

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 10:00 a.m. on April 21, 2004 in Room 514-S of the Capitol.

All members were present except:

Representative Dean Newton- excused
Representative Larry Campbell- excused

Committee staff present:

Alan Conroy, Legislative Research
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
Julian Efird, Legislative Research
Becky Krahl, Legislative Research
Robert Waller, Legislative Research
Amy Deckard, Legislative Research
Debra Hollon, Legislative Research
Carolyn Rampey, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

None

Others attending:

See Attached List.

- Attachment 1 Initial State General Fund Memo for Revised FY 2004 and FY 2005 Estimates
- Attachment 2 State General Fund Receipts, Expenditures and Balances, April 2004 Consensus Revenue Estimates
- Attachment 3 Message from Governor Sebelius on **HB 2675**
- Attachment 4 Consensus Caseload Estimate
- Attachment 5 State Water Plan Fund: FY 2004 and FY 2005
- Attachment 6 Economic Development Initiatives Fund, FY 2004 and FY 2005
- Attachment 7 Children's Initiatives Fund, FY 2004 and FY 2005
- Attachment 8 Certification from Director of the Budget on FY 2004 **HB 2675**
- Attachment 9 Budget Committee Meeting Rooms
- Attachment 10 Items for Omnibus Consideration
- Attachment 11 Governor's Budget Amendment No. 3
- Attachment 12 Items for Omnibus Consideration by fiscal year and departments
- Attachment 13 Governor's Recommended Adjustments to April 2004 State General Fund Receipts Contained in Governor's Budget Amendment No. 3

Representative Pottorff moved to introduce legislation to allow for technical clean-up of legislation as requested by the Revisor of Statutes. The motion was seconded by Representative Feuerborn. Motion carried.

CONTINUATION SHEET


MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 10:00 a.m. on April 21, 2004 in Room 514-S of the Capitol.

The Fiscal Analyst Staff of the Legislative Research Department presented and reviewed the following documents and information relating to the FY 2004 and FY 2005 budgets, items for omnibus consideration and the Governor's Budget Amendment (GBA) No. 3:

Initial State General Fund Memo for Revised FY 2004 and FY 2005 Estimates (Attachment 1);
State General Fund Receipts, Expenditures and Balances, April 2004 Consensus Revenue Estimates (Attachment 2);
Message from Governor Sebelius on **HB 2675** (Attachment 3);
Consensus Caseload Estimate (Attachment 4);
State Water Plan Fund: FY 2004 and FY 2005 (Attachment 5);
Economic Development Initiatives Fund, FY 2004 and FY 2005 (Attachment 6);
Children's Initiatives Fund, FY 2004 and FY 2005 (Attachment 7);
Certification from Director of the Budget on FY 2004 **HB 2675** (Attachment 8);
Budget Committee Meeting Rooms (Attachment 9);
Items for Omnibus Consideration (Attachment 10);
Governor's Budget Amendment No. 3 (Attachment 11);
Items for Omnibus Consideration by fiscal year and departments (Attachment 12);
Governor's Recommended Adjustments to April 2004 State General Fund Receipts Contained in Governor's Budget Amendment No. 3 (Attachment 13).

The Staff noted that according to the Consensus Revenue Estimates of April 20, 2004, the State is projected to have a positive ending balance of \$244 million at the end of FY 2004 and \$141.7 million at the end of FY 2005. It was noted that this is the first time in five years that a positive balance has been projected based on the previous estimates. The Staff stated that revenues for FY 2004 include one-time receipts from the tax amnesty program of \$28 million, an additional \$15 million from the property tax accelerator and \$45.7 million from the federal fiscal government relief. The Staff indicated that the state's economy continues to grow but at a slower pace than the national economy. The State's personal income is expected to grow by 4.6% in FY 2004 and 4.9% in FY 2005. It was also noted that the state's unemployment continues to be a concern with an estimate of 5.3% in FY 2004 and 5.1% in FY 2005. The Staff stated that cigarette taxes are \$10 million less than anticipated as a result of the higher tax levied against cigarettes. Several members of the Committee voiced concern in regard to this disparity and requested comparative data on cigarette taxes collected by neighboring states.

The meeting was adjourned at 12:10 p.m. to allow Budget Committees to meet during the afternoon. The full Appropriations Committee will return at 9:00 a.m. on April 22, 2004, to begin discussion and action on the items for omnibus consideration.



Melvin Neufeld, Chairman

HOUSE APPROPRIATIONS COMMITTEE

April 21, 2004

10:00 A.M.

NAME	REPRESENTING
Susan Kang	Kdhe
Andy Sanchez	KAPE
CRAIG KABERLINE	KAAAA
Tommy	KAT
Dore Wilson	KAC
Jamie A. [unclear]	KDOA
Dore Wilson	KDOA
Stuart Little	
Sheli Sweeney	Assoc. of CMNC's
Goe Fung	KWO
Keith Bradshaw	JJA
Jim Conant	KDOR
Nancy Bryant	SOS
JEREMY S BARCLAY	KDOC
DENNIS WILLIAMS	KDOC
Jesse McMurry	Kansas Dep. of Commerce
Michael Powell	KAFS
Sherry C. Deel	KREC
Karen Hollon	Bd of Pharmacy
Bob Billingsley	"
Kate Peck	KCUA
GEORGE WEBB	KCUA

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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

kslegres@klrd.state.ks.us

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

April 20, 2004

To: Governor Kathleen Sebelius and Legislative Budget Committee

From: Kansas Legislative Research Department
Kansas Division of the Budget

Re: Initial SGF Memo for Revised FY 2004 and FY 2005 Estimates

The Consensus Estimating Group met today to revise the November 3 estimates for FY 2004 and FY 2005. A permanent change in law has enabled the group to meet on or before April 20 in lieu of the previous requirement to meet on or before April 4. The revised estimates incorporate the fiscal impact of all 2004 legislation signed into law thus far.

A more detailed memo will be available soon which contains the economic forecast for Kansas upon which the forecasts are based, as well as a discussion of other factors influencing the individual source estimates.

The overall estimate for both fiscal years was increased by a combined \$39.85 million. The revised FY 2004 estimate is \$4.450 billion and the revised FY 2005 estimate is \$4.542 billion.

For FY 2004, the estimate was decreased by \$33.3 million, or 0.7 percent, below the November estimate. One significant reason for the adjustment relates to a decision by the Governor to avail herself of a statutory prerogative and pay \$50 million in tax refunds by the end of the FY 2004 that, pursuant to legislation enacted in 2003, otherwise would have been deferred to FY 2005. **Excluding that adjustment, the FY 2004 figure was increased by \$16.7 million, or 0.4 percent, above the previous estimate.** The overall revised SGF estimate of \$4.450 billion represents a 4.8 percent growth forecast above final FY 2003 receipts. But it is worth remembering that the FY 2004 receipt estimate includes other monies (tax amnesty, property and motor vehicle taxes, and revenues from the federal government) which for the most part are not expected to continue as an ongoing part of SGF receipts. The longer version of the memo will contain additional details on these provisions.

The revised estimate for FY 2005 of \$4.542 billion was increased by \$73.2 million, or 1.6 percent above the November estimate. **Excluding the \$50 million of positive adjustment attributable to the aforementioned refunds' having been paid in FY 2004, the revised estimate was increased by \$23.2 million, or 0.5 percent, above the previous FY 2005 estimate.** The revised FY 2005 estimate is \$92.1 million, or 2.1 percent, above the newly revised FY 2004 figure, with the growth rate heavily influenced by removal of many of the one-time monies from the SGF-receipts base.

Table 1 compares the new FY 2004 and FY 2005 estimates with actual receipts from FY 2003. Tables 2 and 3 show the changes in the estimates for each fiscal year. Tables 4 and 5 show the changes in the estimates for each fiscal year ignoring the aforementioned shifts in tax refunds.

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HOUSE APPROPRIATIONS

DATE 4-21-2004
ATTACHMENT 1

Table 1
State General Fund Receipts
(In Thousands)

	FY 2003		Revised Consensus Estimates, April 20, 2004			
			FY 2004		FY 2005	
	Amount	Percent Increase	Amount	Percent Increase	Amount	Percent Increase
Property Tax:						
Motor Carrier	\$15,729	(12.9) %	\$19,000	20.8 %	\$19,500	2.6 %
General Property	0	0.0	13,600	—	400	(97.1)
Motor Vehicle	0	0.0	1,500	—	1,000	(33.3)
Total	\$15,729	(12.9) %	\$34,100	116.8 %	\$20,900	(38.7) %
Income Taxes:						
Individual	\$1,750,054	(4.3) %	\$1,830,000	4.6 %	\$1,900,000	3.8 %
Corporation	105,222	12.0	125,000	18.8	130,000	4.0
Financial Inst.	31,120	11.5	34,000	9.3	34,500	1.5
Total	\$1,886,396	(3.3) %	\$1,989,000	5.4 %	\$2,064,500	3.8 %
Estate/Succession	\$46,952	(2.4) %	\$48,000	2.2 %	\$49,000	2.1 %
Excise Taxes:						
Retail Sales	\$1,567,722	6.6 %	\$1,620,000	3.3 %	\$1,675,000	3.4 %
Compensating Use	225,923	(3.3)	212,000	(6.2)	225,000	6.1
Cigarette	129,250	169.0	120,000	(7.2)	118,000	(1.7)
Tobacco Prod.	4,510	4.8	4,800	6.4	4,900	2.1
Cereal Malt Bev.	2,273	(4.5)	2,200	(3.2)	2,200	0.0
Liquor Gallonage	14,802	1.2	15,600	5.4	16,000	2.6
Liquor Enforce.	38,833	3.8	41,000	5.6	42,000	2.4
Liquor Dr. Places	6,847	3.5	7,400	8.1	7,700	4.1
Corp. Franchise	31,090	67.9	36,000	15.8	37,000	2.8
Severance	72,775	30.7	80,600	10.8	77,600	(3.7)
Gas	56,261	34.6	62,200	10.6	58,900	(5.3)
Oil	16,515	18.9	18,400	11.4	18,700	1.6
Total	\$2,094,025	10.7 %	\$2,139,600	2.2 %	\$2,205,400	3.1 %
Other Taxes:						
Insurance Prem.	\$94,455	11.2 %	\$100,000	5.9 %	\$100,000	0.0 %
Miscellaneous	4,427	82.9	4,500	1.6	4,500	0.0
Total	\$98,882	13.2 %	\$104,500	5.7 %	\$104,500	0.0 %
Total Taxes	\$4,141,984	3.6 %	\$4,315,200	4.2 %	\$4,444,300	3.0 %
Other Revenues:						
Interest	\$19,075	(50.7) %	\$14,300	(25.0) %	\$21,500	50.4 %
Net Transfers	(13,036)	—	19,900	(252.7)	11,700	(41.2)
Ag. Earn. & Misc.	97,556	89.5	100,900	3.4	64,900	(35.7)
Total Other Revenue	\$103,595	(7.5) %	\$135,100	30.4 %	\$98,100	(27.4) %
Total Receipts	\$4,245,579	3.3 %	\$4,450,300	4.8 %	\$4,542,400	2.1 %

