893,018</b>	<b>\$ 893,018</b>
<b>Financing:</b>				
State General Fund	\$ 18,825	\$ 18,825	\$ 18,825	\$ 18,825
Special Employment Security Fund	278,258	278,258	278,258	278,258
Employment Security Administration Fund	299,185	299,185	299,185	299,185
Employment Security Administration Fund-Property	296,750	296,750	296,750	296,750
<b>TOTAL</b>	<b>\$ 893,018</b>	<b>\$ 893,018</b>	<b>\$ 893,018</b>	<b>\$ 893,018</b>

\* Interest is shown as part of the agency's operating budget.

### Agency Estimate/Governor Recommendation

The **agency** estimates FY 2004 capital improvement expenditures of \$680,300. The estimate includes \$296,750 for two projects, \$183,550 for rehabilitation and repair, and \$200,000 for debt service principal.

The **Governor** recommends FY 2004 capital improvement expenditures of \$680,300, which is the same as the agency's estimate.

### Joint Committee on State Building Construction Recommendation

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Joint Committee on State Building Construction.

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Department of Human Resources

**Bill No.** HB 2898

**Bill Sec.** 18

**Analyst:** Alishahi

**Analysis Pg. No.** Vol. II, p. 1164

**Capital Budget Page No.** 186

Project	Agency Req. FY 2005	Gov. Rec. FY 2005	JCSBC FY 2005	House FY 2005
<b>Projects:</b>				
1309 Topeka Blvd:				
Replace HVAC	\$ 327,000	\$ 327,000	\$ 327,000	\$ 327,000
Replace Roof	163,000	163,000	163,000	163,000
Wichita Replace AC Condensers	55,000	55,000	55,000	55,000
Rehabilitation and Repair	80,000	80,000	80,000	80,000
Debt Service Principal	205,000	205,000	205,000	205,000
<b>TOTAL</b>	<b>\$ 830,000</b>	<b>\$ 830,000</b>	<b>\$ 830,000</b>	<b>\$ 830,000</b>
Debt Service Interest*	207,418	207,418	207,418	207,418
<b>TOTAL CAPITAL IMPROVEMENTS AND INTEREST</b>	<b>\$ 1,037,418</b>	<b>\$ 1,037,418</b>	<b>\$ 1,037,418</b>	<b>\$ 1,037,418</b>
<b>Financing:</b>				
State General Fund	\$ 18,573	\$ 18,573	\$ 18,573	\$ 18,573
Special Employment Security Fund	279,758	279,758	279,758	279,758
Employment Security Administration Fund	739,087	739,087	739,087	739,087
Employment Security Administration Fund-Property	0	0	0	0
<b>TOTAL</b>	<b>\$ 1,037,418</b>	<b>\$ 1,037,418</b>	<b>\$ 1,037,418</b>	<b>\$ 1,037,418</b>

\* Interest is shown as part of the agency's operating budget.

### Agency Estimate/Governor Recommendation

The **agency** requests FY 2005 capital improvement expenditures of \$830,000. The request includes \$545,000 for three projects, \$80,000 for rehabilitation and repair, and \$205,000 for debt service principal.

The **Governor** recommends FY 2005 capital improvement expenditures of \$830,000, which is the same as the agency's request.

### Joint Committee on State Building Construction Recommendation

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Joint Committee on State Building Construction.

# HOUSE CAPITAL IMPROVEMENTS

**Agency:** Kansas State Fair

**Bill No.** HB 2898

**Bill Sec.** 2

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 39

**Capital Budget Page No.** 196

<u>Project</u>	<u>Agency Est. FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>JCSBC FY 2004</u>	<u>House FY 2004</u>
<b>Projects:</b>				
Debt Service Principal	\$ 630,000	\$ 630,000	\$ 630,000	\$ 630,000
Rehabilitation and Repair	101,500	101,500	101,500	101,500
<b>TOTAL</b>	<u>\$ 731,500</u>	<u>\$ 731,500</u>	<u>\$ 731,500</u>	<u>\$ 731,500</u>
State Fair Capital Improvements Fund	\$ 731,500	\$ 731,500	\$ 731,500	\$ 731,500

## Agency Estimate/Governor Recommendation

The agency estimates expenditures of \$731,500 from the State Fair Capital Improvements Fund for principal on the capital improvements bonds and rehabilitation and repair projects. The Governor recommends non-expense capital improvements items totaling \$8,363,512 for renovations funded with bond proceeds. The agency reports that the following projects are scheduled for FY 2004: ADA parking, renovation on the Cottonwood Court/Domestic Arts building, construction of a horse arena, infrastructure and code compliance work, construction of a multipurpose livestock facility, rebuilding of the maintenance facility, and work on the Pride of Kansas building.

The Governor concurs with the agency's estimate.

## Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

## House Budget Committee Recommendation

The Budget Committee concurs with the recommendation of the Joint Committee on State Building Construction.

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Kansas State Fair

**Bill No.** HB 2898

**Bill Sec.** 2

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 39

**Capital Budget Page No.** 196

Project	Agency Est. FY 2005	Gov. Rec. FY 2005	JCSBC FY 2005	House FY 2005
<b>Projects:</b>				
Debt Service Principal	\$ 645,000	\$ 645,000	\$ 645,000	\$ 645,000
Rehabilitation and Repair	101,500	101,500	101,500	101,500
<b>TOTAL</b>	<u>\$ 746,500</u>	<u>\$ 746,500</u>	<u>\$ 746,500</u>	<u>\$ 746,500</u>
 State Fair Capital Improvements Fund	 \$ 746,500	 \$ 746,500	 \$ 746,500	 \$ 746,500

### Agency Request/Governor Recommendation

The agency requests expenditures of \$746,500 from the State Fair Capital Improvements Fund for principal on the capital improvements bonds and rehabilitation and repair projects. The Governor recommends non-expense capital improvements items totaling \$4,095,266 for renovations funded with bond proceeds. The agency reports that the following projects are scheduled for FY 2005: ADA compliance work on the Grandstand; roof repair on the Dairy Tie Barn, Livestock Annex, Sheep Barn, and Swine Barn; renovation of the Oz and Poultry buildings; and work on three outside restroom facilities.

The Governor concurs with the agency's request.

### Joint Committee on State Building Construction

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### House Budget Committee Recommendation

The Budget Committee concurs with the recommendation of the Joint Committee on State Building Construction.

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Commission on Veterans' Affairs

**Bill No.** HB 2898

**Bill Sec.** 21

**Analyst:** VanHouse

**Analysis Pg. No.** Vol 2 - 1124

**Capital Budget Page No.** 187

Project	Agency Est. FY 2004	Gov. Rec. FY 2004	JCSBC FY 2004	House FY 2004
<b>Projects:</b>				
Veterans Cemetery Program				
Fort Dodge	\$ 174,373	\$ 174,373	\$ 174,373	\$ 174,373
Fort Riley	0	0	0	0
Winfield	3,725,005	3,725,005	3,725,005	3,725,005
WaKeeney	3,092,473	3,092,473	3,092,473	3,092,473
Hospitality*	500	500	500	500
Rehabilitation and Repair				
Kansas Veterans' Home	106,070	179,583	179,583	179,583
Kansas Soldiers' Home**	200,000	104,890	104,890	104,890
Federal Home Construction Grant				
Kansas Veterans' Home	0	0	0	0
Kansas Soldiers' Home	1,010,835	1,010,835	1,010,835	1,010,835
KSH Fac. Conservation Improvement	544,296	544,296	544,296	544,296
Federal Grant Match	587,825	587,825	587,825	587,825
<b>TOTAL</b>	<b>\$ 9,441,825</b>	<b>\$ 9,419,780</b>	<b>\$ 9,419,780</b>	<b>\$ 9,419,780</b>
<b>Financing:</b>				
State Institutions Building Fund	\$ 1,438,191	1,416,594	1,416,594	1,416,594
Veterans Cemeteries Fed. Const.	6,992,351	6,992,351	6,992,351	6,992,351
Federal Home Construction Grant	1,010,835	1,010,835	1,010,385	1,010,385
<b>TOTAL</b>	<b>\$ 9,441,377</b>	<b>\$ 9,419,780</b>	<b>\$ 9,419,780</b>	<b>\$ 9,419,780</b>

\* The agency inadvertently included the cemetery program's official hospitality funding in the cemetery capital improvement request. The error was inadvertently carried over into the Governor's recommendation.

\*\* The agency's FY 2005 rehabilitation and repair request for the Kansas Soldiers' Home was inadvertently included in the request for FY 2004.

### Agency Estimate/Governor Recommendation

The agency estimates capital improvements expenditures of \$8,853,552. The estimate includes \$6,992,351 for the Veterans Cemetery Program, \$306,070 for rehabilitation and repair at the Kansas Soldiers' Home and Kansas Veterans' Home, and \$1,555,131 for conservation and improvement projects for the Kansas Soldiers' Home.

The Governor recommends capital improvements expenditures of \$9,419,552. The recommendation includes \$6,992,351 for the Veterans Cemetery Program and \$1,555,131 for

conservation and improvement projects for the Kansas Soldiers' Home. In addition, the recommendation includes rehabilitation and repair expenditures of \$179,373 (including \$29,583 in reappropriated funds) for the Kansas Veterans' Home and \$104,890 (including \$4,890 in reappropriated funds) for the Kansas Soldiers' Home. The recommendation also includes \$587,825 from the State Institutions Building Fund appropriated by the 2002 Legislature and released by the State Finance Council in November, 2003 for matching funds for a federal grant received by the agency.

### **Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the recommendation of the Joint Committee on State Building Construction.

## HOUSE CAPITAL IMPROVEMENTS

**Agency:** Commission on Veterans' Affairs

**Bill No.** HB 2898

**Bill Sec.** 21

**Analyst:** VanHouse

**Analysis Pg. No.** Vol 2 - 1124 **Capital Budget Page No.** 187

Project	Agency Est. FY 2005	Gov. Rec. FY 2005***	JCSBC FY 2005	House FY 2005
<b>Projects:</b>				
Veterans Cemetery Program				
Fort Dodge	\$ 0	\$ 0	\$ 0	0
Fort Riley	455,000	455,000	455,000	455,000
Winfield	2,005,772	2,005,772	2,005,772	2,005,772
WaKeeney	0	0	0	0
Hospitality*	500	500	500	500
Rehabilitation and Repair				
Kansas Veterans' Home	79,070	100,000	0	100,000
Kansas Soldiers' Home**	0	100,000	100,000	100,000
Federal Grant Match	587,825	587,825	587,825	587,825
<b>TOTAL</b>	<b>\$ 3,128,167</b>	<b>\$ 3,249,097</b>	<b>\$ 3,149,097</b>	<b>\$ 3,249,097</b>
<b>Financing:</b>				
State Institutions Building Fund	\$ 666,895	787,835	687,835	787,835
Veterans Cemeteries Fed. Const.	2,461,272	2,461,272	2,461,272	2,461,272
Federal Home Construction Grant	0	0	0	0
<b>TOTAL</b>	<b>\$ 3,128,167</b>	<b>\$ 3,249,107</b>	<b>\$ 3,149,097</b>	<b>\$ 3,249,097</b>

\* The agency inadvertently included the cemetery program's official hospitality funding in the cemetery capital improvement request. The error was inadvertently carried over into the Governor's recommendation.

\*\* The agency's FY 2005 rehabilitation and repair request for the Kansas Soldiers' Home was inadvertently included in the request for FY 2004.

\*\*\* Includes the Governor's Budget Amendment No. 2, page 3, item 2.

### Agency Request/Governor Recommendation

**The agency** requests capital improvements expenditures of \$2,540,342. The request includes \$2,461,272 for the Veterans Cemetery Program and \$79,070 for rehabilitation and repair at the Kansas Veterans' Home

**The Governor** recommends capital improvements expenditures of \$3,149,097. The recommendation includes \$2,461,272 for the Veterans Cemetery Program, \$100,000 for rehabilitation and repair for the Kansas Soldiers' Home, and \$587,825 in matching funds for the federal grant.

## **Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation.

## **House Budget Committee Recommendation**

The Budget Committee concurs with the recommendation of the Joint Committee on State Building Construction with the following adjustment:

1. Concur with Governor's Budget Amendment No. 2, page 3, item 2, adding \$100,000 from the State Institutions Building Fund for rehabilitation and repair at the Kansas Veterans' Home.



**HOUSE CAPITAL IMPROVEMENTS  
ADJUSTMENTS TO GOVERNOR'S RECOMMENDATION**

**Postsecondary Education Systemwide**

**FY 2004 Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation with the following notation:

1. One result of the property tax accelerator was that the building funds received three distributions in FY 2004 (from the collections in June, December, and May). To prevent a "windfall" to the building funds, the Legislature reduced the mil levy to the funds for that year. The overall mil levy was to remain at 1.5 mils, but the distribution was changed to 0.6 mil to the Educational Building Fund (EBF), 0.3 mil to the State Institutions Building Fund (SIBF), and 0.6 mil to the State General Fund.

An unanticipated consequence of the property tax accelerator and the adjustments to the building fund mil levies was that receipts to the building funds have been much lower than anticipated. At the end of the 2003 Legislative Session, combined receipts to the two funds for FY 2004 were estimated to total \$41.2 million. Revised estimates total \$34.7 million. The effects are more noticeable in the Educational Building Fund due to the larger reduction in the mil levy as well as the fact that the EBF did not have sufficient balances to absorb the loss. The balance of the EBF at the end of FY 2004 is estimated to be (\$3,403,069).