Table 2
State General Fund Receipts – Comparison of Estimates for FY 2004
Made on November 3, 2003, and April 20, 2004

	Estimate* 11/3/03	Revised Estimate 4/20/04	Difference
Property Tax:			
Motor Carrier	\$17,500	\$19,000	\$1,500
General Property	13,600	13,600	0
Motor Vehicle	1,700	1,500	(200)
Total	\$32,800	\$34,100	\$1,300
Income Taxes:			
Individual	\$1,855,000	\$1,830,000	(\$25,000)
Corporation	120,000	125,000	5,000
Financial Inst.	34,250	34,000	(250)
Total	\$2,009,250	\$1,989,000	(\$20,250)
Estate/Succession	\$46,250	\$48,000	\$1,750
Excise Taxes:			
Retail Sales	\$1,635,000	\$1,620,000	(\$15,000)
Compensating Use	220,000	212,000	(8,000)
Cigarette	130,000	120,000	(10,000)
Tobacco Prod.	4,900	4,800	(100)
Cereal Malt Bev.	2,500	2,200	(300)
Liquor Gallonage	16,000	15,600	(400)
Liquor Enforce.	41,750	41,000	(750)
Liquor Dr. Places	7,400	7,400	0
Corp. Franchise	35,000	36,000	1,000
Severance	85,450	80,600	(4,850)
Gas	67,850	62,200	(5,650)
Oil	17,600	18,400	800
Total	\$2,178,000	\$2,139,600	(\$38,400)
Other Taxes:			
Insurance Prem.	\$95,000	\$100,000	\$5,000
Miscellaneous	4,500	4,500	0
Total	\$99,500	\$104,500	\$5,000
Total Taxes	\$4,365,800	\$4,315,200	(\$50,600)
Other Revenues:			
Interest	\$12,800	\$14,300	\$1,500
Net Transfers	6,300	19,900	13,600
Ag. Earn. & Misc.	98,700	100,900	2,200
Total Other Revenue	\$117,800	\$135,100	\$17,300
Total Receipts	<u>\$4,483,600</u>	<u>\$4,450,300</u>	<u>(\$33,300)</u>

* Prior estimate included assumed deferral of \$50 million in refunds from FY 2004 to FY 2005.

Table 3
State General Fund Receipts – Comparison of Estimates for FY 2005
Made on November 3, 2003, and April 20, 2004

	<u>Estimate*</u> <u>11/3/03</u>	<u>Revised</u> <u>Estimate</u> <u>4/20/04</u>	<u>Difference</u>
Property Tax:			
Motor Carrier	\$18,000	\$19,500	\$1,500
General Property	400	400	0
Motor Vehicle	1,200	1,000	(200)
Total	\$19,600	\$20,900	\$1,300
Income Taxes:			
Individual	\$1,850,000	\$1,900,000	\$50,000
Corporation	110,000	130,000	20,000
Financial Inst.	34,250	34,500	250
Total	\$1,994,250	\$2,064,500	\$70,250
Estate/Succession	\$48,250	\$49,000	\$750
Excise Taxes:			
Retail Sales	\$1,685,000	\$1,675,000	(\$10,000)
Compensating Use	225,000	225,000	0
Cigarette	128,000	118,000	(10,000)
Tobacco Prod.	5,000	4,900	(100)
Cereal Malt Bev.	2,500	2,200	(300)
Liquor Gallonage	16,500	16,000	(500)
Liquor Enforce.	44,000	42,000	(2,000)
Liquor Dr. Places	7,700	7,700	0
Corp. Franchise	36,000	37,000	1,000
Severance	73,450	77,600	4,150
Gas	57,150	58,900	1,750
Oil	16,300	18,700	2,400
Total	\$2,223,150	\$2,205,400	(\$17,750)
Other Taxes:			
Insurance Prem.	\$95,000	\$100,000	\$5,000
Miscellaneous	4,500	4,500	0
Total	\$99,500	\$104,500	\$5,000
Total Taxes	\$4,384,750	\$4,444,300	\$59,550
Other Revenues:			
Interest	\$21,500	\$21,500	\$0
Net Transfers	9,500	11,700	2,200
Ag. Earn. & Misc.	53,500	64,900	11,400
Total Other Revenue	\$84,500	\$98,100	\$13,600
Total Receipts	\$4,469,250	\$4,542,400	\$73,150

* Prior estimate included assumed deferral of \$50 million in refunds from FY 2004 to FY 2005.

Table 4
State General Fund Receipts – Comparison of Estimates for FY 2004
Made on November 3, 2003, and April 20, 2004
Under Assumption Governor would Waive Refund Decelerations

	Estimate* 11/3/03	Revised Estimate 4/20/04	Difference
Property Tax:			
Motor Carrier	\$17,500	\$19,000	\$1,500
General Property	13,600	13,600	0
Motor Vehicle	1,700	1,500	(200)
Total	\$32,800	\$34,100	\$1,300
Income Taxes:			
Individual	\$1,819,000	\$1,830,000	\$11,000
Corporation	110,000	125,000	15,000
Financial Inst.	34,000	34,000	0
Total	\$1,963,000	\$1,989,000	\$26,000
Estate/Succession	\$46,000	\$48,000	\$2,000
Excise Taxes:			
Retail Sales	\$1,633,000	\$1,620,000	(\$13,000)
Compensating Use	219,000	212,000	(7,000)
Cigarette	130,000	120,000	(10,000)
Tobacco Prod.	4,900	4,800	(100)
Cereal Malt Bev.	2,500	2,200	(300)
Liquor Gallonage	16,000	15,600	(400)
Liquor Enforce.	41,500	41,000	(500)
Liquor Dr. Places	7,400	7,400	0
Corp. Franchise	35,000	36,000	1,000
Severance	85,200	80,600	(4,600)
Gas	67,600	62,200	(5,400)
Oil	17,600	18,400	800
Total	\$2,174,500	\$2,139,600	(\$34,900)
Other Taxes:			
Insurance Prem.	\$95,000	\$100,000	\$5,000
Miscellaneous	4,500	4,500	0
Total	\$99,500	\$104,500	\$5,000
Total Taxes	\$4,315,800	\$4,315,200	(\$600)
Other Revenues:			
Interest	\$12,800	\$14,300	\$1,500
Net Transfers	6,300	19,900	13,600
Ag. Earn. & Misc.	98,700	100,900	2,200
Total Other Revenue	\$117,800	\$135,100	\$17,300
Total Receipts	\$4,433,600	\$4,450,300	\$16,700

* See provisions of 2003 HB 2444 granting the Governor this power.

Table 5
State General Fund Receipts – Comparison of Estimates for FY 2005
Made on November 3, 2003, and April 20, 2004
Under Assumption Governor would Waive Refund Decelerations

	Estimate* 11/3/03	Revised Estimate 4/20/04	Difference
Property Tax:			
Motor Carrier	\$18,000	\$19,500	\$1,500
General Property	400	400	0
Motor Vehicle	1,200	1,000	(200)
Total	\$19,600	\$20,900	\$1,300
Income Taxes:			
Individual	\$1,886,000	\$1,900,000	\$14,000
Corporation	120,000	130,000	10,000
Financial Inst.	34,500	34,500	0
Total	\$2,040,500	\$2,064,500	\$24,000
Estate/Succession	\$48,500	\$49,000	\$500
Excise Taxes:			
Retail Sales	\$1,687,000	\$1,675,000	(\$12,000)
Compensating Use	226,000	225,000	(1,000)
Cigarette	128,000	118,000	(10,000)
Tobacco Prod.	5,000	4,900	(100)
Cereal Malt Bev.	2,500	2,200	(300)
Liquor Gallonage	16,500	16,000	(500)
Liquor Enforce.	44,250	42,000	(2,250)
Liquor Dr. Places	7,700	7,700	0
Corp. Franchise	36,000	37,000	1,000
Severance	73,700	77,600	3,900
Gas	57,400	58,900	1,500
Oil	16,300	18,700	2,400
Total	\$2,226,650	\$2,205,400	(\$21,250)
Other Taxes:			
Insurance Prem.	\$95,000	\$100,000	\$5,000
Miscellaneous	4,500	4,500	0
Total	\$99,500	\$104,500	\$5,000
Total Taxes	\$4,434,750	\$4,444,300	\$9,550
Other Revenues:			
Interest	\$21,500	\$21,500	\$0
Net Transfers	9,500	11,700	2,200
Ag. Earn. & Misc.	53,500	64,900	11,400
Total Other Revenue	\$84,500	\$98,100	\$13,600
Total Receipts	\$4,519,250	\$4,542,400	\$23,150

* See provisions of 2003 HB 2444 granting the Governor this power.

STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
April 2004 Consensus Revenue Estimates
In Millions

	Actual FY 2003	FY 2004 April 20, 2004 Consensus Revenue	FY 2005 April 20, 2004 Consensus Revenue
Beginning Balance	\$ 12.1	\$ 122.7	\$ 244.0
Released Encumbrances	2.6	2.5	0.0
Receipts (April 2004 Consensus)	4,245.6	4,450.3	4,542.4
Total Available	\$ 4,260.2	\$ 4,575.5	\$ 4,786.4
Less Expenditures	4,137.5	4,331.5	4,644.7
Ending Balance	\$ 122.7	\$ 244.0	\$ 141.7
Ending Balance as a Percentage of Expenditures	3.0%	5.6%	3.1%

HOUSE APPROPRIATIONS

DATE 4-21-2004
 ATTACHMENT 2



K A N S A S

OFFICE OF THE GOVERNOR

KATHLEEN SEBELIUS, GOVERNOR

Message to the House of Representatives of the State of Kansas on HB 2675:

Department of Education

KPERS—School

Section 45(c) has been line-item vetoed in its entirety.

This language lapses \$6,005,014 for the state's obligation for KPERS—School retirement benefits in FY 2004. Although the state has projected savings in the current year for this line-item, it is not as much as originally thought. Because of the timing of KPERS—School payments and the enactment date of this bill, I veto that language lapsing the monies and will recommend a budget amendment to capture the correct amount of savings. This veto is purely technical in nature.

Department of Administration

Health Risk Appraisal

Section 88(q) has been line-item vetoed in its entirety.

When the contract with the vendor handling the Health Risk Appraisal was put into place, there were no provisions regarding paper format questionnaires or findings reports. All of these functions were to be provided for over the Internet. Requiring paper forms to be provided to health plan participants, if so requested, would increase the cost of this program. This cost would then have to be covered through the approved budget of the Department of Administration in FY 2005. I find it necessary to veto the paper form requirement in this section.

KANS-A-N Directory

Section 88(r) has been line-item vetoed in its entirety.

Printing of the KANS-A-N Directory was eliminated a year ago in my recommendations. However, the Legislature added a proviso in the

HOUSE APPROPRIATIONS

DATE 4-21-2004
ATTACHMENT 13

Capitol, 300 SW 10th Ave., Ste. 212S, Topeka, KS 66611

Voice 785-296-3232

Fax 785-296-7973

www.ksnovernor.org

would have allowed continued printing of the directory and authorized a fee to be charged to cover the cost. I line-item vetoed the proviso at that time because an on-line directory saves money and can be updated more quickly and efficiently than a printed copy can. In fact, a printed version is out of date shortly after its distribution. Not taking advantage of current technology wastes available resources and ignores budgetary constraints, because agencies will still have to pay for hard copies through the new fee. Because the Legislature has added the proviso to the appropriations bill again this year and the reasons for continuing the on-line directory are just as valid as they were a year ago, I again find it necessary to veto this proviso.

Department of Social & Rehabilitation Services

Vocational Rehabilitation Federal Grant

Section 101(n) has been line-item vetoed in its entirety.

A proviso was added that requires SRS to make full utilization of the Vocational Rehabilitation Federal Grant. However, the Legislature did not identify funding to cover the cost of the proviso. As a result, this proviso would force the agency to use approximately \$500,000 of approved expenditure authority in FY 2005, most likely from the State General Fund, to match these federal dollars. The Vocational Rehabilitation Program is certainly worthwhile, but without new funding, the state match would need to be drawn from other important programs in SRS. If the Legislature believes that the state match of these federal grant monies is a priority in the budget, it should have identified and approved funds specifically for this purpose. I therefore veto this proviso.



Kathleen Sebelius, Governor

Dated:

April 19, 2004

Consensus Caseload Estimate

Governor's Recommendation vs. April 2004 Estimate

HOUSE APPROPRIATIONS
DATE 4-21-2004
ATTACHMENT 4

	Governor's Recommendation FY 2004		April 2004 Estimate FY 2004		Difference from Gov. Rec.		% Change From Gov. Rec.		Governor's Recommendation FY 2005		April 2004 Estimate FY 2005		Difference from Gov. Rec.		% C
	All Funds	SGF	All Funds	SGF	All Funds	SGF	All Funds	SGF	All Funds	SGF	All Funds	SGF	All Funds	SGF	All Funds
Nursing Facilities	\$316,500,000	\$ 115,142,700	\$316,500,000	\$ 115,142,700	\$0	\$0	0.00%	0.00%	\$327,000,000	\$ 127,660,800	\$327,000,000	\$ 127,660,800	\$0	\$0	0.0%
Nursing Facilities - Mental Health	13,100,000	10,000,000	13,100,000	10,742,000	0	742,000	0.00%	7.42%	13,100,000	10,400,000	13,100,000	10,742,000	0	342,000	0.0%
Temporary Assistance to Families	59,000,000	29,821,028	59,500,000	29,821,028	500,000	0	0.85%	0.00%	63,500,000	29,821,028	63,500,000	\$29,821,028	0	0	0.0%
General Assistance	7,517,103	7,517,103	8,000,000	8,000,000	482,897	482,897	6.42%	6.42%	8,200,000	8,200,000	8,500,000	8,500,000	300,000	300,000	3.5%
Regular Medical	1,039,048,595	305,022,722	1,036,000,000	306,000,000	(3,048,595)	977,278	-0.29%	0.32%	1,161,906,968	376,960,855	1,161,906,968	376,960,855	0	0	0.00%
Foster Care Contract	89,500,000	39,042,995	89,500,000	39,042,995	0	0	0.00%	0.00%	92,152,369	42,370,487	92,152,369	42,370,487	0	0	0.00%
Adoption Contract	33,649,075	14,480,259	33,649,075	14,480,259	0	0	0.00%	0.00%	34,931,146	15,836,733	34,931,146	15,836,733	0	0	0.00%
TOTAL	\$1,558,314,773	\$ 521,026,807	\$ 1,556,249,075	\$ 523,228,982	(\$2,065,698)	\$2,202,175	-0.13%	0.42%	\$1,700,790,483	\$611,249,903	\$1,701,090,483	\$611,891,903	\$ 300,000	\$ 642,000	0.02%

Enhanced FMAP Savings	
FY 2003 FMAP Savings	\$10,026,000
FY 2004 FMAP Savings	
Regular Medical	\$29,444,039
Foster Care	1,135,370
Adoption	459,783
NF	9,400,050
Sub-Total Caseload FMAP Savings	\$40,439,242
JJA	944,527
Waivers	10,793,877
TOTAL FMAP Savings	\$62,203,646

State Water Plan Fund: FY 2004

Agency/Program	Governor's Rec. FY 2004	Legislative Approved FY 2004
KCC--Well Plugging	0	0
Department of Health and Environment		
Contamination Remediation	1,060,434	1,060,434
TMDL Initiatives	346,224	346,224
Local Environmental Protection Program	1,674,856	1,674,856
Nonpoint Source Program	387,939	387,939
Total--Department of Health and Environment	<u>3,469,453</u>	<u>3,469,453</u>
University of Kansas--Geological Survey	40,000	40,000
Department of Agriculture		
Floodplain Management	65,836	65,836
Interstate Water Issues	240,076	240,076
Subbasin Water Resources Management	483,538	483,538
Water Appropriations Subprogram	74,420	74,420
Water Use	60,000	60,000
WISP	0	0
Total--Department of Agriculture	<u>923,870</u>	<u>923,870</u>
State Conservation Commission		
Water Resources Cost Share	4,228,478	4,228,478
Nonpoint Source Pollution Asst.	2,987,793	2,987,793
Aid to Conservation Districts	1,043,000	1,043,000
Watershed Dam Construction	362,212	362,212
Water Quality Buffer Initiative	278,031	278,031
Riparian and Wetland Program	250,480	250,480
Multipurpose Small Lakes	0	0
Water Rights Purchase	0	0
Total--Conservation Commission	<u>9,149,994</u>	<u>9,149,994</u>
Kansas Water Office		
Assessment and Evaluation	204,220	204,220
Federal Cost-Share Programs	88,094	88,094
GIS Data Access and Support Center	0	0
GIS Data Base Development	250,000	250,000
MOU - Storage Operations and Maintenance	431,291	431,291
Ogallala Aquifer Institute	40,000	40,000
PMIB Loan Payment for Storage	237,477	237,477
Public Information	35,000	35,000
Stream Gauging Program	367,830	367,830
Technical Assistance to Water Users	339,737	339,737
Water Planning Process	179,710	179,710
Water Resource Education	55,000	55,000
Weather Modification	4,305	4,305
Kansas Water Authority	25,000	25,000
Total--Kansas Water Office	<u>2,257,664</u>	<u>2,257,664</u>
Department of Wildlife and Parks		
Circle K Ranch Debt Service	0	0
River Recreation	0	0
Stream (Biological) Monitoring	40,000	40,000
Total--Department of Wildlife and Parks	<u>40,000</u>	<u>40,000</u>
Total Water Plan Expenditures	<u>15,880,981</u>	<u>15,880,981</u>

State Water Plan Resource Estimate	Governor's Rec. FY 2004	Legislative Approved FY 2004
Beginning Balance	1,666,504	1,666,504
Adjustments		
Prior Year Recovery	0	0
Transfer to State General Fund	(5,724)	(5,724)
Transfer to Kansas Corporation Commission	0	0
Revenues		
State General Fund Transfer	3,773,949	3,773,949
Economic Development Fund Transfer	1,900,000	1,900,000
Municipal Water Fees	3,500,000	3,500,000
Industrial Water Fees	1,190,000	1,190,000
Stock Water Fees	315,000	315,000
Pesticide Registration Fees	890,000	890,000
Fertilizer Registration Fees	2,730,000	2,730,000
Pollution Fines and Penalties	30,000	30,000
Sand Royalty Receipts	240,000	240,000
Total Receipts	<u>14,563,225</u>	<u>14,563,225</u>
Total Available	16,229,729	
Less Expenditures	15,880,981	
Ending Balance	<u>348,748</u>	

HOUSE APPROPRIATIONS

DATE 4-21-2004
ATTACHMENT 5

State Water Plan Fund: FY 2005

Agency/Program	Governor's Rec. FY 2005	Legislative Approved FY 2005
KCC--Well Plugging	0	0
Department of Health and Environment		
Contamination Remediation	983,867	983,867
TMDL Initiatives	320,088	320,088
Local Environmental Protection Program	1,502,737	1,502,737
Nonpoint Source Program	385,975	385,975
Total--Department of Health and Environment	<u>3,192,667</u>	<u>3,192,667</u>
University of Kansas--Geological Survey	40,000	40,000
Department of Agriculture		
Floodplain Management	66,852	66,852
Interstate Water Issues	248,859	248,859
Subbasin Water Resources Management	477,826	490,682
Water Appropriations Subprogram	71,302	181,749
Water Use	60,018	60,018
WISP	0	0
Total--Department of Agriculture	<u>924,857</u>	<u>1,048,160</u>
State Conservation Commission		
Water Resources Cost Share	3,495,218	3,495,218
Nonpoint Source Pollution Asst.	2,799,520	2,799,520
Aid to Conservation Districts	1,043,000	1,043,000
Watershed Dam Construction	352,499	352,499
Water Quality Buffer Initiative	307,157	307,157
Riparian and Wetland Program	249,782	249,782
Multipurpose Small Lakes	0	0
Water Rights Purchase	0	0
Total--Conservation Commission	<u>8,247,176</u>	<u>8,247,176</u>
Kansas Water Office		
Assessment and Evaluation	108,511	108,511
Federal Cost-Share Programs	0	0
GIS Data Access and Support Center	0	0
GIS Data Base Development	247,405	247,405
MOU - Storage Operations and Maintenance	450,151	450,151
Ogallala Aquifer Institute	0	0
PMIB Loan Payment for Storage	240,036	240,036
Public Information	0	0
Stream Gauging Program	378,878	378,878
Technical Assistance to Water Users	180,131	180,131
Water Planning Process	313,205	313,205
Water Resource Education	29,690	39,690
Weather Modification	0	120,000
Kansas Water Authority	37,384	37,384
Total--Kansas Water Office	<u>1,985,391</u>	<u>2,115,391</u>
Department of Wildlife and Parks		
Circle K Ranch Debt Service	440,491	0
River Recreation	0	0
Stream (Biological) Monitoring	0	0
Total--Department of Wildlife and Parks	<u>440,491</u>	<u>0</u>
Total Water Plan Expenditures	<u>14,830,582</u>	<u>14,643,394</u>

State Water Plan Resource Estimate	Governor's Rec. FY 2005	Legislative Approved FY 2005
Beginning Balance	348,748	348,748
Adjustments		
Prior Year Recovery	0	110,447
Transfer to Kansas Corporation Commission	(367,000)	(667,000)
Revenues		
State General Fund Transfer	3,748,839	3,748,839
Economic Development Fund Transfer	2,000,000	2,000,000
Municipal Water Fees	3,500,000	3,500,000
Industrial Water Fees	1,200,000	1,200,000
Stock Water Fees	315,000	315,000
Pesticide Registration Fees	890,000	890,000
Fertilizer Registration Fees	2,940,000	2,940,000
Pollution Fines and Penalties	30,000	30,000
Sand Royalty Receipts	240,000	240,000
Total Receipts	<u>14,863,839</u>	<u>14,863,839</u>
Total Available	14,845,587	14,656,034
Less Expenditures	14,830,582	14,643,394
Ending Balance	<u>15,005</u>	<u>12,640</u>