The Joint Committee suggests that the Senate Ways and Means Subcommittee on Higher Education request a Governor's Budget Amendment to correct the negative balance at the end of FY 2004. It is the intent of this suggestion that the budget amendment will not reduce funding for projects in either FY 2004 or FY 2005.

**House Budget Committee Recommendation**

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

**Department of Corrections**

**FY 2005 Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation with the following notation:

1. The JCSBC requests a further review of the policy change to have insurance cost expenditures for corrections buildings funded from the CIBF instead of the State General Fund.

**House Budget Committee Recommendation**

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

**HOUSE APPROPRIATIONS**

DATE 3-15-2004  
ATTACHMENT 3

## **State Historical Society**

### **FY 2005 Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation for FY 2005, with the following notation:

1. The Joint Committee on State Building Construction recommends a review of the agency request of \$55,802 SGF for ADA signs and alarms at Omnibus.

### **House Budget Committee Recommendation**

The House Budget Committee concurs with the Governor's recommendation for FY 2005.

## **Department of Administration**

### **FY 2005 Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the recommendations of the Governor, with the following observation:

1. At the request of the House Appropriations Committee, the Joint Committee on State Building Construction reviewed the issue of using building funds (the Educational Building Fund, the State Institutions Building Fund, and the Correctional Institutions Building Fund) to cover the costs of insurance on selected buildings. The Committee believes that the Governor's recommendation to offset \$438,326 in State General Fund expenditures with these funds represents an appropriate use of those funds.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Joint Committee on State Building Construction.

## **School for the Deaf**

### **FY 2005 Joint Committee on State Building Construction**

The Joint Committee on State Building Construction concurs with the Governor's recommendation with the following adjustment:

1. The Committee recommends accelerating \$461,869 in dorm renovation from FY 2006 into FY 2005. The agency indicated that there would be cost savings associated with bidding the phases together instead of a separate bid for each floor every year.

## **House Budget Committee Recommendation**

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

### **Kansas Highway Patrol**

#### **FY 2005 House Budget Committee Recommendation**

The House Budget Committee concurs with the Joint Committee on State Building Construction's recommendation, with the following adjustment:

1. Transfers \$475,961 from the State Highway Fund to the State General Fund to finance Kansas Highway Patrol capital improvement expenditures.

#### **House Committee Recommendation**

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

### **Department of Wildlife and Parks**

#### **FY 2004 House Budget Committee Recommendation**

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

1. Delete \$1,500,000 for the Tuttle Creek project from the State General Fund and replace the financing with a loan from the Pooled Money Investment Board.

#### **FY 2005 House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's FY 2005 recommendation, with the following exception:

1. Delete \$440,491 for the Circle K Ranch purchase and return balance to the State Water Plan Fund in FY 2005.

### **Commission on Veteran's Affairs**

#### **FY 2005 House Budget Committee Recommendation**

The Budget Committee concurs with the recommendation of the Joint Committee on State Building Construction with the following adjustment:

1. Concur with Governor's Budget Amendment No. 2, page 3, item 2, adding \$100,000 from the State Institutions Building Fund for rehabilitation and repair at the Kansas Veterans' Home.

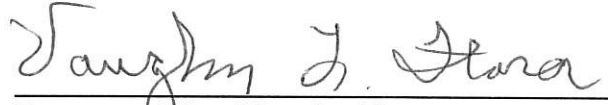
# AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE

FY 2004 and FY 2005

DEPARTMENT OF AGRICULTURE



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 3-15-2004

ATTACHMENT 4

## Senate Subcommittee Report

**Agency:** Department of Agriculture

**Bill No. --**

**Bill Sec. --**

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 3

**Budget Page No.** 45

Expenditure Summary	Agency Estimate FY 04	Gov. Rec. FY 04	Senate Subcommittee Adjustments
State General Fund	\$ 9,453,784	\$ 9,453,784	\$ 0
All Other Funds	11,882,414	11,885,922	0
<b>TOTAL</b>	<b>\$ 21,336,198</b>	<b>\$ 21,339,706</b>	<b>\$ 0</b>
FTE Positions	296.5	296.5	0.0
Non FTE Uncl. Perm. Pos.	16.5	16.5	0.0
<b>TOTAL</b>	<b>313.0</b>	<b>313.0</b>	<b>0.0</b>

### Agency Estimate/Governor's Recommendation

**The Department of Agriculture estimates** \$21,336,198 for FY 2004 operating expenditures, which is an increase of \$1,442,795, or 7.3 percent, from the amount approved by the 2003 Legislature. The estimate includes \$9,453,784 from the State General Fund, which is consistent with the approved amount. The estimate also includes \$11,882,414 from all other funds, which is an increase of \$1,442,795 from the approved amount. Included in the estimate is \$14,343,653 for salaries and wages to fund 296.5 FTE positions, \$6,307,967 for contractual services, \$300,484 for commodities, and \$371,541 for capital outlay. The agency's estimate includes a \$1.4 million grant from the Federal Emergency Management Agency (FEMA) for the Water Structures program.

**The Governor recommends** \$21,339,706 for FY 2004 operating expenditures, which is an increase of \$1,446,303 or 7.3 percent from the amount approved by the 2003 Legislature. The recommendation includes \$9,453,784 from the State General Fund, which is consistent with the approved amount. The recommendation also includes \$11,885,922 from all other funds, which is an increase of \$1,446,303 from the approved amount. Included in the recommendation is \$14,347,161 for salaries and wages to fund 296.5 FTE positions, \$6,307,967 for contractual services, \$300,484 for commodities, and \$371,541 for capital outlay. The Governor concurs with the agency's all other funds increase for the FEMA grant and adjusted the State Water Plan Fund by \$3,508 to correct death and disability adjustments made in the State Water Plan Fund.

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

### Senate Committee Recommendation

The Senate Committee concurs with the subcommittee's recommendation.

### Senate Recommendation

The Senate has not yet considered this budget.

## House Budget Committee Report

**Agency:** Department of Agriculture

**Bill No. --**

**Bill Sec. --**

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 3

**Budget Page No.** 45

Expenditure Summary	Agency Estimate FY 04	Gov. Rec. FY 04	House Budget Committee Adjustments
State General Fund	\$ 9,453,784	\$ 9,453,784	\$ 0
All Other Funds	11,882,414	11,885,922	0
<b>TOTAL</b>	<b>\$ 21,336,198</b>	<b>\$ 21,339,706</b>	<b>\$ 0</b>
FTE Positions	296.5	296.5	0.0
Non FTE Uncl. Perm. Pos.	16.5	16.5	0.0
<b>TOTAL</b>	<b>313.0</b>	<b>313.0</b>	<b>0.0</b>

### Agency Estimate/Governor's Recommendation

**The Department of Agriculture estimates** \$21,336,198 for FY 2004 operating expenditures, which is an increase of \$1,442,795 or 7.3 percent from the amount approved by the 2003 Legislature. The estimate includes \$9,453,784 from the State General Fund, which is consistent with the approved amount. The estimate also includes \$11,882,414 from all other funds, which is an increase of \$1,442,795 from the approved amount. Included in the estimate is \$14,343,653 for salaries and wages to fund 296.5 FTE positions, \$6,307,967 for contractual services, \$300,484 for commodities, and \$371,541 for capital outlay. The agency's estimate includes a \$1.4 million grant from the Federal Emergency Management Agency (FEMA) for the Water Structures program.

**The Governor recommends** \$21,339,706 for FY 2004 operating expenditures, which is an increase of \$1,446,303 or 7.3 percent from the amount approved by the 2003 Legislature. The recommendation includes \$9,453,784 from the State General Fund, which is consistent with the approved amount. The recommendation also includes \$11,885,922 from all other funds, which is an increase of \$1,446,303 from the approved amount. Included in the recommendation is \$14,347,161 for salaries and wages to fund 296.5 FTE positions, \$6,307,967 for contractual services, \$300,484 for commodities, and \$371,541 for capital outlay. The Governor concurs with the agency's all other funds increase for the FEMA grant and adjusted the State Water Plan Fund by \$3,508 to correct death and disability adjustments made in the State Water Plan Fund.

### House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

## Senate Subcommittee Report

**Agency:** Department of Agriculture

**Bill No.** SB 538

**Bill Sec.** 59

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 3

**Budget Page No.** 45

Expenditure Summary	Agency Estimate FY 05	Gov. Rec. FY 05**	Senate Subcommittee Adjustments*
State General Fund	\$ 9,911,869	\$ 9,563,094	\$ (207,682)
All Other Funds	10,781,759	10,774,910	(60,308)
<b>TOTAL</b>	<b>\$ 20,693,628</b>	<b>\$ 20,338,004</b>	<b>\$ (267,990)</b>
FTE Positions	296.5	296.5	0.0
Non FTE Uncl. Perm. Pos.	19.5	17.5	0.0
<b>TOTAL</b>	<b>316.0</b>	<b>314.0</b>	<b>0.0</b>

\*Includes a reduction of \$378,437, including \$207,682 from the State General Fund for deletion of the Governor's recommended pay plan adjustments.

\*\*Includes Governor's Budget Amendment No. 1, page 6, item 12.

### Agency Request/Governor's Recommendation

**The Department of Agriculture requests** \$20,693,628 for FY 2005 operating expenditures, which is a decrease of \$642,570 or 3.0 percent from the FY 2004 estimate. The request includes \$9,911,869 from the State General Fund, which is an increase of \$458,085 from the FY 2004 estimate. The request also includes \$10,781,759 from all other funds, which is a decrease of \$1,100,655 from the FY 2004 estimate. Included in the request is \$14,935,890 for salaries and wages to fund 296.5 FTE positions, \$5,260,205 for contractual services, \$245,413 for commodities, and \$252,120 for capital outlay. The agency's request includes an enhancement package totaling \$322,473, with \$205,000 from the State General Fund and \$117,473 from the State Water Plan Fund.

**The Governor recommends** \$20,292,940 for FY 2005 operating expenditures, which is a decrease of \$1,046,766 or 4.9 percent from the FY 2004 recommendation. The recommendation includes \$9,518,030 from the State General Fund, which is an increase of \$64,246 from the FY 2004 recommendation. The recommendation also includes \$10,774,910 from all other funds, which is a decrease of \$1,111,012 from the FY 2004 recommendation. Included in the recommendation is \$14,917,126 for salaries and wages to fund 296.5 FTE positions, \$4,963,274 for contractual services, \$22,6532 for commodities, and \$186,008 for capital outlay. The Governor does not recommend the enhancement package. The Governor's recommendation includes other operating expenditure adjustments recommended by the Budget Efficiency Savings Teams (BEST) of \$57,449 including \$10,174 from the State General Fund. The recommendation also includes a 3.0 percent pay plan increase and a reduced resources package of \$386,347 from the State General Fund.

## Senate Subcommittee Recommendation

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

1. Delete \$378,437, including \$207,682 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 on January 14, 2004, the Governor introduced Executive Reorganization Order No. 32, which transfers food inspection functions from the Department of Health and Environment (KDHE) to the Department of Agriculture (KDA). The Subcommittee is supportive of the ERO with the reorganization of some functions with KDA. The Subcommittee recommends the agency be structured with two division, a division of food safety and a division of agriculture. The Subcommittee notes that passage of the ERO may necessitate the Subcommittee and the full Ways and Means Committee to revisit this budget at or before Omnibus.
3. The Subcommittee notes that the fee increases passed by the 2002 Legislature are due to sunset on June 30, 2005. The Subcommittee is concerned that without continuation of these funds the agency will not have sufficient resources to fund essential agency programs. The Subcommittee is supportive of HB 2622 which removes the sunset from these fees.
4. The Subcommittee notes the reduced resources packages recommended by Governor, and notes that the recommendation includes the elimination of funding for seven FTE positions, including four within the Division of Water Resources. The Subcommittee is concerned that these reductions, coupled with reductions made in previous years, have created a strain on the agency's ability to complete their mission. The reduction in the dairy inspection was noted, and the agency reports that the program should continue to operate effectively with the Governor's recommended reduction of funding for one FTE position. The Subcommittee expresses concern over this reduction and it's potential negative consequences, as well as reductions in other programs.

The Subcommittee further notes that the Governor recommends the reduction of funding for two FTE positions in the Water Appropriations subprogram. Many of the fee increases from the 2002 session were directed toward water programs. The Subcommittee is concerned that the potential reauthorization of the increased fees coupled with decreases in funding for the agency's water programs, water rights holders will be paying larger sums of money for less services. The Subcommittee adds \$110,447 from released encumbrances and uncommitted funds from the State Water Plan Fund to finance two FTE positions in the Water Appropriations subprogram.

## Senate Committee Recommendation

The Senate Committee concurs with the subcommittee's recommendation.



## Senate Recommendation

The Senate has not yet considered this budget.

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### House Budget Committee Report

**Agency:** Department of Agriculture

**Bill No.** HB 2900

**Bill Sec.** 59

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 3

**Budget Page No.** 45

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Gov. Rec. FY 05*</u>	<u>House Budget Committee Adjustments</u>
State General Fund	\$ 9,911,869	\$ 9,563,094	\$ 0
All Other Funds	10,781,759	10,774,910	154,842
<b>TOTAL</b>	<b>\$ 20,693,628</b>	<b>\$ 20,338,004</b>	<b>\$ 154,842</b>
FTE Positions	296.5	296.5	0.0
Non FTE Uncl. Perm. Pos.	19.5	17.5	0.0
<b>TOTAL</b>	<b>316.0</b>	<b>314.0</b>	<b>0.0</b>

\*Includes Governor's Budget Amendment No. 1, page 6, item 12.