5-2

**Economic Development Initiatives Fund
FY 2004**

Agency/Program	Governor's Recommendation FY 2004	House Adjustments FY 2004	Senate Adjustments FY 2004	Conference Adjustments FY 2004
Department of Commerce				
Operating Grant	\$ 14,162,053	-	-	-
Kansas Economic Opportunity Initiative Fund	2,975,000	-	-	-
Kansas Existing Industry Expansion Program	423,246	-	-	-
Subtotal - Commerce	\$ 17,560,299	\$ -	\$ -	\$ -
Kansas Technology Enterprise Corporation				
University & Strategic Research	\$ 5,486,622	-	-	-
Commercialization	1,375,994	-	-	-
Mid-America Manuf. Tech. Center (MAMTC)	1,533,177	-	-	-
Product Development	1,468,030	-	-	-
Operations	1,631,283	-	-	-
Subtotal - KTEC	\$ 11,495,106	\$ -	\$ -	\$ -
Kansas, Inc.				
Operations	\$ 203,162	\$ 40,000	\$ 40,000	\$ 40,000
Board of Regents				
Tech. Innovation & Internship Prog. - AVTS	\$ 185,483	-	-	-
Post-secondary Aid - AVTS	10,331,250	-	-	-
Vocational Education	2,565,000	-	-	-
National Guard Educational Assistance	-	-	-	-
Wichita State University - Aviation Research	1,000,000	-	-	-
Subtotal - Regents	\$ 14,081,733	\$ -	\$ -	\$ -
State Water Plan Fund Transfer	\$ 1,900,000	\$ -	\$ -	\$ -
BEST Transfers	\$ -	\$ -	\$ -	\$ -
Death and Disability Transfers	29,877	\$ -	\$ -	\$ -
Total Expenditures, Transfers or Adjustments	\$ 45,270,177	\$ 40,000	\$ 40,000	\$ 40,000

EDIF Resource Estimate	Governor's Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation
Beginning Balance	\$ 1,403,082	\$ 1,403,082	\$ 1,403,082	\$ 1,403,082
Gaming Revenues	42,432,000	42,432,000	44,432,000	44,432,000
Export Loan Guarantee Fund	789,086	789,086	789,086	789,086
Other Income*	1,042,584	1,042,584	1,042,584	1,042,584
Total Available	\$ 45,666,752	\$ 45,666,752	\$ 47,666,752	\$ 47,666,752
Less: Expenditures and Transfers	45,270,177	45,310,177	45,310,177	45,310,177
ENDING BALANCE	\$ 396,575	\$ 356,575	\$ 2,356,575	\$ 2,356,575

* Other income includes interest, transfers, reimbursements and released encumbrances.

HOUSE APPROPRIATIONS

DATE 4-21-2004
ATTACHMENT 6

**Economic Development Initiatives Fund
FY 2005**

<u>Agency/Program</u>	<u>Governor's Recommendation FY 2005</u>	<u>House Adjustments FY 2005</u>	<u>Senate Adjustments FY 2005</u>	<u>Conference Adjustments FY 2005</u>
Department of Commerce				
Operating Grant	\$ 16,368,030	\$ (300,000)	\$ (1,100,000)	\$ (900,000)
Kansas Economic Opportunity Initiative Fund	3,225,000	-	-	-
Kansas Existing Industry Expansion Program	300,000	-	-	-
Subtotal - Commerce	\$ 19,893,030	\$ (300,000)	\$ (1,100,000)	\$ (900,000)
Kansas Technology Enterprise Corporation				
University & Strategic Research	\$ 5,549,751	\$ -	\$ -	\$ -
Commercialization	1,316,589	160,000	200,000	180,000
Mid-America Manuf. Tech. Center (MAMTC)	1,480,960	-	-	-
Product Development	1,404,652	-	-	-
Operations	1,558,265	-	-	-
Subtotal - KTEC	\$ 11,310,217	\$ 160,000	\$ 200,000	\$ 180,000
Kansas, Inc.				
Operations	\$ 215,906	\$ 100,000	\$ 100,000	\$ 100,000
Board of Regents & Institutions				
KUMC - Biomedical research		\$ -	\$ 100,000	\$ -
Tech. Innovation & Internship Prog. - AVTS	\$ 180,500	-	-	-
Post-secondary Aid - AVTS	6,957,162	-	-	-
Vocational Education	2,565,000	-	-	-
National Guard Educational Assistance	-	-	-	-
KSU - ESARP - reduce funding shortfall	-	-	-	300,000
Wichita State University - Aviation Research	-	-	2,000,000	2,000,000
Subtotal - Regents	\$ 9,702,662	\$ -	\$ 2,100,000	\$ 2,300,000
Department of Human Resources				
Older Kansans Employment Program (OKEP) ¹⁾		\$ -	\$ 239,430	\$ 239,430
State Historical Society				
Restore BEST reductions, replace SGF	\$ -	\$ -	\$ 31,353	\$ -
Department of Administration				
Capital equipment grants	\$ -	\$ -	\$ 74,924	\$ -
Kansas Water Office				
Water Education for Teachers (WET) Project	\$ -	\$ -	\$ 10,000	\$ 10,000
Kansas Arts Commission				
Restore funding for local grants	\$ -	\$ -	\$ 35,000	\$ 35,000
State Water Plan Fund Transfer	\$ 2,000,000	\$ -	\$ -	\$ -
BEST Transfers	\$ 106,760	\$ -	\$ -	\$ -
Total Expenditures, Transfers or Adjustments	\$ 43,228,575	\$ (40,000)	\$ 1,690,707	\$ 1,964,430

1) This program will be transferred to the Department of Commerce in FY 2005 under the provisions of ERO 31.

<u>EDIF Resource Estimate</u>	<u>Governor's Recommendation</u>	<u>House Recommendation</u>	<u>Senate Recommendation</u>	<u>Conference Recommendation</u>
Beginning Balance	396,575	\$ 356,575	\$ 2,356,575	\$ 2,356,575
Gaming Revenues	42,432,000	42,432,000	42,432,000	42,432,000
Export Loan Guarantee Fund	-	-	-	-
Other Income*	400,000	400,000	400,000	400,000
Total Available	43,228,575	\$ 43,188,575	\$ 45,188,575	\$ 45,188,575
Less: Expenditures and Transfers	43,228,575	43,188,575	44,919,282	45,193,005
ENDING BALANCE	-	-	\$ 269,293	\$ (4,430)

* Other income includes interest, transfers, reimbursements and released encumbrances.

Children's Initiatives Fund FY 2004

As reflected in HB 2675 (Mega Appropriations Bill)

<u>Agency/Program</u>	<u>Gov. Rec. FY 2004</u>	<u>HB 2675 Adjustments FY 2004</u>	<u>HB 2675 Rec. FY 2004</u>
State Library			
Community Access Network	\$0	\$0	\$0
Department of Health and Environment			
Healthy Start/Home Visitor	\$250,000	\$0	\$250,000
Infants and Toddlers Program (Tiny K)	800,000	0	\$800,000
Smoking Cessation/Prevention Program Grants	500,000	0	\$500,000
Immunizations	0	0	\$0
Newborn Screening	0	0	\$0
State Oral Health Program	0	0	\$0
Fetal Alcohol Syndrome Diagnostic and Prevention Network	0	0	\$0
Pilot Program Grant Fund	0	0	\$0
Tobacco Use Prevention and Control Program	0	0	\$0
Subtotal - KDHE	\$1,550,000	\$0	\$1,550,000
Juvenile Justice Authority			
Juvenile Prevention Program Grants	\$5,414,487	\$0	\$5,414,487
Juvenile Graduated Sanctions Grants	3,733,017 (1)	0	\$3,733,017
Kansas Early Development Support	0	0	\$0
Level V Facility Reimbursement	0	0	\$0
Subtotal - JJA	\$9,147,504	\$0	\$9,147,504
Department of Social and Rehabilitation Services			
Children's Mental Health Initiative	\$1,800,000	\$0	\$1,800,000
Family Centered System of Care	5,000,000	0	\$5,000,000
Therapeutic Preschool	1,000,000	0	\$1,000,000
Community Services - Child Welfare	3,106,230	0	\$3,106,230
Child Care Services	1,400,000	0	\$1,400,000
Children's Cabinet Accountability Fund	1,091,105 (2)	(541,105)	\$550,000
HealthWave (SCHIP portion)	2,000,000	0	\$2,000,000
Smart Start Kansas - Children's Cabinet	3,727,574 (2)	(8,895)	\$3,718,679
Children's Medicaid Increases	3,000,000	0	\$3,000,000
Increases in CDDO Rate Reimbursement	0	0	\$0
HCBS/MR/DD Waiver Waiting Lists	0	0	\$0
HCBS/PD Waiver	0	0	\$0
Immunization outreach	500,000	0	\$500,000
Family Preservation	2,243,770	0	\$2,243,770
Grants to CMHCs to develop children's programs	2,000,000	0	\$2,000,000
School Violence Prevention	228,000	0	\$228,000
Experimental wrap-around services	0	0	\$0
Disproportionate Share Payments	0	0	\$0
Children's Cabinet Administration	250,000	0	\$250,000
Attendant Care for Independent Living (ACIL) program	0	0	\$0
Subtotal - SRS	\$27,346,679	(\$550,000)	\$26,796,679
Department of Education			
Parent Education	\$2,500,000	\$0	\$2,500,000
Four-Year -Old At-Risk Programs	4,500,000	0	\$4,500,000
School Violence Prevention	0	0	\$0
Vision Research	300,000	0	\$300,000
Communities in Schools	0	0	\$0
Mentoring Program Grants	0	0	\$0
National Geographic Society Education Foundation Endowment	0	0	\$0
Experimental Wrap-around Kansas Project	0	0	\$0
Reading Recovery	0	0	\$0
Special Education	1,225,000	0	\$1,225,000
Subtotal - Dept. of Ed.	\$8,525,000	\$0	\$8,525,000
University of Kansas Medical Center			
Tele-Kid Health Care Link	\$250,000	\$0	\$250,000
Pediatric Biomedical Research	0	0	\$0
Life Science Research	0	0	\$0
Subtotal - KU Medical Center	\$250,000	\$0	\$250,000
Attorney General			
DARE Coordinator	\$0	\$0	\$0
Emporia State University			
Future Teachers Academy/ National Board Certification	\$0	\$0	\$0
Regent Schools			
Alternative Teach Certification	\$0	\$0	\$0
Transfer to State General Fund	\$1,144,144	\$0	\$1,144,144
TOTAL	\$47,963,327	(\$550,000)	\$47,413,327

	<u>Gov. Rec. FY 2004</u>	<u>HB 2675 Rec. FY 2004</u>
Beginning Balance	\$2,589,146	\$2,589,146
Released Encumbrances	253,889	253,889
KEY Fund Transfer	46,125,000	46,125,000 (3)
Total Available	\$48,968,035	\$48,968,035
Less: Expenditures and Transfers	47,963,327	47,413,327
ENDING BALANCE	\$1,004,708	\$1,554,708

(1) Carry-over of \$147,504 from Prevention Grants was shifted to Graduated Sanctions grants and the SGF portion of the grant was reduced by that amount.

(2) Reflects re-appropriations from FY 2003

(3) HB 2675 requires a transfer to the State General Fund from the KEY Fund which could leave the CIF v \$3,536,252 in FY 2004.

HOUSE APPROPRIATIONS

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ATTACHMENT 7

Children's Initiatives Fund FY 2005

As reflected in HB 2675 (Mega Appropriations Bill)

Agency/Program	Gov. Rec. FY 2005	HB 2675 Adjustments FY 2005	HB 2675 Rec. FY 2005
State Library			
Community Access Network	\$0	\$0	\$0
Department of Health and Environment			
Healthy Start/Home Visitor	\$250,000	\$0	\$250,000
Infants and Toddlers Program (Tiny K)	800,000	0	\$800,000
Smoking Cessation/Prevention Program Grants	500,000	0	\$500,000
Immunizations	0	0	\$0
Newborn Screening	0	0	\$0
State Oral Health Program	0	0	\$0
Fetal Alcohol Syndrome Diagnostic and Prevention Network Pilot Program Grant Fund	0	0	\$0
Tobacco Use Prevention and Control Program	0	0	\$0
Subtotal - KDHE	\$1,550,000	\$0	\$1,550,000
Juvenile Justice Authority			
Juvenile Prevention Program Grants	\$5,414,487	\$0	\$5,414,487
Juvenile Graduated Sanctions Grants	3,585,513	0	\$3,585,513
Kansas Early Development Support	0	0	\$0
Level V Facility Reimbursement	0	0	\$0
Subtotal - JJA	\$9,000,000	\$0	\$9,000,000
Department of Social and Rehabilitation Services			
Children's Mental Health Initiative	\$1,800,000	\$2,000,000	\$3,800,000
Family Centered System of Care	5,000,000	0	\$5,000,000
Therapeutic Preschool	1,000,000	0	\$1,000,000
Community Services - Child Welfare	3,106,230	0	\$3,106,230
Child Care Services	1,400,000	0	\$1,400,000
Children's Cabinet Accountability Fund	541,802	0	\$541,802
HealthWave (SCHIP portion)	2,000,000	0	\$2,000,000
Smart Start Kansas - Children's Cabinet	10,000,000	(1,104,509)	\$8,895,491
Children's Medicaid Increases	3,000,000	0	\$3,000,000
Increases in CDDO Rate Reimbursement	0	0	\$0
HCBS/MR/DD Waiver Waiting Lists	0	0	\$0
HCBS/PD Waiver	0	0	\$0
Immunization outreach	495,491	4,509	\$500,000
Family Preservation	2,243,770	(1) 1,100,000	\$3,343,770
Grants to CMHC's to develop children's programs	2,000,000	(2,000,000)	\$0
School Violence Prevention	228,000	0	\$228,000
Experimental wrap-around services	0	0	\$0
Disproportionate Share Payments	0	0	\$0
Children's Cabinet Administration	0	0	\$0
Attendant Care for Independent Living (ACIL) program	0	0	\$0
Subtotal - SRS	\$32,815,293	\$0	\$32,815,293
Department of Education			
Parent Education	\$2,500,000	\$0	\$2,500,000
Four-Year -Old At-Risk Programs	4,500,000	0	\$4,500,000
School Violence Prevention	0	0	\$0
Vision Research	300,000	0	\$300,000
Communities in Schools	0	0	\$0
Mentoring Program Grants	0	0	\$0
National Geographic Society Education Foundation Endowment	0	0	\$0
Experimental Wrap-around Kansas Project	0	0	\$0
Reading Recovery	0	0	\$0
Special Education	1,225,000	0	\$1,225,000
Subtotal - Dept. of Ed.	\$8,525,000	\$0	\$8,525,000
University of Kansas Medical Center			
Tele-Kid Health Care Link	\$250,000	\$0	\$250,000
Pediatric Biomedical Research	0	0	\$0
Life Science Research	0	0	\$0
Subtotal - KU Medical Center	\$250,000	\$0	\$250,000
Attorney General			
DARE Coordinator	\$0	\$0	\$0
Emporia State University			
Future Teachers Academy/ National Board Certification	\$0	\$0	\$0
Regent Schools			
Alternative Teach Certification	\$0	\$0	\$0
Transfer to State General Fund	\$0	\$500,000	\$500,000
TOTAL	\$52,140,293	\$500,000	\$52,640,293

	Gov. Rec. FY 2005	HB 2675 Rec. FY 2005
Beginning Balance	\$1,004,708	\$1,554,708
Released Encumbrances	0	0
KEY Fund Transfer	51,135,585 (2)	51,135,585 (3)
Total Available	\$52,140,293	\$52,690,293
Less: Expenditures and Transfers	52,140,293	52,640,293
ENDING BALANCE	\$0	\$50,000

(1) Reflects BEST reductions.

(2) The statutory transfer in FY 2005 would be \$47,278,125, a difference of \$3,857,460.

(3) HB 2675 requires a transfer to the State General Fund from the KEY Fund which could leave the CIF with a shortfall of \$4.0 million in FY 2005.

KANSAS

DIVISION OF THE BUDGET
DUANE A. GOOSSEN, DIRECTOR

KATHLEEN SEBELIUS, GOVERNOR

April 19, 2004

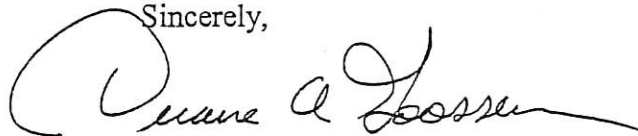
Dale Brunton, Director
Division of Accounts and Reports
LSOB, 3rd Floor
Topeka, KS 66612

Attn: Annette Witt

Dear Mr. Brunton:

In 2004 HB 2675, Section 140(c) requires the Director of the Budget to certify revenue transfers to the Director of Accounts and Reports. The certification must be made by April 19, 2004, but the transfers will not become effective until June 30, 2005. The certification is based on the transfer of the unencumbered balances from the fee funds of biennial agencies that exceed \$200,000 in FY 2005 with one exception. For the Banking Department, the unencumbered balance is the amount exceeding \$700,000. The enclosed attachments certify these amounts. If you have any questions, please contact Louis Chabira at 296-2436.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Alan Conroy, KLRD

LONDON STATE OFFICE BUILDING, 900 SW JACKSON, SUITE 504, TC
Voice 785-296-2436 Fax 785-296-0231 <http://da.state>

HOUSE APPROPRIATIONS

DATE 4-21-2004
ATTACHMENT 8

8-2

FY 2005 Biennial Transfers Special Revenue Fund Transfer Certification

<u>Agency</u>	<u>Name</u>	<u>Fund</u>	<u>Line</u>	<u>Fund Title</u>	<u>Amount</u>
28	Board of Accountancy	2701	0100	Board of Accountancy Fee Fund	160,977
94	Banking Department	2811	4000	Bank Commissioner Fee Fund	973,061
94	Banking Department	2811	5100	BCFF--Consumer Credit	277,967
159	Department of Credit Unions	2026	0100	Credit Union Fee Fund	147,036
167	Dental Board	2708	0100	Dental Board Fee Fund	4,060
482	Board of Nursing	2716	0200	Board of Nursing Fee Fund	168,522
531	Board of Pharmacy	2718	0100	State Board of Pharmacy Fee Fund	1,178,600
543	Real Estate Appraisal Board	2732	0100	Appraiser Fee Fund	334,369
549	Real Estate Commission	2721	0100	Real Estate Fee Fund	508,438
663	Board of Technical Professions	2729	0100	Technical Professions Fee Fund	549,744
Total					4,302,774

BUDGET COMMITTEE MEETING ROOMS

Agriculture and Natural Resources	235-N
Education	519-S
General Government and Human Resources	234-N
Public Safety	527-S
Social Services	514-S
Tax, Judicial and Transportation	231-N

HOUSE APPROPRIATIONS

DATE 4-21-2004
ATTACHMENT 9

April 21, 2004

ITEMS FOR OMNIBUS CONSIDERATION

Legislature

A. Non-session Legislative Allowance (Technical Adjustment). Language in HB 2675 inadvertently included an increase in the non-session legislative allowance for the entire FY 2005 instead of starting in April 2005 as intended. A technical change in the language is required to implement legislative intent.

Office of the Governor

A. Substitute for House Bill No. 2435 (Law) and GBA No. 3, Item 16, p. 8. Sub. for HB 2435 creates the Hispanic and Latino American Affairs Commission and repeals statutes concerning the current Hispanic Affairs and the Mexican American Affairs Advisory Committees. The new Commission will be housed in the Governor's Office. Previously, the Advisory Committees were housed within the Department of Human Resources.

Membership, for three-year terms, on the Commission is outlined in the bill and is similar to the membership of the current Advisory Committee on Hispanic Affairs. Meeting dates, payment amounts, and qualifications are controlled by the same statutes governing the current Advisory Committee.

The bill also moves the Advisory Commission on African American Affairs from the Department of Human Resources to the Governor's Office.

The currently approved FY 2005 budget for the Hispanic Affairs and Mexican American Affairs Advisory Committees totals \$194,365, including \$183,684 from the State General Fund and 3.0 FTE positions. The currently approved FY 2005 budget for the Advisory Commission on African American Affairs totals \$186,852, including \$183,502 from the State General Fund, and 3.0 FTE positions. Total combined funding currently approved for FY 2005 is \$381,217, including \$367,186 from the State General Fund, and 6.0 FTE positions.

Department of Administration

A. HB 2675 - Health Risk Appraisal (Veto). The Governor vetoed the section of the FY 2005 appropriations bill which required the Department of Administration to provide, on request, written copies of the Health Risk Appraisal document which is currently only available online. The Governor's veto message indicated that when the contract with the vendor handling the Health Risk Appraisal was put in place, there were no provisions for paper format questionnaires or findings reports, and that providing paper forms would increase the costs of the program.

HOUSE APPROPRIATIONS

DATE 4-21-2004
ATTACHMENT 10

B. HB 2675 - KANS-A-N Directory (Veto). The Governor vetoed the section of the FY 2005 appropriations bill that authorized the Department to provide paper copies of the KANS-A-N directory and to charge a fee to cover the costs of producing the directory. The Governor's veto message indicates the online directory saves money and can be updated more frequently than a paper copy.

C. Use of State Building Funds for Insurance Costs (Conference Committee). The Governor's FY 2005 recommendation for the Department of Administration included a total of \$438,326 from three state building funds, the Educational Building Fund (\$329,840), the State Institutions Building Fund (\$56,511), and the Correctional Institutions Building Fund (\$51,975) to offset State General Fund expenditures for building insurance costs. The Conference Committee on HB 2675 agreed to delete the funding for further consideration in the omnibus bill. Concerns were raised with the use of the funding, particularly in the case of the Educational Building Fund, given projected shortfalls to the EBF in FY 2004. Total recommended funding for the state umbrella policy in FY 2005 is \$559,218, and provides coverage for 765 buildings with a total replacement value of almost \$3.9 billion. In the past, the entire amount has been funded from the State General Fund, but the Governor's recommendation shifted all but \$120,892 to the state building funds. The Senate Ways and Means Committee has also recommended an interim study on this issue.