### Agency Request/Governor's Recommendation

**The Department of Agriculture requests** \$20,693,628 for FY 2005 operating expenditures, which is a decrease of \$642,570 or 3.0 percent from the FY 2004 estimate. The request includes \$9,911,869 from the State General Fund, which is an increase of \$458,085 from the FY 2004 estimate. The request also includes \$10,781,759 from all other funds, which is a decrease of \$1,100,655 from the FY 2004 estimate. Included in the request is \$14,935,890 for salaries and wages to fund 296.5 FTE positions, \$5,260,205 for contractual services, \$245,413 for commodities, and \$252,120 for capital outlay. The agency's request includes an enhancement package totaling \$322,473, with \$205,000 from the State General Fund and \$117,473 from the State Water Plan Fund.

**The Governor recommends** \$20,292,940 for FY 2005 operating expenditures, which is a decrease of \$1,046,766 or 4.9 percent from the FY 2004 recommendation. The recommendation includes \$9,518,030 from the State General Fund, which is an increase of \$64,246 from the FY 2004 recommendation. The recommendation also includes \$10,774,910 from all other funds, which is a decrease of \$1,111,012 from the FY 2004 recommendation. Included in the recommendation is \$14,917,126 for salaries and wages to fund 296.5 FTE positions, \$4,963,274 for contractual services, \$22,6532 for commodities, and \$186,008 for capital outlay. The Governor does not recommend the enhancement package. The Governor's recommendation other operating expenditures adjustments recommended by the Budget Efficiency Savings Teams (BEST) of \$57,449 including \$10,174 from the State General Fund. The recommendation also includes a 3.0 percent pay plan increase and a reduced resources package of \$386,347 from the State General Fund.

4-6

## House Budget Committee Recommendation

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

1. The Budget Committee notes that on January 14, 2004, the Governor introduced Executive Reorganization Order No. 32, which transfers food inspection functions from the Department of Health and Environment (KDHE) to the Department of Agriculture (KDA). The Budget Committee is supportive of the ERO with the reorganization of some functions with KDA. The Budget Committee notes that passage of the ERO may necessitate the Budget Committee and the full Appropriations Committee to revisit this budget at or before Omnibus.
2. The agency reported that the proviso language in the bill related to the publications fee fund and the publication of "Insects of Kansas" limited the agency in the ability to create similar publications that would benefit Kansans (HB 2900: page 139, lines 33 - 43 and page 140, lines 1-5). The Budget Committee recommends the following modified language.

*Provided*, That expenditures may be made from the publications fee fund for operating expenditures related to preparation and publication of "~~Insects in Kansas~~" **informational or educational materials related to the programs or functions of the Kansas department of agriculture**: *Provided further*, That, notwithstanding the provisions of K.S.A. 75-1005 and amendments thereto to the contrary, the secretary of agriculture is hereby authorized to enter into a contract with a commercial publisher for the printing, distribution and sale of the publication "~~Insects in Kansas~~" **such materials**: *And provided further*, That the secretary of agriculture is hereby authorized to collect fees from such commercial publisher pursuant to contract with the publisher for the sale of the publication **such materials**: *And provided further*, That the secretary of agriculture is hereby authorized to receive and accept grants, gifts, donations or funds from any non-federal source for the printing, publication and distribution of "~~Insects in Kansas~~" **such materials**: *And provided further*, That all moneys received from such fees or for such grants, gifts, donations or other funds received for such purpose, shall be deposited in the state treasury and credited to this fund.

3. Delete Section 60 of HB 2900. This section was added by the 2002 Legislature and relates to marketing assistance for small meat lockers. The agency reported that the intent of the section has been fulfilled or is already being done.
4. Add \$12,856 from the State Water Plan Fund for the Subbasin Water Resources Management program. This funding was removed from the agency's FY 2005 budget by the Subcabinet on Natural Resources in order to finance the Circle K Ranch debt service and create a positive ending balance.
5. The Budget Committee is concerned about the levels of State General Fund financing for this agency. The agency presented historic information showing that over the past fifteen years State General Fund financing has remained stable while reliance on fees has increased, particularly within the past seven years. The Budget Committee notes that this agency provides regulatory oversight for the Kansas food and feed supply, which benefits **all** Kansans.

6. Add \$110,447 from released encumbrances and uncommitted funds from the State Water Plan Fund to finance two FTE positions in the Water Appropriations subprogram which were not funded in the Governor's recommendation. Many of the fee increases from the 2002 session were directed toward water programs. In addition, the agency had been working diligently in recent years to eliminate a backlog of water rights permits in this program. The Budget Committee is concerned that decreases in program funding coupled with fee increases will result in water rights holders paying larger sums of money for less services. The Budget Committee is also concerned that gains made by the agency in eliminating the backlog of permits will be lost with the elimination of these positions.
7. Add \$31,539 from special revenue funds for BEST reductions taken from fee funds that have either been created or have had fee increases since 2000 (Attachment A). Many of these fees were increased to fill the recent shortfalls in the State General Fund. Sweeping much of this additional revenue creates an unfair burden on the producers forced to pay these additional fees.

The Secretary of Agriculture reports that the fees generated by the 2002 increase "have been used to enhance pesticide inspection and the regulatory presence in metropolitan areas; improve food safety inspections in the dairy program; replace outdated equipment in the agricultural laboratory; process water permit applications on a more timely and efficient basis; and backfill for State General Fund cuts and address unfunded increased health care costs."

8. Concur with Governor's Budget Amendment No. 1, page 6, item 13 which properly adjusts the funding for the Governor's salary plan.

## Attachment A

### Kansas Department of Agriculture

The following fee funds have had fee increases since the 2000 Session:

Fund	FY 2005 BEST Reduction	Calendar Year	Fee Increase
Meat and Poultry Inspection Fee	\$902	2003	Overtime charge increased from \$18/hour to \$25/hour
Water Structures	855	2002	New fees for approval or permits for water structures
KS Ag. Remediation Fund	5,803		Fund created in 2000, fees assessed on grain storage facilities and agricultural chemical dealers and products
Dairy Fee	3,565	2000	Increases for various dairy licenses and fees
Water Resources Cost Fund	137	2001	Fund created in 2001, receipts related to water banking
Soil Amendment Fee	20	2002	Increases for various soil amendment fees
Agricultural Liming Materials	701	2002	Increase in quarry site and inspection tonnage fees
Weights and Measures	3,035	2002	Increases for various weights and measures fees
Water Approp. Certification	7,832	2002	Increases for various fees pertaining to water rights
Chemigation Fee	268	2002	Increases for various chemigation safety law fees
Plant Pest Emer. Response	9	2001	Fund created in 2001, temporary \$5 fee on live plant dealers
Agricultural Chemical Fee	1,397	2002	Pesticide registration fee increased from \$130 to \$150
Fertilizer Fee	3,618	2002	Increase in late penalty, decrease in transfer to fund
Pesticide Use Fee	3,354	2002	Increases in various pesticide user fees
Fert/Pesticide Compliance	43	2002	Fund created in 2002 with funds transferred from Fertilizer Fee Fund
<b>TOTAL</b>	<b>\$31,539</b>		

The total BEST transfer for this agency is \$57,449, including \$10,174 from SGF and \$47,275 from special revenue funds. Most of the above listed fee increases are the result of the 2002 legislation to increase fees for a three year period from July 1, 2002 to June 30, 2005.

# AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE

FY 2004 and FY 2005

STATE CONSERVATION COMMISSION  
KANSAS WATER OFFICE

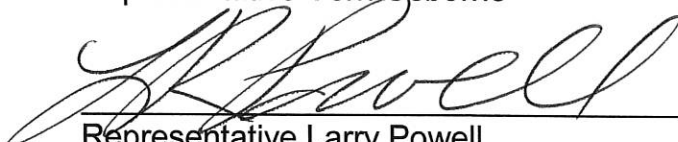
  
Representative Sharon Schwartz, Chair

Representative Vaughn Flora

Representative Doug Gatewood

  
Representative Carl Holmes

  
Representative Vern Osborne

  
Representative Larry Powell

Representative Tom Thull

HOUSE APPROPRIATIONS

DATE 3-15-2004  
ATTACHMENT 5

## Senate Subcommittee Report

**Agency:** State Conservation Commission **Bill No.** SB 536

**Bill Sec.** 49

**Analyst:** VanHouse

**Analysis Pg. No.** Vol 1 - 52

**Budget Page No.** 103

Expenditure Summary	Agency Estimate FY 04	Gov. Rec. FY 04	Senate Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ 1,959,776	\$ 1,924,776	\$ 0
Aid to Local Units	1,704,962	1,404,962	0
Other Assistance	7,520,575	7,270,575	0
<b>TOTAL</b>	<b>\$ 11,185,313</b>	<b>\$ 10,600,313</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 564,578	\$ 564,578	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 564,578</b>	<b>\$ 564,578</b>	<b>\$ 0</b>
FTE Positions	14.5	14.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>15.5</b>	<b>15.5</b>	<b>0.0</b>

### Agency Estimate/Governor's Recommendation

**The State Conservation Commission estimates** \$11,185,313 for FY 2004 operating expenditures, which is an increase of \$1,650,014 or 17.3 percent from the amount approved by the 2003 Legislature. The estimate includes \$564,578 from the State General Fund for the administration of the agency, which is a decrease of \$812 from the approved amount. The all other funds estimate is \$10,620,735, which is an increase of \$1,650,526 or 18.4 percent from the approved amount. The increase is primarily due to the agency carrying over funds from FY 2003 from the State Water Plan Fund. Included in the estimate is \$672,605 for salaries and wages, \$1,273,768 for contractual services, \$12,805 for commodities, \$598 for capital outlay, \$1,704,962 for aid to local units, and \$7,520,575 for other assistance.

**The Governor recommends** \$10,600,313 for FY 2004 operating expenditures, which is an increase of \$1,065,014 or 11.2 percent from the amount approved by the 2003 Legislature. The recommendation includes \$564,578 from the State General Fund, which is consistent with the agency's estimate. The recommendation also includes \$10,035,735 from all other funds, which is an increase of \$1,065,826 or 11.9 percent from the approved amount. From the agency estimate, the Governor recommends reductions of \$285,000 in the Water Quality Buffer Initiatives program and \$300,000 in the Multipurpose Small Lakes program. Included in the recommendation is \$672,605 for salaries and wages, \$1,238,768 for contractual services, \$12,805 for commodities, \$598 for capital outlay, \$1,404,962 for aid to local units, and \$7,270,575 for other assistance.

## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

## Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

## Senate Recommendation

The Senate has not yet considered this budget.

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## House Budget Committee Report

**Agency:** State Conservation Commission **Bill No.** HB 2899

**Bill Sec.** 49

**Analyst:** VanHouse

**Analysis Pg. No.** Vol 1 - 52

**Budget Page No.** 103

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Gov. Rec. FY 04</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 1,959,776	\$ 1,924,776	\$ 0
Aid to Local Units	1,704,962	1,404,962	0
Other Assistance	7,520,575	7,270,575	0
<b>TOTAL</b>	<b>\$ 11,185,313</b>	<b>\$ 10,600,313</b>	<b>\$ 0</b>
State General Fund:			
State Operations	\$ 564,578	\$ 564,578	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 564,578</b>	<b>\$ 564,578</b>	<b>\$ 0</b>
FTE Positions	14.5	14.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>15.5</b>	<b>15.5</b>	<b>0.0</b>

## Agency Estimate/Governor's Recommendation

The State Conservation Commission estimates \$11,185,313 for FY 2004 operating expenditures, which is an increase of \$1,650,014 or 17.3 percent from the amount approved by the 2003 Legislature. The estimate includes \$564,578 from the State General Fund for the administration of the agency, which is a decrease of \$812 from the approved amount. The all other funds

estimate is \$10,620,735, which is an increase of \$1,650,526 or 18.4 percent from the approved amount. The increase is primarily due to the agency carrying over funds from FY 2003 from the State Water Plan Fund. Included in the estimate is \$672,605 for salaries and wages, \$1,273,768 for contractual services, \$12,805 for commodities, \$598 for capital outlay, \$1,704,962 for aid to local units, and \$7,520,575 for other assistance.

**The Governor recommends** \$10,600,313 for FY 2004 operating expenditures, which is an increase of \$1,065,014 or 11.2 percent from the amount approved by the 2003 Legislature. The recommendation includes \$564,578 from the State General Fund, which is consistent with the agency's estimate. The recommendation also includes \$10,035,735 from all other funds, which is an increase of \$1,065,826 or 11.9 percent from the approved amount. From the agency estimate, the Governor recommends reductions of \$285,000 in the Water Quality Buffer Initiatives program and \$300,000 in the Multipurpose Small Lakes program. Included in the recommendation is \$672,605 for salaries and wages, \$1,238,768 for contractual services, \$12,805 for commodities, \$598 for capital outlay, \$1,404,962 for aid to local units, and \$7,270,575 for other assistance.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendation.