D. Department of Administration Capital Improvements (Senate Committee). The Senate Ways and Means Committee expressed concern regarding a number of items reflected in the Department of Administration's capital improvements request which concerned life safety issues, and requested the topic be further addressed at Omnibus. The Department's FY 2005 capital improvements request included \$31.6 million from the State General Fund to address deferred maintenance issues in a number of state buildings, particularly the Docking and Landon State Office Buildings. The Committee noted that the Department was in the process of completing a study on the future use of those buildings, but was concerned that the safety of those employees working in the buildings not be compromised while that determination is being made. A code review study of the Docking and Landon Buildings completed in 2000 indicated that the primary need for safety upgrades to the buildings revolved around fire safety issues. The Department's FY 2005 request included slightly over \$3.0 million in fire detection and suppression projects as listed in the table below. Several of these projects have been requested for a number of years, and one, the Landon Fire Pump replacement project, was approved from a nonreportable funding source, the State Buildings Depreciation Fund, in FY 2004, but, according to the agency, there were not sufficient funds available to complete the project.

<u>Project</u>	<u>Amount</u>
Docking Fire Detection System	\$ 367,642
Landon Fire Detection System	754,503
Docking Fire Suppression System	457,870
Landon Fire Suppression System	451,044
Kansas Judicial Center Fire Suppression System	500,000
Kansas Judicial Center Alarm Replacement	420,660
Landon Fire Pump Replacement	75,000
TOTAL	\$ 3,026,719

E. Language in Appropriations Bill (Technical Adjustment). Subsection (k) of House Bill No. 2675 (the FY 2005 appropriations bill) deals with the facility conservation improvement program, and transfers funds from the Kansas Corporation Commission (KCC) to the Department of Administration. The responsibility for administration of the program has been shifted to the KCC, and, as a result, the section needs to be deleted.

F. GBA No. 3, Item 1, p. 2 - Medicaid Reimbursement/Older Americans Act Funding.

G. GBA No. 3, Item 2, p. 2 - Motor Vehicle Sale Proceeds.

Juvenile Justice Authority

A. SB 183 - Interstate Compact for Juveniles (Law). SB 183 makes Kansas a member of the Interstate Compact for Juveniles (ICJ). The ICJ is an agreement between participating states regarding the supervision and apprehension of juveniles. The bill sets forth the organizational requirements for the state and the rules for participation in the ICJ. Specifically, the ICJ provides the framework for the supervision of juveniles on probation or parole across state lines and the return of absconders who escape from custody to their state of origin. The bill requires the formation of a State Council. The State Council consists of members of all three branches of government and victims groups, and may also include local government representatives. The purpose of the Council is to keep all agencies involved with juvenile justice informed of ICJ matters. The Juvenile Justice Authority estimates that participation in the ICJ would increase operating expenditures annually by \$46,700 beginning in FY 2005 from the State General Fund. The agency indicates that it would not be able to absorb the additional cost. In addition, 1.0 FTE position for a senior administrative specialist would be required to provide staff support for the Council and assist the Commissioner of JJA, who would serve as the state's representative on the National Council.

Kansas Juvenile Correctional Complex

A. Opening of the Kansas Juvenile Correctional Complex (KJCC) in FY 2005 (Senate Committee and House Committee) and GBA No. 3, Item 30, p. 14. After reviewing several options presented by the Juvenile Justice Authority (JJA), the House Budget Committee encouraged the Governor to review the option of phasing in 40 Reception and Diagnostic Unit (RDU) Beds and 90 Maximum Security Beds in FY 2005. The estimated cost of this option is \$7,190,066 from the State General Fund. The House Budget Committee encouraged this option after receiving testimony from the Juvenile Justice Authority regarding the overcrowding at the Topeka Juvenile Correctional Facility (TJCF); noting that the security equipment in KJCC will not be tested before the warranties expire in December 2004; that TJCF is out of compliance with some standards set by the American Correctional Association (ACA) that would be resolved once KJCC opens and that JJA will continue to be out of compliance with state regulations regarding the requirement of a reception and diagnostic unit in the juvenile justice system.

After hearing testimony from JJA, the Senate Subcommittee noted that the above option of phasing in 40 Reception and Diagnostic Unit (RDU) Beds and 90 Maximum Security Beds in FY 2005 as the most desirable. The Subcommittee recognized that JJA is working with the Governor's office on reviewing this option and researching additional options to open the new facility in FY 2005. The subcommittee cited the opening of KJCC for Omnibus.

Commission on Veterans Affairs

A. Additional Funding for Federal Grant Match (Senate Committee) and GBA No. 3, Item 20, p. 10. The agency requested an additional \$181,771 (\$69,995 for the Kansas Soldiers' Home and \$111,776 for the Kansas Veterans' Home) for FY 2004 to meet the state's match portion for the federal capital improvements grant projects. The agency reported that without this funding, a portion of the projects would not be completed. The Senate Committee recommended the agency request a Governor's Budget Amendment for this item.

B. Fort Riley Cemetery Construction (Senate Committee). The Senate Committee recommended a review of the status of the four state veterans cemeteries in FY 2005. While initial construction costs are financed through a federal grant, once construction is complete, the state is obligated to operate and maintain the cemeteries. Review of the fiscal note from the 1999 bill creating the cemetery program showed estimated annual program expenditures of \$606,111 with \$524,867 from the State General Fund and 12.0 FTE positions. The Committee expressed concern that cemetery program expenditures may now be estimated at much higher levels than the original fiscal note indicated. The Committee recommended work on the one cemetery where construction has not yet begun, Fort Riley, be stopped until review of this issue during Omnibus.

C. Systemwide Cemetery Staffing Needs (Senate Committee). The Senate Committee recommended a complete review of the systemwide FY 2005 staffing needs of the cemetery program to be reported during Omnibus. The Committee heard testimony that funding is included in the budget for salaries for cemetery personnel at Fort Dodge, Winfield, and WaKeeney; however, vacant FTE positions from the Soldiers' and Veterans' Homes would be used to staff the Winfield and WaKeeney cemeteries. The Committee encouraged the agency to explore staffing alternatives, such as inmate or volunteer labor, for groundskeeping and maintenance functions.

Department of Agriculture

A. Review of impact of ERO 32 or Sub. for SB 296 (Senate Committee and House Committee). The Senate and House Committee recommended a review of the Department of Agriculture's FY 2005 budget upon the adoption of Executive Reorganization Order (ERO) No. 32. ERO No. 32 (also contained in Substitute for Senate Bill 296) transfers food inspection functions from the Department of Health and Environment (KDHE) to the Department of Agriculture (KDA). Substitute for Senate Bill 296 is currently in conference committee. The ERO was set in place on March 15, 2004 and will take effect on October 1, 2004. The bill and the ERO allow for the transfer of all fund balances and FTE positions impacted by the transfer from KDHE to KDA.

B. GBA No. 3, Item 19, p. 10 - Food Safety Program.

Animal Health Department

A. Animal Facilities Inspection Program (Senate Committee). The Senate Committee recommended the review of funding for the Animal Facilities Inspection Program. The agency reported that due to low fund balances, the Animal Facilities Inspection Program will have insufficient funds to operate the program through FY 2005. The program's fees are currently at the statutory maximum. The Senate passed SB 257 which would increase the program's fees by 25 percent. The agency reports that a 25 percent fee increase would generate sufficient revenues to fund the program for two years. The bill is currently in the House Appropriations Committee.

B. HB 2593 - Livestock Premise Registration (Governor). HB 2593 authorizes the Livestock Commissioner to cooperate with the USDA, other state officials, and private industry to develop a livestock premise registration system. The bill also allows the Commissioner to prepare for the implementation of the US Animal Identification Program. The bill allows the agency to employ two individuals to implement this program. In addition, the bill adds two members to the Animal Health Board. The agency reports an FY 2005 cost of \$61,360 (\$30,815 each) for two FTE senior administrative assistants for the Animal Identification Program. The agency estimates an expense of \$600 for the two additional board members provided in the bill. The funding would be from the State General Fund.

C. GBA No. 3, Item 32, p. 15 - Animal Disease Homeland Defense Account.

Kansas Water Office

A. GBA No. 3, Item 33, p. 16 - New FTE Position and Position Upgrades.

Board of Indigents' Defense Services

A. Consensus Caseload Estimates. The consensus caseload estimating group for the Assigned Counsel program met to review the estimates for FY 2004 and FY 2005. The group concluded that no adjustments needed to be made at this time. The group will meet again in the fall to review the FY 2005 appropriation and to estimate FY 2006 caseloads.

B. Funding for Appeals Associated with State v. McAdam (Conference Committee on HB 2675). The Conference Committee on HB 2675 (appropriations bill) recommended a review of potential funding for FY 2005 costs of cases associated with the recent Kansas Supreme Court decision in *State v. McAdam*. Currently, Kansas has two statutes dealing with the crime of compounding drugs which contain different lengths of sentences. The Kansas Supreme Court ruled that a person convicted of compounding drugs can face only the lesser of the two sentences. Individuals currently serving the lengthier of the two sentences would be eligible to appeal their sentence.

The agency estimates that the Public Defender portion of these resentencing cases could be done within existing resources. The Assigned Counsel portion of the cases will be addressed in the fall caseload estimates.

C. Funding for Public Defender Office in the 14th Judicial District (Conference Committee on HB 2675). The Conference Committee on HB 2675 (appropriations bill) recommended a review of potential FY 2005 funding for establishing a public defender office in the 14th Judicial District (Montgomery and Chautauqua Counties). Indigent cases in this district are currently being handled by assigned counsel, but the chief judge testified that he is finding it increasingly difficult to find attorneys willing to take the cases.

According to the agency, the new office would be run as a satellite of the Chanute office until the chief defender retires in a few years. At that point, management would shift to the Independence office with Chanute becoming the satellite. The agency estimates that establishment of the new office would cost \$300,000 from the State General Fund.

D. Assigned Counsel Hourly Rates (House Committee). The House Committee recommended a review an additional \$4,000,000 SGF in FY 2005 should HB 2616 be enacted. This bill would increase the assigned counsel hourly rate from \$50 to \$80. This bill is currently in the Ways and Means Committee.

Fort Hays State University

A. Bonding Authority for Memorial Union Renovations (Joint Committee on State Building Construction) and GBA No. 3, Item 25, p. 13. The Joint Committee on State Building Construction recommended a review of providing the university with bonding authority of \$5.7 million to renovate Memorial Union in FY 2005. The debt service payments would be made using student fees which were approved by the student body in December 2003. The Joint Committee deferred a decision on the issue pending approval of the project by the Board of Regents.