## Senate Subcommittee Report

**Agency:** State Conservation Commission **Bill No.** SB 538

**Bill Sec.** 63

**Analyst:** VanHouse

**Analysis Pg. No.** Vol 1 - 52

**Budget Page No.** 103

Expenditure Summary	Agency Estimate FY 05	Gov. Rec. FY 05	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 1,890,097	\$ 1,780,637	\$ (18,042)
Aid to Local Units	1,888,241	1,395,250	0
Other Assistance	7,762,598	6,083,561	0
<b>TOTAL</b>	<b>\$ 11,540,936</b>	<b>\$ 9,259,448</b>	<b>\$ (18,042)</b>
State General Fund:			
State Operations	\$ 601,717	\$ 592,127	\$ (14,818)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 601,717</b>	<b>\$ 592,127</b>	<b>\$ (14,818)</b>
FTE Positions	14.5	14.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>15.5</b>	<b>15.5</b>	<b>0.0</b>

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

### Agency Request/Governor's Recommendation

**The State Conservation Commission requests** \$11,540,936 for FY 2005 operating expenditures, which is an increase of \$355,623 or 3.2 percent from the FY 2004 estimate. The request includes \$601,717 from the State General Fund for the administration of the agency, which is an increase of \$37,139 or 6.6 percent from the FY 2004 estimate. The all other funds estimate is \$10,939,219, which is an increase of \$318,484 or 3.0 percent from the FY 2004 estimate. Included in the estimate is \$722,407 for salaries and wages, \$1,153,713 for contractual services, \$13,977 for commodities, \$1,888,241 for aid to local units, and \$7,762,598 for other assistance. The request includes an enhancement package of \$2,251,982, including \$27,868 from the State General Fund.

**The Governor recommends** \$9,259,448 for FY 2005 operating expenditures, which is a decrease of \$1,340,865 or 12.6 percent from the FY 2004 recommendation. The recommendation includes \$592,127 from the State General Fund, which is an increase of \$27,549 or 4.9 percent from the FY 2004 recommendation. The recommendation also includes \$8,667,321 from all other funds, which is a decrease of \$1,368,414 or 13.6 percent from the FY 2004 recommendation. Included in the recommendation is \$707,376 for salaries and wages, \$1,061,115 for contractual services, \$12,146 for commodities, \$1,395,250 for aid to local units, and \$6,083,561 for other assistance. The recommendation includes the 3.0 percent pay plan increase and the other operating expenditure reductions recommended by the Budget Efficiency Savings Teams. The Governor recommends the enhancement of \$4,139 from the Land Reclamation Fee Fund for employee reclassification, but does not recommend the remainder of the enhancement package.

## **Senate Subcommittee Recommendation**

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

1. Delete \$18,042, including \$14,818 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 commends the water-related agencies for working together to develop a State Water Plan Fund expenditure recommendation through the Subcabinet on Natural Resources. This is the first time the Subcommittee members recall a joint recommendation being formulated by the participating agencies.

## **Senate Committee Recommendation**

The Senate Committee concurs with the Subcommittee's recommendations.

## **Senate Recommendation**

The Senate has not yet considered this budget.

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## House Budget Committee Report

**Agency:** State Conservation Commission **Bill No.** HB 2900

**Bill Sec.** 63

**Analyst:** VanHouse

**Analysis Pg. No.** Vol 1 - 52

**Budget Page No.** 103

Expenditure Summary	Agency Estimate FY 05	Gov. Rec. FY 05	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 1,890,097	\$ 1,780,637	\$ 0
Aid to Local Units	1,888,241	1,395,250	540,491
Other Assistance	7,762,598	6,083,561	0
<b>TOTAL</b>	<b>\$ 11,540,936</b>	<b>\$ 9,259,448</b>	<b>\$ 540,491</b>
State General Fund:			
State Operations	\$ 601,717	\$ 592,127	\$ 0
Aid to Local Units	0	0	440,491
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 601,717</b>	<b>\$ 592,127</b>	<b>\$ 440,491</b>
FTE Positions	14.5	14.5	(1.5)
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>15.5</b>	<b>15.5</b>	<b>(1.5)</b>

### Agency Request/Governor's Recommendation

**The State Conservation Commission requests** \$11,540,936 for FY 2005 operating expenditures, which is an increase of \$355,623 or 3.2 percent from the FY 2004 estimate. The request includes \$601,717 from the State General Fund for the administration of the agency, which is an increase of \$37,139 or 6.6 percent from the FY 2004 estimate. The all other funds estimate is \$10,939,219, which is an increase of \$318,484 or 3.0 percent from the FY 2004 estimate. Included in the estimate is \$722,407 for salaries and wages, \$1,153,713 for contractual services, \$13,977 for commodities, \$1,888,241 for aid to local units, and \$7,762,598 for other assistance. The request includes an enhancement package of \$2,251,982, including \$27,868 from the State General Fund.

**The Governor recommends** \$9,259,448 for FY 2005 operating expenditures, which is a decrease of \$1,340,865 or 12.6 percent from the FY 2004 recommendation. The recommendation includes \$592,127 from the State General Fund, which is an increase of \$27,549 or 4.9 percent from the FY 2004 recommendation. The recommendation also includes \$8,667,321 from all other funds, which is a decrease of \$1,368,414 or 13.6 percent from the FY 2004 recommendation. Included in the recommendation is \$707,376 for salaries and wages, \$1,061,115 for contractual services, \$12,146 for commodities, \$1,395,250 for aid to local units, and \$6,083,561 for other assistance. The recommendation includes the 3.0 percent pay plan increase and the other operating expenditure reductions recommended by the Budget Efficiency Savings Teams. The Governor recommends the

enhancement of \$4,139 from the Land Reclamation Fee Fund for employee reclassification, but does not recommend the remainder of the enhancement package.

### **House Budget Committee Recommendation**

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

1. The Budget Committee reduces the FTE positions of the agency by 1.5 positions. The agency reported to the committee that these positions are vacant and are not necessary due to the development of a web-based database program and a subsequent reorganization of agency operations.
2. The Budget Committee adds \$440,491 from the State General Fund for the construction of HorseThief Reservoir in Hodgeman County. It was reported to the Committee that this project is ready for construction and that Pawnee Watershed District has already expended over \$1 million toward the project.
3. The Budget Committee adds \$100,000 from the State Water Plan Fund for the Watershed Dam Construction program. The agency reported that this program has experienced a 75 percent decrease since FY 1995. Of the 30 applications on file representing nearly \$2.5 million in funding requests, the Governor's recommendation only allows funding for three to four projects.

## Senate Subcommittee Report

**Agency:** Kansas Water Office

**Bill No.** SB 536

**Bill Sec.** 50

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 65 **Budget Page No.** 447

Expenditure Summary	Agency Estimate FY 04	Gov. Rec. FY 04	Senate Subcommittee Adjustments
State General Fund	\$ 1,285,322	\$ 1,263,814	\$ 0
Other Funds	4,814,487	4,814,498	0
<b>TOTAL</b>	<b>\$ 6,099,809</b>	<b>\$ 6,078,301</b>	<b>\$ 0</b>
FTE Positions	22.5	22.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>23.5</b>	<b>23.5</b>	<b>0.0</b>

### Agency Estimate/Governor's Recommendation

**The Kansas Water Office estimates** \$6,099,809 for FY 2004 operating expenditures, which is an increase of \$464,839 from the amount approved by the 2003 Legislature. The estimate includes \$1,285,322 from the State General Fund, which is an increase of \$26,613 from the approved amount. The all other funds estimate is \$4,814,487, which is an increase of \$438,226 from the approved amount. The estimate includes \$1,372,218 for salaries and wages to fund 22.5 FTE positions. The estimate also includes \$4,677,083 for contractual services, \$29,308 for commodities and \$21,200 for capital outlay. Adjustments from the approved amount include the budgeted expenditure of KSIP funds and the receipt of a federal grant from the Environmental Protection Agency (EPA).

**The Governor recommends** \$6,078,301 for FY 2004 operating expenditures, which is an increase of \$443,331 from the amount approved by the 2003 Legislature. The recommendation includes \$1,263,814 from the State General Fund, which is an increase of \$5,105 from the approved amount. The all other funds estimate is \$4,814,487, which is an increase of \$438,226 from the approved amount. The recommendation includes \$1,350,710 for salaries and wages, \$4,677,083 for contractual services, \$29,308 for commodities, and \$21,200 for capital outlay. The Governor recommends the reduction of \$21,508 from the State General Fund to eliminate the funding for a vacant Civil Engineer I position. The Governor's recommendation for all other funds is consistent with the agency's estimate.

### Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation, with the following adjustment.

1. The Subcommittee recommends the inclusion of a proviso granting carry over authority for the Assessment and Evaluation and Federal Cost Share programs from the State Water Plan Fund. The agency reports that due to the change in operational approach from the creation of the Subcabinet on Natural Resources,

several studies funded from these line items have been postponed or reprioritized.

### Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

### Senate Recommendation

The Senate has not yet considered this budget.

## House Budget Committee Report

**Agency:** Kansas Water Office

**Bill No.** HB 2899

**Bill Sec.** 50

**Analyst:** VanHouse

**Analysis Pg. No.** Vol 1 - 65

**Budget Page No.** 447

Expenditure Summary	Agency Estimate FY 04	Gov. Rec. FY 04	House Budget Committee Adjustments
State General Fund	\$ 1,285,322	\$ 1,263,814	\$ 0
Other Funds	4,814,487	4,814,498	0
<b>TOTAL</b>	<b>\$ 6,099,809</b>	<b>\$ 6,078,301</b>	<b>\$ 0</b>
FTE Positions	22.5	22.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>23.5</b>	<b>23.5</b>	<b>0.0</b>

### Agency Estimate/Governor's Recommendation

**The Kansas Water Office estimates** \$6,099,809 for FY 2004 operating expenditures, which is an increase of \$464,839 from the amount approved by the 2003 Legislature. The estimate includes \$1,285,322 from the State General Fund, which is an increase of \$26,613 from the approved amount. The all other funds estimate is \$4,814,487, which is an increase of \$438,226 from the approved amount. The estimate includes \$1,372,218 for salaries and wages to fund 22.5 FTE positions. The estimate also includes \$4,677,083 for contractual services, \$29,308 for commodities and \$21,200 for capital outlay. Adjustments from the approved amount include the budgeted expenditure of KSIP funds and the receipt of a federal grant from the Environmental Protection Agency (EPA).

**The Governor recommends** \$6,078,301 for FY 2004 operating expenditures, which is an increase of \$443,331 from the amount approved by the 2003 Legislature. The recommendation includes \$1,263,814 from the State General Fund, which is an increase of \$5,105 from the approved amount. The all other funds estimate is \$4,814,487, which is an increase of \$438,226 from the

approved amount. The recommendation includes \$1,350,710 for salaries and wages, \$4,677,083 for contractual services, \$29,308 for commodities, and \$21,200 for capital outlay. The Governor recommends the reduction of \$21,508 from the State General Fund to eliminate the funding for a vacant Civil Engineer I position. The Governor's recommendation for all other funds is consistent with the agency's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendation.

## Senate Subcommittee Report

**Agency:** Kansas Water Office

**Bill No.** SB 538

**Bill Sec.** 64

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 65 **Budget Page No.** 447

Expenditure Summary	Agency Request FY 05	Gov. Rec. FY 05	Senate Subcommittee Adjustments*
State General Fund	\$ 2,627,238	\$ 1,297,854	\$ (34,005)
Other Funds	4,382,069	4,102,576	17,523
<b>TOTAL</b>	<b>\$ 7,009,307</b>	<b>\$ 5,400,430</b>	<b>\$ (16,482)</b>
FTE Positions	22.5	22.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>23.5</b>	<b>23.5</b>	<b>0.0</b>

\* Includes a reduction of \$36,482, including \$34,005 from the State General Fund for deletion of the Governor's recommended pay plan adjustments.

### Agency Request/Governor's Recommendation

**The Kansas Water Office requests** \$7,009,307 for FY 2005 operating expenditures, which is an increase of \$909,498 or 14.9 percent from the FY 2004 estimate. The request includes \$2,627,238 from the State General Fund, which is an increase of \$1,341,916 or 104.4 percent from the FY 2004 estimate. The all other funds request is \$4,382,069, which is a decrease of \$432,418 or 9.0 percent from the FY 2004 estimate. The request includes \$1,414,480 for salaries and wages to fund 22.5 FTE positions. The request also includes \$5,547,221 for contractual services, \$27,606 for commodities and \$20,000 for capital outlay. The agency request includes an enhancement package of \$1,336,039 from the State General Fund. The agency did not budget expenditures for federal grants and receipts in FY 2005, which is reflected in the reduction in all other funds expenditures for FY 2005.

**The Governor recommends** \$5,400,430 for FY 2004 operating expenditures, which is a decrease of \$677,871 or 11.2 percent from the FY 2004 recommendation. The recommendation includes \$1,297,854 from the State General Fund, which is an increase of \$32,040 or 2.7 percent from the FY 2004 recommendation. The all other funds estimate is \$4,102,576, which is a decrease of \$711,911 or 14.8 percent from the FY 2004 recommendation. The recommendation includes \$1,391,446 for salaries and wages, \$3,982,106 for contractual services, \$9,548 for commodities, and \$17,330 for capital outlay. The Governor recommends the reduction of \$27,011 from the State General Fund to eliminate the funding for a vacant Civil Engineer I position. The Governor's recommendation includes adjustments for a 3.0 percent pay plan increase and for operating reductions as recommended by the Budget Efficiency Savings Teams (BEST).