University of Kansas

A. Senate Bill 312 (Law). Currently, the Fire Service Training Program is funded through a transfer from the Fire Marshal Fee Fund. Senate Bill 312 authorizes a portion of the fee on fire insurance companies to be transferred directly to the Fire Service Training Program Fund in FY 2005. However, the fund designated in SB 312 is different than the fund designated in HB 2675 (appropriations bill). In addition, timing of the various transfers could result in over funding the program.

University of Kansas Medical Center

A. Funding for Pursuit of Designation as a National Cancer Research Center (House Committee). The House Committee recommended consideration of providing additional funding in FY 2005 to assist in the pursuit of a designation from the National Cancer Institute (NCI) as a Comprehensive Cancer Center. There are very few such centers in the Midwest. According to the agency, NCI designation is a highly competitive process which is given, in part, in recognition of pre-existing state and institutional investments in cancer research.

B. Additional Funding for the Medical Loan Program (House Committee). The House Committee recommended a review of additional funding for the Medical Loan Program. The Governor's policy in her FY 2005 recommendation is that the program be reduced over time from 120 to 90 total loans. The agency has indicated that funding exists for FY 2005 to fund 30 new loans, but that additional state funding would be needed in FY 2006 to continue at that level.

Wichita State University

A. Funding for Aviation Research (House Committee and Senate Committee). The House Committee recommended a review of funding sources for aviation research at Wichita State University in FY 2005. The Senate Committee funded the research at \$2,000,000, but recommended a review of increasing the transfer from the State Gaming Revenues Fund to the Economic Development Initiatives Fund to fund the item. Both of the items were addressed in House Bill 2675 (appropriations bill).

Board of Regents

A. National Guard Educational Assistance Program (Technical Adjustment) and GBA No. 3, Item 24, p. 13. The National Guard Educational Assistance Program is currently funded in the appropriations bills at \$975,028 from the State General Fund for FY 2005. The Governor's recommendation and the Legislative approved amount is \$725,028 SGF. The difference is the amount appropriated for the program by the 2003 Legislature.

B. Other Federal Grants Fund (Technical Adjustment). The FY 2004 expenditure authority for the Other Federal Grants Fund was listed incorrectly in HB 2675 (appropriations bill). The line item and associated proviso were authorized twice for FY 2005.

C. Additional Funding for Technical Colleges (Conference Committee on HB 2675). The Conference Committee on HB 2675 (appropriations bill) recommended consideration of increased funding for technical colleges in light of the transfer to independent governing boards. In its FY 2005 budget submission, the agency requested an additional \$4.5 million to fully fund the statutory state aid formula. The Governor's original recommendation funded \$1.0 million of that request.

D. Report on Southwest Kansas Access (House Committee). The House Committee requested a report on the Southwest Kansas Access Project including current activities and efforts as well as plans for FY 2005.

E. Report on Budgetary Flexibility (Senate Committee). The Senate Committee requested a report on the various options being considered by the Board of Regents for greater budgetary flexibility at the state universities. The Committee requested that the agency report either at Omnibus or during the 2004 interim.

F. GBA No. 3, Item 23, p. 12 - Vocational and Technical Education Act.

Attorney General

A. White Collar Crime Unit. The Conference Committee on HB 2675 (the appropriations bill) deferred to Omnibus consideration of creation of a white collar crime unit in the Attorney General's Office in FY 2005. The position of the House was to appropriate \$200,000 and add 2.0 FTE positions for the unit. The position of the Senate, if additional resources become available, was to consider the request in Omnibus and to ask the Attorney General to provide detailed justification for the new unit, a description of the types of cases that would be investigated, estimated costs associated with the investigations, and an estimated workload. In addition, the Senate asked the Attorney General to provide other options for consideration, such as partnerships with local law enforcement agencies to investigate and prosecute white collar crime, the possibility that the Attorney General could provide training to enhance the effectiveness of local units, the feasibility of providing grants to local units for white collar crime investigation and prosecution, and the possibility of using state grants to leverage federal or other funds.

According to the Attorney General, white collar crimes (defined to include fraud involving financial institutions, credit cards, insurance, and securities, as well as identity theft) no longer are the top priority of the Federal Bureau of Investigation. As a result, states are left to investigate and prosecute crimes involving losses of less than \$250,000. The Attorney General says that local officials have limited resources to pursue white collar crime and often ask the Attorney General's Office for assistance.

The Attorney General requests \$230,000 from the State General Fund in FY 2005 to create a White Collar Crime Unit. Of the request, \$175,000 would be for the salaries of 3.0 FTE positions (an investigator, a prosecutor, and one support position) and \$55,000 would be for equipment, travel, and other operating expenditures.

B. HB 2798 (Veto). HB 2798 enacts the Personal and Family Protection Act, administered by the Attorney General. The Act allows licensed individuals to carry concealed handguns and sets forth the following responsibilities and duties the Attorney General must perform:

- Issue four-year licenses to qualifying individuals to carry concealed handguns. Licenses would have to be issued or denied within 90 days of receiving the application, fee, and required documentation. (Between January 1, 2005, and July 1, 2005, the period would be extended to 180 days to allow for implementation of the Act.)
- Adopt rules and regulations to administer the Act.
- Approve "weapons safety and training courses" to satisfy the requirement that applicants for licensure must present evidence of completion of such a course in order to be licensed. (Courses also could be approved by other law enforcement agencies or the National Rifle Association (NRA).) Procedures and standards for the courses would be established in rules and regulations of the Attorney General. Course instructors would have to be certified by the Attorney General or the NRA.
- Maintain an automated listing of license holders and "pertinent information." The information would have to be available, upon request, at all times to all law enforcement agencies in Kansas.
- Provide a statistical report to the Governor and Legislative leadership by January 1 each year regarding the number of licenses issued, revoked, suspended, and denied during the preceding fiscal year.
- The bill provides for an initial license fee of up to \$150 and a renewal fee of up to \$100, which must be submitted to the sheriff of the county where the applicant resides. Of those amounts, the Attorney General would receive \$110 of the original license fee and \$50 of the renewal fee. The Attorney General would have to use the fees for administration of the Act, with 20 percent of any balance allocated to the County Law Enforcement Equipment Fund and 80 percent to the Forensic Laboratory and Materials Fee Fund. The original fiscal note on the bill estimated that the agency administering the Act would receive \$280,000 per year due to initial licenses issued. Once the Act is implemented, additional revenues would be received due to license renewals.

The Attorney General estimates that 4.0 FTE support staff would be needed, at least in the initial years of implementation of the Act, at a total cost of \$110,000 in FY 2005 (\$25,000 for each of the additional staff and \$10,000 for other operating expenditures). Costs associated with the positions would be paid for from licensure revenues generated.

C. SB 489 (Senate Committee). SB 489 would require the Child Death Review Board to investigate the death or near fatality of a child who is in the custody of the state or who at any time has been determined to be a child in need of care. According to the Attorney General, passage of the bill would require 2.0 FTE additional staff for the Child Death Review Board, at a total cost of \$156,831 in FY 2005 for salaries and wages, equipment, travel, and other operating expenditures. The Senate Subcommittee on the Attorney General's budget recommended that, if SB 489 were enacted, it should be funded in the Omnibus Bill. However, the bill was not reported out of the first committee.

D. Technical Adjustment and GBA No. 3, Item 6, p. 3. In order to accurately reflect the Governor's recommendation, \$28,960 from the State General Fund should be added for FY 2004. A lapse contained in HB 2675 (the appropriations bill) was incorrect. The addition will not increase expenditures above the Governor's recommendation because the amount already has been taken into account.

Department of Education

A. HB 2675 - KPERS-School Lapse (Veto). The Governor vetoed a section in HB 2675 which contains a lapse of \$6,005,014 for KPERS-School in FY 2004. Had the lapse occurred, the full entitlement for KPERS-School in the current year would not have been funded. According to the Governor's veto message, the Governor will issue a Governor's Budget Amendment to identify savings that can be captured in the current year, based on revised estimates made April 13, 2004.

B. Revised School Finance Estimates and GBA No. 3, Item 21, p. 11. Staff from the State Department of Education, the Division of the Budget, and the Legislative Research Department met April 8, 2004, to reevaluate school finance estimates that had been made in November for FY 2004 and FY 2005. One revision was to add 449 weighted full-time equivalent (FTE) students in both years, the result of growth in at-risk, bilingual education, and vocational enrollments. The estimate for local resources was increased in the current year by \$1.8 million as a result of more federal funding being received for school districts that include military bases. Finally, local option budgets were adjusted upward in FY 2005, reflecting both greater utilization of budget authority and utilization by relatively poorer districts which qualify for a higher proportion of state aid.

The revisions made to the school finance estimates are shown on the table below. (Amounts are in thousands.)

	Approved FY 2004	Revised FY 2004	Difference FY 2004	Approved FY 2005	Revised FY 2005	Difference FY 2005
General State Aid \$	1,621,855	1,621,926	71	1,760,302	1,762,192	1,890
Supp. General State Aid	160,740	160,598	(142)	163,045	171,416	8,371
TOTAL	\$ 1,782,595	\$ 1,782,524	\$ (71)	\$ 1,923,347	\$ 1,933,608	\$ 10,261

To fully fund general state aid in FY 2004, an additional \$71,000 is needed, which is more than offset by estimated savings of \$142,000 in supplemental general state aid. In FY 2005, an additional \$1,890,000 is needed for general state aid and \$8,371,000 for supplemental general state aid, for a total of \$10,261,000. (Net savings of \$71,000 in FY 2004 could be reappropriated to FY 2005 to reduce the appropriation.)

10-9

C. Juvenile Detention Facilities (Senate Committee). The Senate Subcommittee that reviewed the State Department's budget requested that the Governor submit a GBA to add \$669,522 from the State General Fund in FY 2005 for Juvenile Detention State Aid. (Currently, the approved appropriations for juvenile detention state aid are \$6,268,915 in FY 2004 and \$5,599,393 in FY 2005.) The Governor recommended a supplemental appropriation of \$669,522 for FY 2004, in recognition of enrollment growth and the addition of a new facility, but failed to reflect the growth in the recommendation for FY 2005. According to the State Department, 708 FTE students in juvenile detention facilities received educational services in FY 2003, compared to an estimated 836.5 FTE students in the current year, an increase of 128.5 students. That same number of students is expected to be served in FY 2005.

D. KPERS-School (Senate and House Committees) and GBA No. 3, Item 22, p. 11. The Senate Subcommittee and the House Budget Committee which reviewed the State Department's budget requested that the Governor submit a GBA to add money from the State General Fund for KPERS-School in both FY 2004 and FY 2005. The Governor's recommendation for FY 2004 was intended to fund the entitlement, but lapses \$6,005,014 which was a supplemental appropriation for FY 2003, resulting in a shortfall. (The Governor and the 2003 Legislature approved the supplemental appropriation for FY 2003 but, because of revenue shortfalls, added it to the FY 2004 appropriation so that it would not be spent until FY 2004.) The shortfall created by the lapse in the current year has been carried forward to FY 2005. On April 13, 2004, staff revised the estimates for KPERS-School. The revised estimates for the entitlements are \$113,508,100 in FY 2004 and \$139,232,391 in FY 2005. (The increase from FY 2004 to FY 2005 is due to an estimated 3.0 percent growth in teacher salaries; a statutory employer contribution rate increase of 0.2 percent for the last three quarters in FY 2005; the end of the moratorium on death and disability contributions and the consequent assumption of death and disability payments of 0.6 percent for all of FY 2005; and a 0.09 percent assessment to pay bonds for the 13th check, which will begin the last three quarters of FY 2005 and continue for 15 years.) To fund the estimated payments, a supplemental appropriation of \$5,157,823 is needed in FY 2004 and an additional appropriation of \$4,253,138 is needed for FY 2005.