### Senate Subcommittee Recommendation

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

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1. Delete \$36,482, including \$34,005 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 recommends the introduction of a bill to create the following:
  - a. The Water Supply Storage Assurance District Fund and to grant the agency the authority to make expenditures from the fund. Each year the agency receives money from the Water Assurance Districts, which must be used to pay: (1) the federal government, for the annual capital cost of water supply storage space in reservoirs under the Water Assurance Act; (2) the Pooled Money Investment Board, for repayment of costs associated with the purchase of storage space in federal reservoirs for use by Assurance Districts; (3) the Water Marketing Fund, for water supply storage space previously paid for with revenue from Water Marketing Fund, when such storage has been transferred to the Water Assurance Program; (4) the federal government, for annual operational, maintenance, and repair costs associated with the water supply storage space dedicated for the use of Water Assurance Districts, and; (5) the Water Marketing Fund and the State General Fund, for costs incurred by the state for the administration and enforcement of applicable laws governing the operations and management of the Water Assurance Program, as provided in contracts with the Assurance Districts. The Committee notes that the agency has routinely made these transactions since the inception of the Water Assurance Program. However, in 1998, the statute that established the Water Supply Storage Assurance District Fund was inadvertently abolished. A proviso creating the fund has been included in the appropriations bill since that time.
  - b. A fund for receiving and passing through local match funds for federal cost-share programs. A fund was created to allow the agency to partner with local governments to increase the amount of federal funding accessed in Kansas. These are federal programs which provide planning assistance to states and other entities and technical assistance to state, tribes, and other entities. A one-to-one match of state to federal dollars is required. A proviso creating this fund has been included in the appropriations bill since the 2001 Legislative Session.
3. The agency reported on water releases from Kansas reservoirs for navigation on the Missouri River. In July and November of 2002, the U.S. Army Corps of Engineers released water from Milford, Tuttle Creek, and Perry Reservoirs to help meet navigation target flows in the Missouri River at Kansas City. The Kansas Water Office has been involved in negotiations with the Corps, encouraging the Corps to revise its regulations regarding the three reservoirs. The intent of the Kansas Water Office is to allow the Corps to only release water for navigation purposes from Tuttle Creek Reservoir. The agency reports that the state only has approximately 42 percent of the pool under contract at Tuttle Creek, while the entire pool is under contract at Milford and Perry. In addition, the water levels at Milford and Perry are historically more stable, resulting in more recreation at these two lakes. The agency anticipates a resolution to these discussions by the end of February, 2004. The Subcommittee is encouraged by these negotiations,

and commends the agency for seeking a resolution to this situation that did not involve litigation or the purchase of additional water storage.

4. The Subcommittee adds \$10,000 from the State Water Plan Fund and \$10,000 from the Economic Development Initiatives Fund for Project WET (Water Education for Teachers). Project WET is an educational program administered through the Kansas Association for Conservation and Environmental Education (KACEE) and provides water resources training and lesson plans for teachers in elementary and secondary schools.

### Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

### Senate Recommendation

The Senate has not yet considered this budget.

## House Budget Committee Report

**Agency:** Kansas Water Office

**Bill No.** HB 2900

**Bill Sec.** 64

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 65

**Budget Page No.** 447

Expenditure Summary	Agency Request FY 05	Gov. Rec. FY 05	House Budget Committee Adjustments
State General Fund	\$ 2,627,238	\$ 1,297,854	\$ 0
Other Funds	4,382,069	4,102,576	120,000
<b>TOTAL</b>	<b>\$ 7,009,307</b>	<b>\$ 5,400,430</b>	<b>\$ 120,000</b>
FTE Positions	22.5	22.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>23.5</b>	<b>23.5</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

**The Kansas Water Office requests** \$7,009,307 for FY 2005 operating expenditures, which is an increase of \$909,498 or 14.9 percent from the FY 2004 estimate. The request includes \$2,627,238 from the State General Fund, which is an increase of \$1,341,916 or 104.4 percent from the FY 2004 estimate. The all other funds request is \$4,382,069, which is a decrease of \$432,418 or 9.0 percent from the FY 2004 estimate. The request includes \$1,414,480 for salaries and wages to fund 22.5 FTE positions. The request also includes \$5,547,221 for contractual services, \$27,606 for commodities and \$20,000 for capital outlay. The agency request includes an enhancement package of \$1,336,039 from the State General Fund. The agency did not budget expenditures for

federal grants and receipts in FY 2005, which is reflected in the reduction in all other funds expenditures for FY 2005.

**The Governor recommends** \$5,400,430 for FY 2004 operating expenditures, which is a decrease of \$677,871 or 11.2 percent from the FY 2004 recommendation. The recommendation includes \$1,297,854 from the State General Fund, which is an increase of \$32,040 or 2.7 percent from the FY 2004 recommendation. The all other funds estimate is \$4,102,576, which is a decrease of \$711,911 or 14.8 percent from the FY 2004 recommendation. The recommendation includes \$1,391,446 for salaries and wages, \$3,982,106 for contractual services, \$9,548 for commodities, and \$17,330 for capital outlay. The Governor recommends the reduction of \$27,011 from the State General Fund to eliminate the funding for a vacant Civil Engineer I position. The Governor's recommendation includes adjustments for a 3.0 percent pay plan increase and for operating reductions as recommended by the Budget Efficiency Savings Teams (BEST).

### **House Budget Committee Recommendation**

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

1. Add \$120,000 from the State Water Plan Fund for the Weather Modification program. The Budget Committee heard testimony from the Program Manager/Meteorologist for the Western Kansas Weather Modification Program. It was reported that significant reductions have been made in hail damage and subsequently crop-hail insurance premiums since the inception of the program. Adequate state funding has not been provided since 2002, and lack of funding and increased operating costs have strained the effectiveness of the program.
2. The Budget Committee notes that, over the lifetime of the State Water Plan Fund, over \$7.5 million dollars have been spent from the fund for the daily operations of state agencies. KSA 82a-951 states that the State Water Plan Fund "shall be used only for the establishment and implementation of water-related projects and program, and related technical assistance." The Budget Committee recommends that future appropriations from the State Water Plan Fund should reflect the original intent of the fund as stated in statute and not be used to finance the daily operations of state agencies.
3. The Budget Committee recommends the inclusion of a proviso stating that water in Cedar Bluff Reservoir under the control of the State of Kansas not be released for environmental, domestic, municipal, industrial or irrigation purposes except for operation of Kansas Wildlife and Parks facilities below the Dam.

February 19, 2004

The Honorable Melvin Neufeld, Chairperson  
House Committee on Appropriations  
Statehouse, Room 517-S  
Topeka, Kansas 66612

Dear Representative Neufeld:

SUBJECT: Fiscal Note for HB 2783 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2783 is respectfully submitted to your committee.

HB 2783 would purge appropriation bills of any substantive provisions that are not strictly related to the allocation and expenditure of funds, including amendments to statutory law and transfers not otherwise allowed in substantive law.

Eliminating provisos and not being able to amend statutory law in appropriations bills without incorporating the same provisions into substantive law would have a significant fiscal effect on the state budget. Most notable are the demand transfer obligations in statutory law that are negated or reduced for budget reasons each year. Without these provisions in the appropriations bill, the obligation of the state to pay at the statutory level would be in force. The fiscal effect of these transfers for FY 2005, compared to the Governor's recommendation, is listed below. The difference between these columns, or \$329.8 million, is the amount the state would be obligated to pay beyond the totals included in the Governor's recommendation.

HOUSE APPROPRIATIONS

DATE 3-15-2004  
ATTACHMENT 6

		Existing <u>Statute</u>	Gov. <u>Rec.</u>
Treasurer	Local Ad Valorem Tax Reduction	\$67,262,000	\$ --
Treasurer	City and County Revenue Sharing	51,482,000	--
KDOT	State Highway	200,200,000	--
KDOT	Special City and County Highway	18,000,000	10,063,644
Education	School District Capital Improvement	57,000,000	57,000,000
Selected Agencies	State Water Plan	6,000,000	3,748,839
State Fair	Capital Improvements	300,000	--
KCC	Oil/Gas Well Plugging	400,000	--
Regents	Faculty of Distinction	<u>400,000</u>	<u>400,000</u>
Total		\$401,044,000	\$71,212,483

In addition, appropriations bill provisos authorize fees to be charged and establish the rates in the bills. Without these authorizations, the revenue now flowing into these funds would cease, and any services financed through those funds would be correspondingly affected. Examples include fees for architectural services and the fee for leased space by state agencies in Shawnee County, both of which are part of the Department of Administration's budget.

The inability to transfer money from one fund to another would mostly affect revenue transfers among agencies. An example would be the \$77,250 that the Department of Administration transfers to the Department of Revenue to cover the cost of services provided by Revenue in connection with the Debt Setoff Program. Existing law permits the Governor, through an Executive Directive, to transfer funds from one item of appropriation to another within an agency. However, any movement of funds from one agency to another would have to be either a revenue transfer authorized by statutory law or a provision in a contractual arrangement or memorandum of agreement, which would appear in budgets as an expenditure.

Sincerely,

Duane A. Goossen  
Director of the Budget

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September 18, 2002

**ATTORNEY GENERAL OPINION NO. 2002-45**

The Honorable Laura McClure  
State Representative, 119<sup>th</sup> District  
202 South 4<sup>th</sup>  
Osborne, Kansas 67473

The Honorable Carl Holmes  
State Representative, 125<sup>th</sup> District  
P.O. Box 2288  
Liberal, Kansas 67905

Re:

Constitution of the State of Kansas--Legislative--Legislative Power;  
Authority of Legislature to Transfer Money from Special Revenue  
Funds into the State General Fund

Synopsis:

If an assessment so exceeds the cost of regulation that it is apparent the Legislature is using it as a general revenue raising measure, the overage cannot stand on police power authority. If the assessment is in fact a revenue raising measure, it must be analyzed as such, which may include a determination as to whether it meets Commerce Clause and Equal Protection requirements, as well as any state constitutional requirements applicable to the type of tax it is. If an assessment cannot stand on either police power or taxing authority, it would have to be reimbursed. Whether the general fund contribution of a fund administered by an agency performing police power functions so far exceeds the direct and indirect costs incurred by the State on behalf of such agency as to be improper can be determined only as a factual matter on a case-by-case basis. While we do not have sufficient factual information to make this determination for the four scenarios discussed herein, we seriously question whether the agencies involved cost the State in indirect and administrative expenses as much as was taken from their funds during the 2002 Session. If, based on facts presented, a court determined that too much money was taken, and that the individuals and entities who pay fees and assessments to these agencies therefore are paying more than their fair share for the State's general operating expenses, it is likely the court would order those assessments reduced and payments into the general fund reversed. Cited herein: K.S.A. 9-1701; 9-1703; 9-2204; 9-2209; 9-2210; 16a-1-102; K.S.A. 7

**HOUSE APPROPRIATIONS**<http://www.kscourts.org/ksag/opinions/2002/2002-045.htm>DATE 3-15-2004  
ATTACHMENT 7

2-302; 16a-6-104; 16a-6-203; 17-5601; 17-5610; 17-5701; K.S.A. 44-501; K.S.A. 2001 Supp. 44-566a; K.S.A. 44-702; K.S.A. 2001 Supp. 44-703; K.S.A. 44-704; K.S.A. 2001 Supp. 44-710; 44-714; K.S.A. 44-716; K.S.A. 2001 Supp. 44-717; K.S.A. 44-719; K.S.A. 2001 Supp. 65-2801; 65-2803; 65-2812; K.S.A. 2001 Supp. 65-2836; K.S.A. 65-2846; K.S.A. 2001 Supp. 65-2852; 65-2855; K.S.A. 65-2909; K.S.A. 2001 Supp. 65-2911; 65-5509; 65-5513; 65-6910; 75-1304; 75-1308; K.S.A. 75-1310; K.S.A. 2001 Supp. 75-1315; K.S.A. 75-3170; K.S.A. 2001 Supp. 75-3170a; L. 2002, Ch. 204, §§ 12, 15, 57, 74; L. 2001, Ch. 144, §126; K.A.R. 100-11-1; 100-28a-1; 100-29-7.

\* \* \*

Dear Representatives McClure and Holmes:

You request our opinion regarding the authority of the Legislature to transfer moneys from certain special revenue funds to the state general fund. The specific funds about which you inquire are the healing arts fee fund, the bank commissioner fee fund, the special employment security fund, and the workers compensation fund. You indicate that the 2002 Legislature, by acts of appropriation, ordered various amounts of money to be transferred from these and other funds into the state general fund. Your specific questions with regard to these fund transfers are as follows:

"(1) Is the transfer of money from a dedicated fee fund to the State General Fund permitted by Kansas Statute, or by the Federal or State Constitution?

"If there is appropriate authorization to transfer these funds:

"(2) Is there an obligation to repay the amount transferred?

"(3) If so, within what time frame do the funds need to be repaid?"

We will look at each of these funds and the transfers that were made during the 2002 legislative session. First, however, we believe it would be helpful to review the State's authority to exact these types of fees and assessments.

The power of a state to regulate business and industry for the protection of its citizens derives from its police power.

"The police power is as old as the civilized governments which exercise it. The states existed before the Constitution of the United States, and they possessed the police power before the adoption of that organic document. The states require no specific grant of authority in the Federal Constitution to legislate with respect to matters traditionally within the scope of the police power. Moreover, the Constitution supposes the pre-existence of the police power, and must be construed with reference to that fact."<sup>(1)</sup>

"The term 'police power' is difficult to define precisely, because it is extensive, elastic, and constantly evolving to meet new and increasing demands for its exercise for the benefit of society and to promote the

general welfare. It embraces the state's power to preserve and to promote the general welfare and it is concerned with whatever affects the peace, security, safety, morals, health, and general welfare of the community; thus, it cannot be circumscribed within narrow limits, nor can it be confined to precedents resting alone on conditions of the past. The term has been characterized as hazy and ambiguous, and the line separating the legitimate use of the police power from the illegitimate is often incapable of precise delimitation, as it varies from circumstance to circumstance."<sup>(2)</sup>

While police power is very broad and often difficult to define, there is a definite distinction between a state's police power and its power to levy taxes.

"Broadly speaking, the distinction is that the taxing power is exercised for the purpose of raising revenue and is subject to certain designated constitutional limitations, while the police power is exercised for the promotion of the public welfare by means of the regulation of dangerous or potentially dangerous businesses, occupations, or activities, and is not subject to constitutional restrictions applicable to the taxing power. It may consequently be said that if the primary purpose of a statute or ordinance exacting an imposition of some kind is to raise revenue, it represents an exercise of the taxing power, while if the primary purpose of such an enactment is the regulation of some particular occupation, calling, or activity, it is an exercise of the police power, even if it incidentally produces revenue."<sup>(3)</sup>

Kansas cases have recognized this distinction between police power and revenue raising measures and that the analysis of the State's authority depends on which power is being exercised.

"At the outset, it is clear that under its police power the state may reimburse itself for the costs of otherwise valid regulation and supervision by charging the necessary expenses to the businesses or persons regulated. (*State, ex rel., v. Cumiskey*, 97 Kan. 343, 352, 155 Pac. 47; *Gt. Northern Ry. v. Washington*, 300 U.S. 154, 160, 57 S.Ct. 397, 81 L.Ed. 573.) A statute, however, is void if it shows on its face that some part of the exaction is to be used for a purpose other than the legitimate one of supervision and regulation (*Gt. Northern Ry. v. Washington*, supra, pp. 160-161), or if more than adequate remuneration is secured (*State, ex rel., v. Cumiskey*, supra; *State, ex rel., v. Ross*, 101 Kan. 377, 166 Pac. 505). Where interstate commerce is involved and the statute shows that expenses other than those of legitimate supervision and regulation are defrayed from the assessments levied on the regulated businesses, or the income derived from the fees collected so far exceeds the expenses of regulation as to impugn the good faith of the law, it cannot stand, either under the commerce clause or under the Fourteenth Amendment to the Federal constitution. (*Gt. Northern Ry. v. Washington*, supra, pp. 160-161.)"<sup>(4)</sup>

Ten years ago in *Executive Aircraft v. City of Newton*<sup>(5)</sup> a fuel flowage "regulatory fee" assessed by a city and county for all aviation fuel transported onto airport premises



was found to be an illegal tax. Although this was essentially a home rule case, the Court addressed the distinction between a fee and a tax:

"Thus, a tax is a forced contribution to raise revenue for the maintenance of governmental services offered to the general public. In contrast, a fee is paid in exchange for a special service, benefit, or privilege not automatically conferred upon the general public. A fee is not a revenue measure, but a means of compensating the government for the cost of offering and regulating the special service, benefit, or privilege. Payment of a fee is voluntary-an individual can avoid the charge by choosing not to take advantage of the service, benefit or privileged offered.

....

"The distinction between a fee and a tax does not depend upon its label, but rather on the nature and function of the charge. Any applicable statutes must be considered in determining the validity of such a charge."<sup>(6)</sup>

Thus, it is first necessary to determine whether a particular exaction is an exercise of the police power or is a tax imposed for revenue raising purposes. Then, if it is found to be an exercise of police power, it is necessary to determine whether the amount of the assessment is reasonably approximate to the cost of regulation because once "adequate remuneration has been secured the police power is exhausted."<sup>(7)</sup> Exact precision is not required;<sup>(8)</sup> the courts will tolerate some discrepancy as long as there is no evidence of legislative intent to utilize the fee as a revenue raising measure.

"The mere fact that the fees charged under such a [police power] statute exceed the expense of its execution is not enough to render it invalid. For instance, the difference between an income of from \$70,000 to \$75,000 and an outlay of from \$55,000 to \$60,000 has been said by this court not to afford a sufficient basis for avoiding such a statute. (Citation omitted.) To have that effect one of two conditions must be met: either the discrepancy must be so great that the court is forced to the conclusion that the legislature in the first instance acted in bad faith, and intended to produce a revenue under the pretext of requiring an inspection, or else the law-making body must have neglected an opportunity to revise the charges exacted after experience had demonstrated beyond controversy that as previously imposed they were unreasonably and unnecessarily high."<sup>(9)</sup>

The issue of whether regulatory fees were assessed as pretextual revenue sources has been addressed by the Kansas appellate courts in varying circumstances and with varying outcomes. A review of these cases may be instructive.

In the 1916 case of *State ex rel. Brewster v. Cumiskey*,<sup>(10)</sup> the Kansas Supreme Court considered the validity of a law requiring inspection of petroleum products and prescribing a schedule of inspection fees, half of which were retained by the inspectors as compensation for their services, and the balance paid to the state treasurer. The Court held "that the fees grossly exceeded the amounts reasonably required to effectuate the lawful regulatory purposes of the act and that the section of the act,

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which fixed the fees, was void."<sup>(11)</sup>

The following year in *State ex rel. Brewster v. Ross*,<sup>(12)</sup> the Court upheld fees required of exhibitors to defray the cost of inspecting motion picture films, as not so disproportionate to the expenses involved as to constitute a revenue measure. Here, only approximately one third of the fees generated were applied to regulatory expenses. While acknowledging that the discrepancy between the fees collected and the cost of administering the law was "indeed large," the Court went on to say that it was "not so excessive as the bare figures given would indicate, for there is no reason why the overhead expenses should not be taken into account."<sup>(13)</sup> The Court concluded that the surplus was "not so large as to compel or justify the conclusion" that the law was enacted "with the real design of producing a revenue and that the avowed purpose of preventing the exhibition of objectionable films was a mere pretext."<sup>(14)</sup>

Several years later, in *City of Beloit v. Lamborn*,<sup>(15)</sup> a city ordinance requiring milk distributors to obtain a permit and pay a fee was challenged. The City collected \$1,125 a year in fees and paid \$480 a year for the services of a state inspector. Finding that other expenses might be involved in the routine regulatory program and that emergency situations would require expenditure of greater sums, the Court found the fees were not grossly disproportionate to the expenses of regulation.

In the 1965 case of *Watson v. City of Topeka*,<sup>(16)</sup> fees for depositing building materials on city property adjoining building sites were found to be so grossly excessive as to bear no reasonable relationship to regulatory purposes and thereby exceeded legitimate police powers of the City. Here the approximate \$52,000 in fees would have nearly paid the total annual salaries of the building inspector and his assistants as contrasted with only a once a week inspection. Additionally, the fees were deposited in the City's general fund for use in paying general expenses. The *Watson* Court identified the principle expressed by these prior cases is whether fees established by law are reasonably related to the expenses they were intended to pay. "This," said the Court, "presents a factual question."<sup>(17)</sup>

In *Panhandle Eastern Pipe Line Co. v. Fadely*,<sup>(18)</sup> the Kansas Supreme Court held invalid an appropriation act directing the transfer of twenty percent of all costs collected by the Corporation Commission pursuant to certain regulatory statutes to the state general fund *to be used indiscriminately for the general expenses and obligations of the state*. The Court found that this appropriation act showed, on its face, that it was to be used for purposes other than regulating and supervising the industry from which it was collected.<sup>(19)</sup> Subsequent to the Court's decision in *Panhandle Eastern*, the Legislature enacted K.S.A. 75-3170 requiring the transfer of twenty percent of the gross receipts from a number of fee funded state agencies to the state general fund "to reimburse the said fund for accounting, auditing, budgeting, legal, payroll, personnel, and purchasing services, and any and all other state governmental services, which are performed on behalf of each of said agencies by other state agencies receiving general revenue fund appropriations to provide such services. . . ."<sup>(20)</sup> This twenty percent transfer to reimburse the State for the listed expenses was upheld by the Court in *Fidelity Inv. Co. v. Hale*, absent any showing that twenty percent of fees collected does not constitute reasonable reimbursement for other state supportive services or that the

charge is out of all proportion to the costs involved.<sup>(21)</sup>

The rule of law derived from these cases is this: If an assessment is determined to so exceed the cost of regulation that it is apparent the Legislature is using it as a general revenue raising measure, the overage cannot stand on police power authority.<sup>(22)</sup> If the assessment is in fact a revenue raising measure, it must be analyzed as such, which may include a determination as to whether it meets Commerce Clause and Equal Protection requirements, as well as any state constitutional requirements applicable to the type of tax that it is.<sup>(23)</sup> If an assessment exceeds both police power and taxing authority, then it would have to be repaid. With these principles in mind, we turn now to the fund transfers about which you inquire.

### Healing Arts Fee Fund

The Board of Healing Arts is the statutory agency charged with administering the provisions of the Healing Arts Act.<sup>(24)</sup> The purpose of the Healing Arts Act is to regulate the practice of the healing arts in the interests of public health, safety and welfare, so that the public will be "properly protected against unprofessional, improper, unauthorized and unqualified practice of the healing arts. . . ."<sup>(25)</sup> To achieve this purpose, the Board issues licenses or permits to qualified persons wishing to practice the healing arts<sup>(26)</sup> and takes disciplinary action against those licensees or permit holders found to be in violation of the Healing Arts Act.<sup>(27)</sup> Protecting the public in this manner is a legitimate exercise of the State's police power.<sup>(28)</sup>

K.S.A. 2001 Supp. 65-2852 authorizes the Board to assess fees for issuance of licenses and permits,<sup>(29)</sup> and K.S.A. 65-2846 authorizes, in some instances, the costs of proceedings before the Board to be assessed against the licensee. Neither of these statutes evidences a legislative intent for these assessments to constitute a tax. Rather, the intent appears to have been to support the Board's exercise of its regulatory functions.

In accordance with K.S.A. 2001 Supp. 65-2855, the Board of Healing Arts is to remit all moneys received by or for the Board from fees, charges or penalties to the State Treasurer for deposit in the state treasury. Twenty percent of the amount so deposited is to be credited to the state general fund and the balance is to be credited to the healing arts fee fund.<sup>(30)</sup> This twenty percent is designed to reflect Board reimbursement to the State for "accounting, auditing, budgeting, legal, payroll, personnel, and purchasing services, and any and all other state governmental services, which are performed on behalf of"<sup>(31)</sup> the Board. In the absence of a showing that this amount is grossly disproportionate to the cost of services rendered, it will be considered reasonable.<sup>(32)</sup>

For fiscal year 2002, the Board's twenty percent general fund credit required by statute amounted to \$200,000, in light of the cap imposed by K.S.A. 2001 Supp. 75-3170a(c).<sup>(33)</sup> In addition, we are told that the Board was also billed in fiscal year 2002 for certain "direct" services, including printing and interest on the printing plant, storage of records at the records center or archives, facilities management services, central mail,

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personnel training and the Division of Information Systems and Communication (DISC) services, in the amount of \$32,628.<sup>(34)</sup> The Board expects its fiscal year 2003 contribution to the general fund under these provisions to be approximately the same as it was for fiscal year 2002.<sup>(35)</sup> However, in addition to these exactions, the 2002 Legislature, by appropriation act, directed the transfer of an additional \$200,000 from the healing arts fee fund to the general fund "to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services."<sup>(36)</sup> We note that these are the same services for which the Board is required to reimburse the State under K.S.A. 2001 Supp. 75-3170a.

Thus, in fiscal year 2003, under the provisions that currently exist, the Board of Healing Arts will be required to transfer to the state general fund for services reimbursement approximately \$430,000 of the applicant and practitioner fees assessed by the Board. By contrast, the information we have been provided regarding the estimated cost of direct and indirect services to the Board indicates that, as mentioned above, only \$32,628 was billed for services, and the Board's allocated share of statewide indirect central services for fiscal year 2002 (for federal grant reporting purposes) was \$11,851.<sup>(37)</sup> These costs are not expected to significantly increase in fiscal year 2003. No transfer similar to the additional \$200,000 required by the 2002 Legislature for fiscal year 2003 was made in fiscal year 2002 and we are unaware of any legislative pattern of requiring additional transfers.

It appears that the amount required to be paid to reimburse the State for direct and indirect services to the Board may outweigh the actual cost of those services. The situation is further exacerbated by the fact that the Board had to increase fees for fiscal year 2003 to compensate for the additional transfer.<sup>(38)</sup> However, we are unable to say definitively, without complete accounting information, that such required credits to the general fund constitute a clear, bad faith legislative intent to use regulatory fees for the improper purpose of raising general revenue. First, the statutes and appropriation act that require the Board to make general fund payments explicitly state that such payments are to reimburse the State for services rendered to the Board; thus the provisions are not invalid on their face as was the case with those at issue in *Panhandle Eastern Pipe Line Company v. Fadely*.<sup>(39)</sup> Secondly, the amount the Board is billed for certain direct services and the amount the Director of Accounts and Reports has determined to be the Board's allocation of certain indirect services may not cover all the expenses of the State in assisting the Board to administer the Healing Arts Act. The reported allocated share of statewide indirect central services costs for the Board (\$11,851) covers only the costs of services from the Department of Administration and the State Treasurer's office, as this is all that is allowed by the federal law establishing such allocations.<sup>(40)</sup> (We do not know whether there are any federal restrictions on the use of the healing arts fee fund.)

Without a complete accounting to determine whether the Board's functions cost \$200,000 more in fiscal year 2003 than in past years, or that \$200,000 has been insufficient in past years, the transfer of an additional \$200,000 causes concern. However, without more complete information, we are unable to definitively say that the amounts credited to the general fund create a discrepancy between actual cost and

amount of reimbursement that is "so great that the court is forced to the conclusion that the legislature in the first instance acted in bad faith, and intended to produce a revenue under the pretext of requiring an inspection,"<sup>(41)</sup> or that the Legislature has neglected "an opportunity to revise the charges exacted after experience [has] demonstrated beyond controversy that as previously imposed they were unreasonably and unnecessarily high."<sup>(42)</sup>

### **Bank Commissioner Fee Fund**

The State Bank Commissioner is charged with administering the banking, savings and loan, mortgage business and consumer credit laws of this State.<sup>(43)</sup> The purpose of these laws, generally speaking, is to protect consumers.<sup>(44)</sup> This is a police power function of the State.<sup>(45)</sup> The Bank Commissioner is authorized to assess fees and costs associated with the administration of these laws.<sup>(46)</sup> As with the Healing Arts Act provisions, none of these statutes evidences a legislative intent for these assessments to constitute a tax, but rather the intent appears to have been to reimburse the Commissioner for regulatory functions. In fact, the Bank Commissioner, at least with regard to the bank assessment, estimates on an annual basis the amount that will be needed for that fiscal year and, if any overage occurs, the amount is carried forward and the assessment commensurately reduced for the following fiscal year.

All fees collected by the Bank Commissioner are to be deposited in the state treasury and credited twenty percent to the general fund and the balance to the bank commissioner fee fund.<sup>(47)</sup> Again, according to K.S.A. 2001 Supp. 75-3170a(a), the purpose of crediting twenty percent of the money collected by the Bank Commissioner to the state general fund pursuant to these statutes is "to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services, and any and all other state governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services."<sup>(48)</sup> We are told that the Bank Commissioner credited \$200,000 to the general fund in fiscal year 2002 in accordance with subsection (c) of K.S.A. 2001 Supp. 75-3170a and expects to credit the same in fiscal year 2003.

In addition to that amount, the Legislature has ordered the transfer of \$500,000 from the bank commissioner fee fund to the state general fund in fiscal year 2003.<sup>(49)</sup> The stated purpose of this transfer is the same as the purpose of the twenty percent/\$200,000 requirement: "to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services."<sup>(50)</sup> As with the Board of Healing Arts, the Bank Commissioner is also billed for and remits payments for certain direct services received from other state agencies, including printing, central mail services, motor pool, personnel training seminars and DISC services.<sup>(51)</sup> There was no transfer similar to the \$500,000 ordered in the 2001 Session showing that this is some sort of a pattern.

We are told that, in light of the additional \$500,000 transfer, as with the Board of

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Healing Arts, the Bank Commissioner found it necessary to increase the assessment on banks for fiscal year 2003. While this transfer also causes concern, for the same reasons cited in our discussion of the Board of Healing Arts fund transfers, in the absence of full accounting information that indicates the cost of direct and indirect support services exceeds the \$200,000 requirement by \$500,000, or that the \$200,000 amount has been insufficient in past years, we are unable to definitively say that these payments to the state general fund from amounts collected by the Bank Commissioner constitute a clear, bad faith legislative intent to use regulatory fees for the improper purpose of raising general revenue.

### Special Employment Security Fund

The Secretary of the Department of Human Resources is charged with administering the Employment Security Law.<sup>(52)</sup> The purpose and intent behind the Employment Security Law is stated in K.S.A. 44-702:

"The legislature, therefore, declares that in its considered judgment the public good and the general welfare of the citizens of this state require the enactment of this measure, under the police powers of the state, for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed."

Pursuant to the Employment Security Law, contributing employers are to pay money to the Secretary of Human Resources for deposit in the employment security fund.<sup>(53)</sup> Unemployment benefits are then paid out of this fund.<sup>(54)</sup> Any interest and penalties imposed by the Secretary for violation of the provisions of the Employment Security Law are to be deposited into the *special* employment security fund created under K.S.A. 44-716a(a).<sup>(55)</sup> No federal dollars are paid into this special fund. Moneys in the *special* employment security fund are to be used as follows:

"(a) . . . Except as otherwise authorized by this section or by appropriations act, the moneys in this fund may be used by the secretary of human resources only for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants, or other funds, received for or in the employment security administration fund. In addition to the other purposes for which expenditures may be made from the special employment security fund as authorized by this section or by appropriations act, moneys from this fund may be used to finance activities as deemed necessary by the secretary of human resources for the efficient operation of activities under or the administration of the employment security law, except that (1) no moneys shall be used for such purposes unless the secretary has determined that no other funds are available or can be properly used to finance expenditures for such purposes, and (2) expenditures during any fiscal year for purposes authorized under this section shall not exceed \$110,000 except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto. . . .

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.....

"The moneys in this fund are hereby specifically made available to replace, within a reasonable time, any moneys received by this state pursuant to section 302 of the federal social security act, as amended, which, because of any action or contingency, have been lost or have been expended for purposes other than, or in amounts in excess of, those necessary for the proper administration of the employment security law. The moneys in this fund shall be continuously available to the secretary of human resources for expenditure in accordance with the provisions of this section and shall not lapse at any time or be transferred to any other fund, except as otherwise authorized in subsection (c) or subsection (d).

"(c) In addition to expenditures authorized by this section, the director of accounts and reports may transfer funds from the special employment security fund to the accounting services recovery fund as provided in K.S.A. 75-3728b and 75-6210 and amendments thereto.

"(d) In addition to expenditures authorized by this section, the director of accounts and reports is directed and authorized to transfer funds from the special employment security fund to the department of human resources federal indirect cost offset fund on July 1 of each year in the amount contained in appropriation bills to be expended from the federal indirect cost offset fund for that fiscal year.

"(e) In addition to expenditures authorized by this section, the director of accounts and reports is directed and authorized to transfer funds from the special employment security fund to the clearing account of the employment security fund to be expended in the payment of interest due employers from erroneously collected contributions or benefit cost payments as provided in subsection (h) of K.S.A. 44-717 and amendments thereto."<sup>(56)</sup>

While this statute specifically prohibits transfer of moneys in the special employment security fund to other funds except as otherwise authorized therein, the statute also specifically recognizes the authority of the Legislature, through an appropriation act, to make exceptions to that prohibition.<sup>(57)</sup>

Penalties and interest collected pursuant to enforcement of an act are not the same kind of "fees" as we have discussed for purposes of the Healing Arts Act and the Bank Commissioner's statutes. However, they are similar to the amounts that those agencies assess to reimburse the State for the costs of agency actions taken to enforce those agencies' statutes. It appears that they are intended as assessments to help recover the cost to the State of administering the Employment Security Law, which has been specifically referred to by the Legislature as a police power enactment.<sup>(58)</sup> We have no authority suggesting that penalties and interest must be analyzed as fees for purposes of determining whether the State has exceeded its police power authority. Nevertheless, we will look at it in those terms for purposes of this opinion.

The special employment security fund does not appear to be one of the funds from

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which twenty percent is required annually to reimburse the state general fund for indirect services. We have no information regarding payment for direct services from this fund or the cost to the State to administer this fund. However, the Legislature has ordered that \$159,140 be transferred from this fund into the state general fund for fiscal year 2002 "to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services."<sup>(59)</sup> Similar transfers were required in prior fiscal years.<sup>(60)</sup>

Again, as with the two prior situations discussed, we are unable to say, in the absence of complete accounting information that indicates whether the amount transferred is greatly disproportionate to the cost of direct and indirect services, that this transfer from the special employment security fund to the state general fund constitutes a clear, bad faith legislative intent to use regulatory assessments for an improper purpose. This is particularly true with this fund, as it is composed of penalties and interest as opposed to regulatory fees.

### **Workers Compensation Fund**

The workers compensation fund is administered by the Commissioner of Insurance.<sup>(61)</sup> Pursuant to K.S.A. 2001 Supp. 44-566a(b)(1), the Commissioner is to "impose an annual assessment against all insurance carriers, self-insurers and group-funded workers compensation pools insuring the payment of compensation under the workers compensation act" in an amount sufficient "to pay all amounts, including attorney fees and costs, which may be required to be paid from such fund during the current fiscal year, less the amount of the estimated unencumbered balance in the workers compensation fund as of the June 30 immediately preceding the date the assessment is due and payable. . . ." The total amount is to be apportioned among those upon whom it is imposed in an amount bearing the same relation to the total assessment as the amount payable in workers compensation claims by such payer in the immediately preceding calendar year.<sup>(62)</sup> All moneys received by the Commissioner from this assessment are to be deposited in the state treasury and credited to the workers compensation fund.<sup>(63)</sup> The workers compensation fund is liable for:

"(1) Payment of awards to handicapped employees in accordance with the provisions of K.S.A. 44-569, and amendments thereto, for claims arising prior to July 1, 1994;

"(2) payment of workers compensation benefits to an employee who is unable to receive such benefits from such employee's employer under the conditions prescribed by K.S.A. 44-532a, and amendments thereto;

"(3) reimbursement of an employer or insurance carrier pursuant to the provisions of K.S.A. 44-534a, and amendments thereto, subsection (d) of K.S.A. 44-556, and amendments thereto, subsection (c) of K.S.A. 44-569, and amendments thereto, and K.S.A. 44-569a, and amendments thereto;

"(4) payment of the actual expenses of the commissioner of insurance

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which are incurred for administering the workers compensation fund, subject to the provisions of appropriations acts; and

"(5) any other payments or disbursements provided by law."<sup>(64)</sup>

It has been stated that the primary purpose of the Workers Compensation Act is "the compensation of workers injured in industrial accidents with as little delay as possible and without having to wait for the disposition of collateral issues in which they have no interest."<sup>(65)</sup> "The act is founded broadly upon considerations of public policy. Its purpose is to provide protection to workmen within the limits established by the act. . . ."<sup>(66)</sup> The Act also provides protection to employers who satisfy its requirements.<sup>(67)</sup>

The Act and the fund created by the Act serve police power functions.<sup>(68)</sup> It appears that the original intent of the assessments imposed under the Act was to pay claims covered by the fund and to reimburse the State for the costs of administering the fund.

We are told that over the past few years, amounts required to be paid from the fund have been on a downward spiral. In response to this, the Commissioner has eliminated the assessments required under K.S.A. 2001 Supp. 44-566a for fiscal year 2003. Additionally, the Legislature appropriated \$7,000,000 of the fund to the state general fund.<sup>(69)</sup> We are told that this was intended to be a one-time transfer to remove excess dollars from the fund; there is no clearly stated legislative intent to assess more than is necessary to pay claims and administer the fund and then siphon off the extra amount into the general fund. As with the previously discussed transfers, the stated purpose of the \$7,000,000 is "to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services."<sup>(70)</sup> The workers compensation fund is not one that is required to credit twenty percent or \$200,000 to the state general fund annually pursuant to K.S.A. 75-3170 and K.S.A. 2001 Supp. 75-3170a.

We do not believe that by any stretch of the imagination one could seriously argue that it has cost the State an additional \$7,000,000 to implement the Workers Compensation Act and administer the workers compensation fund. However, we are unable to say, as a matter of law, that a one-time transfer of this nature is prohibited or that it constitutes a general revenue raising measure that would have to comply with taxing laws. Additional information regarding the amounts assessed over the years, the knowledge of the Legislature regarding the status of the fund, evidence of legislative intent that more be collected than necessary, the actual costs to the State to implement the Act and administer the fund, etc. would need to be collected and analyzed to reach a conclusion in this regard. So, again, without complete accounting information, we are unable to definitively say that this transfer from the workers compensation fund to the state general fund constitutes a clear, bad faith legislative intent to use regulatory assessments for the improper purpose of raising general revenue.

## Conclusion

If a court did find that a transfer grossly exceeds the cost of direct and indirect services, the transfer would be void as an inappropriate exercise of the State's police power and

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would instead be analyzed as a tax.<sup>(71)</sup> The issue then would be whether the persons and entities responsible for the assessments have paid or are paying more than their fair share of the State's general operating expenses, and whether the tax complies with other relevant constitutional requirements.

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 summary, if an assessment so exceeds the cost of regulation that it is apparent the Legislature is using it as a general revenue raising measure, the overage cannot stand on police power authority. If the assessment is in fact a revenue raising measure, it must be analyzed as such, which may include a determination as to whether it meets Commerce Clause and Equal Protection requirements, as well as any state constitutional requirements applicable to the type of tax it is. If an assessment cannot stand on either police power or taxing authority, it would have to be reimbursed. Whether the general fund contribution of a fund administered by an agency performing police power functions so far exceeds the direct and indirect costs incurred by the State on behalf of such agency as to be improper can be determined only as a factual matter on a case-by-case basis. While we do not have sufficient factual information to make this determination for the four scenarios discussed herein, we seriously question whether the agencies involved cost the State in indirect and administrative expenses as much as was taken from their funds during the 2002 Session. If, based on facts presented, a court determined that too much money was taken, and that the individuals and entities who pay fees and assessments to these agencies therefore are paying more than their fair share for the State's general operating expenses, it is likely the court would order those assessments reduced and payments into the general fund reversed.

Very truly yours,

CARLA J. STOVALL  
Attorney General of Kansas

Julene L. Miller  
Deputy Attorney General

CJS:JLM:jm

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#### FOOTNOTES

Click footnote number to return to corresponding location in the text.

<sup>1</sup> 16A Am. Jur. 2d *Constitutional Law* § 313 (June 2002) (citations omitted).

<sup>2</sup> 16A Am. Jur. 2d *Constitutional Law* § 315 (June 2002) (citations omitted).

<sup>3</sup>. 16A Am. Jur. 2d *Constitutional Law* § 318 (June 2002) (citations omitted). See also *V-1 Oil Co. v. Utah State Department of Public Safety*, 131 F.3d 1415, 1422-23 (1997).

<sup>4</sup>. *Panhandle Eastern Pipe Line Co. v. Fadely*, 183 Kan. 803, 806-07 (1958). See also *R.B. Enterprises, Inc. v. State*, 242 Kan. 241, 248-49 (1987); *State ex rel. O'Sullivan v. Heart Ministries, Inc.*, 227 Kan. 244, 257 (1980); *Fidelity Inv. Co. v. Hale*, 212 Kan. 321, 328-30 (1973); *State ex rel. Moore v. City of Wichita*, 184 Kan. 196, 200 (1959); Attorney General Opinion No. 86-138.

<sup>5</sup>. 252 Kan. 421 (1993).

<sup>6</sup>. *Id.* at 427, 431.

<sup>7</sup>. *State ex rel. v. Cumiskey*, 97 Kan. 343, 352 (1916).

<sup>8</sup>. *Id.*

<sup>9</sup>. *State ex rel. v. Ross* 101 Kan. 377, 379 (1917). See also *Great Northern Railway Co. v. Washington*, 300 U.S. 154, 160, 81 L.Ed. 573, 578 (1937) ("[a] law exhibiting the intent to impose a compensatory fee for such a legitimate purpose [supervision and regulation] is *prima facie* reasonable").

<sup>10</sup>. 97 Kan. 343 (1916).

<sup>11</sup>. *Watson v. City of Topeka*, 194 Kan. 585, 590 (1965).

<sup>12</sup>. 101 Kan. 377 (1917).

<sup>13</sup>. *Id.* at 381.

<sup>14</sup>. *Id.* at 382.

<sup>15</sup>. 182 Kan. 288 (1958).

<sup>16</sup>. 194 Kan. 585 (1965).

<sup>17</sup>. *Id.* at 591.

<sup>18</sup>. 183 Kan. 803 (1958).

<sup>19</sup>. *Id.* at 808.

<sup>20</sup>. K.S.A. 75-3170(a). See also K.S.A. 2001 Supp. 75-3170a(a) (a \$200,000 cap is currently in place for agencies subject to K.S.A. 2001 Supp. 75-3170a).

<sup>21</sup>. 212 Kan. at 329-30. The Court did not address other possible restrictions on such a transfer, 7-14

such as federal restrictions if the fund in question contains federal grant moneys. *See also* Attorney General Opinion No. 76-119.

22. *Panhandle Eastern*, 183 Kan. at 808.

23. *See Great Northern Railway Co.*, 300 U.S. at 160, 81 L.Ed. at 578.

24. K.S.A. 65-2812.

25. K.S.A. 65-2801. *See Kansas State Board of Healing Arts v. Foote*, 200 Kan. 447, 453 (1968).

26. K.S.A. 65-2803.

27. K.S.A. 2001 Supp. 65-2836.

28. *Meffert v. Medical Board*, 66 Kan. 710, 714 (1903); *State ex rel. v. Gleason*, 148 Kan. 1, 4-5 (1938). *See also State ex rel. Moore v. City of Wichita*, 184 Kan. 196, 200 (1959) ("[g]enerally speaking, the power to license is an exercise of the police power").

29. *See also* K.S.A. 65-2909; K.S.A. 2001 Supp. 65-5509; 65-6910(a).

30. K.S.A. 2001 Supp. 65-2855. *See also* K.S.A. 2001 Supp. 65-2911(b); 65-5513; 65-6910(c). We assume, for purposes of this opinion, that any portion of the healing arts fee fund that does not end up in the general fund is used solely for the purpose of supervising and regulating the healing arts profession. That portion of the fee has not been questioned.

31. K.S.A. 2001 Supp. 75-3170a.

32. *Fidelity Inv. Co. v. Hale*, 212 Kan. 321.

33. For a general discussion of the twenty percent transfer requirement and implementation of the \$200,000 cap, *see Reports of Special Committees to the 1975 Kansas Legislature 1057*, Proposal No. 53-Fee Agencies, Reimbursement of General Fund.

34. Correspondence from Mark W. Stafford, General Counsel for the Board of Healing Arts, July 18, 2002.

35. *Id.*

36. L. 2002, Ch. 204, § 15(b).

37. Correspondence from Dale Brunton, Director, Division of Accounts and Reports, to Mr. Lawrence T. Buening, Executive Director, Board of Healing Arts, March 15, 2002.

38. K.A.R. 100-11-1; 100-28a-1; 100-29-7.

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- <sup>39</sup>. Note 17, *supra*.
- <sup>40</sup>. United States Office of Management and Budget Circular A-87.
- <sup>41</sup>. *Ross*, 101 Kan. at 379.
- <sup>42</sup>. *Id.*
- <sup>43</sup>. K.S.A. 9-1701 *et seq.*; 9-2209; K.S.A. 2001 Supp. 16a-6-104; 17-5601; 75-1304; K.S.A. 75-1310; K.S.A. 2001 Supp. 75-1315.
- <sup>44</sup>. *See* K.S.A. 16a-1-102
- <sup>45</sup>. *Blaker v. Hood*, 53 Kan. 499, 507-11 (1894).
- <sup>46</sup>. *See* K.S.A. 9-1703(a); 9-2204; K.S.A. 2001 Supp. 16a-6-203; K.S.A. 17-5701 *et seq.*
- <sup>47</sup>. *See* K.S.A. 9-1703(c); 9-2210; K.S.A. 2001 Supp. 16a-2-302(c); 17-5610; 17-5701; 75-1308.
- <sup>48</sup>. *See also* K.S.A. 2001 Supp. 16a-2-302(c).
- <sup>49</sup>. L. 2002, Ch. 204, §12(h).
- <sup>50</sup>. *Id.*
- <sup>51</sup>. The total for such services was estimated at \$134,900.00 for fiscal year 2002.
- <sup>52</sup>. K.S.A. 2001 Supp. 44-714(a).
- <sup>53</sup>. K.S.A. 2001 Supp. 44-710(a).
- <sup>54</sup>. K.S.A. 44-704(a); K.S.A. 2001 Supp. 44-703(k).
- <sup>55</sup>. K.S.A. 2001 Supp. 44-717(a)(1); K.S.A. 44-719(d)(2).
- <sup>56</sup>. K.S.A. 44-716a.
- <sup>57</sup>. *Id.* at subsection (a). *See also* L. 2000, Ch. 144, § 126(b).
- <sup>58</sup>. K.S.A. 44-702.
- <sup>59</sup>. L. 2002, Ch. 204, § 57(b).
- <sup>60</sup>. *See* L. 2000, Ch. 130, § 29(d) (no mention made of the purpose for the transfer); L. 1999, Ch. 132, § 51(c) (no mention made of the purpose for the transfer); L. 1992, Ch. 327, § 62(c)

v.

**Kansas**  
*Academy Of*  
**Family Physicians**



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*Executive Director*

*The largest medical  
specialty group in  
Kansas.*

To: House Appropriations Committee

From: Carolyn Gaughan, Executive Director  
Kansas Academy of Family Physicians

Date: March 15, 2004

**RE: House Bill 2925**

Thank you for the opportunity to present the Kansas Academy of Family Physicians' (KAFP) position on House Bill 2925. KAFP is the largest medical specialty organization in Kansas, representing more than 1,430 members—including more than 825 practicing physicians—statewide.

The KAFP supports HB 2925 and the proposal to allow Kansas Medical Loan recipients to repay their service obligation, by practicing a primary care specialty in Wyandotte County. In a March 12 conversation with Executive Dean Barbara Atkinson, KU School of Medicine, I was assured that the medical school fully supports this measure, as does Executive Vice Chancellor Don Hagen, MD.

We support opening the statute and making the limited change to include Wyandotte County as an approved service commitment area under the Medical Student Loan Act, but would not support such a change for the other four metropolitan counties listed in this statute.

The reason for this is that as a county with a high rate of poverty and a population that tends to be more medically at-risk and underserved than other metropolitan areas in Kansas, Wyandotte County presents unique health care access and delivery challenges—challenges that the Medical Loan Program is designed to address.

While we believe passage of HB 2925 would help address Wyandotte County's health care access issues, we do not believe that the opportunity to practice in Wyandotte County would attract medical residents, who would otherwise have chosen to serve an underserved *rural* area of the state.

The Kansas Academy of Family Physicians respectfully urges the House Appropriations Committee to support HB 2925 and recommend it favorably for passage. Thank you for your consideration of our comments and of our family physicians practicing throughout Kansas.

*The mission of the Kansas Academy of Family Physicians is to promote ac  
for all Kansans through education and advocacy for family phys*

HOUSE APPROPRIATIONS

DATE 3-15-2004  
ATTACHMENT 8

RAFT amendment to HB2925 (additional section)

Requested by Charles L. (Chip) Wheelen, Kansas Association of Osteopathic Medicine

K.S.A. 74-3266 is hereby amended to read as follows: 74-3266. (a) An agreement entered into by the state board of regents and a Kansas resident who is an undergraduate student enrolled in or admitted to an accredited school of osteopathic medicine in a course of instruction leading to the degree of doctor of osteopathy for the awarding of an osteopathic medical service scholarship shall require that the person receiving the scholarship:

- (1) Complete the required course of instruction and receive the degree of doctor of osteopathy;
- (2) apply for and obtain a license to practice medicine and surgery in Kansas;
- (3) except as otherwise provided in subsection (c), engage in the practice of medicine and surgery in Kansas on a full-time basis for a period of 12 months for each year a scholarship was received or on a part-time basis for a period equivalent to 12 months, as determined by the state board of regents, for each year a scholarship was received;
- (4) (A) with regard to persons entering into agreements prior to the effective date of this act, commence such full-time or part-time practice of medicine and surgery within nine months after licensure or within nine months after completion of an approved postgraduate residency training program and licensure, whichever is later, and continue such practice in Kansas for a consecutive period of months equal to the total number of months required under the agreement;
- (B) with regard to persons entering into agreements after the effective date of this act, commence such full-time or part-time practice of medicine and surgery within six months after licensure or within six months after completion of an approved postgraduate residency training program and licensure, whichever is later, and continue such practice in Kansas for a consecutive period of months equal to the total number of months required under the agreement;
- (5) agree that the service commitment for each agreement entered into under this section is in addition to the service commitment contained in any other agreement which has been or may be entered into under this section for the purpose of obtaining scholarship aid;
- (6) maintain records and make reports to the state board of regents to document satisfaction of the obligation under such agreement to engage in the full-time or part-time practice of medicine and surgery in Kansas and to continue such practice for a consecutive period of months equal to the total number of months required under the agreement; and
- (7) repay amounts to the state board of regents as provided in K.S.A. 74-3267, and amendments thereto, upon failure to engage in the full-time or part-time practice of medicine and surgery in Kansas for the required period of time under any agreement entered into as provided in this section.

HOUSE APPROPRIATIONS

DATE 3-15-2004  
ATTACHMENT 9

(b) Except as otherwise provided in subsection (c), each Kansas student who enters into an agreement as provided in this section shall serve the practice obligations incurred by such student under the agreement in a rural **service commitment** area or a medically underserved area.

(c) (1) A person awarded an osteopathic medical service scholarship may satisfy the obligation to engage in the practice of medicine and surgery under an agreement entered into pursuant to this section, even though such person is engaged in practice in an area not designated a rural **service commitment** area or a medically underserved area, through employment by the state of Kansas on a part-time basis, which employment has been approved by the state board of regents, for the practice of medicine and surgery at any state medical care facility or institution.

(2) For the purposes of this subsection, service or employment at a state medical care facility or institution on a part-time basis of at least the equivalent of 1/2 time shall satisfy the obligation to engage in the full-time practice of medicine and surgery in Kansas for a period of 12 months for each year a scholarship was received as provided in an agreement entered into under this section.

(d) For the purposes of the osteopathic medical service scholarship program (1) "state medical care facility or institution" has the meaning ascribed thereto in subsection (k) of K.S.A. 76-375, and amendments thereto; (2) "approved postgraduate residency training program" means a residency training program in general internal medicine, pediatrics, family medicine, family practice, obstetrics and gynecology, or emergency medicine; (3) "medically underserved area" means a practice location designated medically underserved by the state board of regents; and (4) "rural area" means ~~any county of this state other than Douglas, Johnson, Sedgwick, or Shawnee and Wyandotte counties~~ **"service commitment area" has the meaning ascribed thereto in K.S.A. 2003 Supp. 76-381 and amendments thereto.**