E. GBA No. 3, Item 23, p. 12 - Vocational and Technical Education Act.

Insurance Department

A. GBA No. 3, Item 7, p. 4 - Service Regulation Fund.

Secretary of State

A. Interest in distribution of free copies of publications (Senate Committee). The agency has indicated that the FY 2005 proviso suggested by the Senate subcommittee which would allow the Secretary of State to access the interest in distribution of free copies of certain publications is not necessary. The Secretary of State's office already makes the inquiry prior to the distribution of the free copies of the Session Laws, Kansas Administrative Regulations (KARs), and Kansas Statutes' Annotated (KSAs).

B. Expenditure related to Session Laws and Kansas Administrative Regulations (KARs) (Senate Committee). The Senate Committee requested that the Secretary of State's Office report back concerning the agency's FY 2005 expenditures related to the publication and distribution of Session Laws and Kansas Administrative Regulations (KARs). The agency indicated that currently the agency has annual expenditures of \$236,500 from special revenue funds and that the

annual revenue from sales of \$121,000 goes to the State General Fund. The total cost of the free distribution is \$87,500, of which \$55,019 is directly related to printing and shipping costs associated with the free distribution copies. The agency presented two options for the Committee's consideration: 1. Secretary of State continue to pay all expenses but be allowed to retain \$121,000 in revenue and the Legislature would pay all costs associated with the free distribution of \$87,500. This is a total cost to the State General Fund of \$208,500. 2. Secretary of State continue to pay all expenses but be allowed to retain \$121,000 in revenue and the Legislature would pay \$55,019 for the printing and shipping costs associated with the free distribution. This is a total cost to the State General Fund of \$176,019.

C. SB 479 Help America Vote Act (HAVA) (Law) and GBA No. 3, Item 5, p. 3. SB 479 implements provision of the federal Help America Vote Act (HAVA) of 2002. There is a fiscal impact to the bill, which would be funded with federal appropriated HAVA dollars totaling \$13,748,141 in FY 2005. There is a five percent match required to receipt the federal funds. The agency has requested a GBA to fund three percent of the FY 2005 match, \$434,152 State General Fund and that the counties pay the remaining two percent \$289,435. In addition, the agency has requested an additional \$28,245 State General Fund in FY 2004 due to receiving a larger than anticipated federal appropriation.

School for the Blind

A. Teacher Salary Levels (House Committee). The House Committee requested that the agency provide information regarding the differences between the salary levels at the School for the Blind and other school districts. The School provided information indicating compared to USD # 500, Kansas City, Kansas, \$162,415 State General Fund would be required in FY 2005 to comparably compensate the teachers at the School for the Blind, including fringe benefits. The School indicated that the 32.15 FTE teachers earn an average of \$3,653 (9.5 percent) less than the Kansas City, Kansas school district average (base salary). The School indicated that 78 percent of its classroom teachers have their masters degree or above and 67 percent of its teachers have 10-19 years of experience.

B. Separate Pay Matrix (Senate Committee). The Senate Committee wanted to review the viability of creating a separate pay matrix for teachers at the School for the Blind and the School for the Deaf in FY 2005. The Department of Administration indicated that costs associated with the creation of an additional matrix total approximately \$16,000 (423 programming hours) in addition to the costs involved with adjusting salaries on the new matrix.

C. Utilization and viability of the School for the Blind and the School for the Deaf (Senate Committee). The Senate Committee requested information regarding capacity and enrollment of the schools' dormitory and classrooms and other possible uses for the two campuses in FY 2005. In addition, the committee requested information regarding the feasibility of either consolidating the two schools into one campus or utilizing alternative methods of providing services to blind and deaf students.

The School for the Blind indicated that their dorm capacity was approximately 50 students, with the current enrollment at 30 students. In addition, the School for the Blind's classroom capacity is 70 students, with an actual enrollment of 61 students at the current time.

The School for the Deaf indicated that their dorm capacity was approximately 136 with optimal distribution of gender and age, with the current enrollment of 50 students. In addition, the

School for the Deaf's classroom capacity is 200, with an actual enrollment of 140 students at the current time.

Both the School for the Blind and the School for the Deaf have indicated that they do not believe it would be in the best interests of the students to combine the two schools. The Schools additionally indicate that it is not a possibility to combine these groups in the classroom. Each group has specific sensory requirements that make them unique in the Kansas education system. The School for the Blind also notes that there may be a legal issue regarding ownership of their campus should the School be moved to a different location.

Both schools have indicated that they strongly believe that the residential school/center school is a necessary placement option for the blind and deaf students in Kansas, especially those requiring intensive instruction.

The School for the Blind and the School for the Deaf noted the existence of previous reports which examined this issue in more depth, most notably those from 1986 and 1993. The reports recommended maintaining the current funding mechanism and leaving in place the current educational structure for both the School for the Blind and the School for the Deaf.

School for the Deaf

A. Teacher Salary Levels (House Committee). The House Committee requested that the agency provide information regarding the differences between the salary levels at the School for the Deaf and other school districts. The School provided information indicating compared to the Olathe School District, \$422,238 State General Fund would be required in FY 2005 to comparably compensate the teachers at the School for the Deaf, including fringe benefits. The School indicated that the 59.0 FTE teachers earn an average of \$6,924 (15.2 percent) less than the Olathe school district average (base salary).

B. Separate Pay Matrix (Senate Committee). The Senate Committee wanted to review the viability of creating a separate pay matrix in FY 2005 for teachers at the School for the Blind and the School for the Deaf. The Department of Administration indicated that the costs associated with the creation of an additional matrix totals approximately \$16,000 (423 programming hours) in addition to the costs involved with adjusting salaries on the new matrix.

C. Restoration of BEST contractual services and commodities. (Senate Committee). The Senate Committee wished to review the possible restoration of FY 2005 BEST reductions of \$70,814 in contractual services and commodities.

D. Restoration of vehicle and capital outlay. (Senate Committee). The Senate Committee requested a GBA to address this issue. The Committee noted that the school had requested one vehicle, \$19,425, in their FY 2005 submitted budget, which was deleted in the Governor's reduced resources package. In addition, there was a reduction of \$19,121 for the vehicle moratorium.

The Committee noted that the school requested \$82,675 for capital outlay, including \$30,000 for replacement of auditory training units. The Governor deleted all \$82,675 in the reduced resources package. In addition, there were capital outlay BEST reductions of \$11,761.

The capital outlay for the School for the Deaf after all the reductions totals a negative \$30,882. However, a portion of the reductions were made by the Division of Budget in contractual services, so the reports indicate a remaining balance of \$40,914.

E. Dorm Renovation Project (Conference Committee). The Conference Committee removed FY 2005 funding of \$529,794 (State Institutions Building Fund) for the dorm renovation project and requested to review the entire project at Omnibus, especially in terms of the effect on the life and safety of the students if the project were delayed or discontinued. The School provided information indicating that the current structure does not meet code in terms of emergency evacuation and fire suppression. In addition, the renovation would install visual alarms for weather emergencies and intruder lock-down alerts in addition to the existing fire alarms. The School indicated that the dormitory was originally designed to house 180 students with four to eight students per room. The current housing assignments could accommodate 100 students with one to two students per room, as their needs require, given the optimal gender and age distribution. The renovated dorm would accommodate 42 students per wing. The current population being served in the dorm setting is approximately 30 students. The second wing renovation is focusing on special accommodation and meeting the living arrangement needs of multiply-disabled deaf children. The School has indicated that while the renovation of the second wing is highly desirable, it could be postponed for a period of time in deference to the current economic conditions.

F. Utilization and viability of the School for the Blind and the School for the Deaf (Senate Committee). The Senate Committee requested information regarding capacity and enrollment of the schools' dormitory and classrooms and other possible uses for the two campuses in FY 2005. In addition, the committee requested information regarding the feasibility of either consolidating the two schools into one campus or utilizing alternative methods of providing services to blind and deaf students.

The School for the Blind indicated that their dorm capacity was approximately 50 students, with the current enrollment at 30 students. In addition, the School for the Blind's classroom capacity is 70 students, with an actual enrollment of 61 students at the current time.

The School for the Deaf indicated that their dorm capacity was approximately 136 with optimal distribution of gender and age, with the current enrollment of 50 students. In addition, the School for the Deaf's classroom capacity is 200, with an actual enrollment of 140 students at the current time.

Both the School for the Blind and the School for the Deaf have indicated that they do not believe it would be in the best interests of the students to combine the two schools. The Schools additionally indicate that it is not a possibility to combine these groups in the classroom. Each group has specific sensory requirements that make them unique in the Kansas education system. The School for the Blind also notes that there may be a legal issue regarding ownership of their campus should the School be moved to a different location.

Both schools have indicated that they strongly believe that the residential school/center school is a necessary placement option for the blind and deaf students in Kansas, especially those requiring intensive instruction.

The School for the Blind and the School for the Deaf noted the existence of previous reports which examined this issue in more depth, most notably those from 1986 and 1993. The reports recommended maintaining the current funding mechanism and leaving in place the current educational structure for both the School for the Blind and the School for the Deaf.

Board of Healing Arts

A. Senate Sub. for HB 2698 (Law). Senate Substitute for HB 2698 creates new laws to be known as the Radiologic Technologists Practice Act. Under the provisions of the new laws, on or after July 1, 2005, persons providing radiologic technology procedures on humans for diagnostic or therapeutic purposes must be licensed by the Board. For FY 2005, the Board estimates that the implementation of the bill, through the preparation for licensure to develop rules and regulations, to contact potential licensees, and to create related forms for this new licensure group, would increase its operating expenditures by \$46,688 from the Board of Healing Arts Fee Fund.

Kansas Dental Board

A. GBA No. 3, Item 8, p. 4 - Convert Temporary Staff to FTE Position.

B. GBA No. 3, Item 9, p. 4 - Operating Expenditure Increases.

Board of Pharmacy

A. Review Expenditures for Litigation (House Committee). The House Committee recommended that consideration be given at Omnibus to the Board's request to encumber \$500,000 of its fee fund balance in FY 2005 for litigation purposes. The Board expressed concern about storefronts operating in Kansas with arrangements involving ordering and purchasing of prescription drugs from Canada. The Board cited concerns about safety and efficacy of the drugs and indicated that it would need \$500,000 to pursue litigation with outside counsel. According to the Board, the Attorney General's Office indicated that it did not have the manpower or funds to pursue this type of lengthy prosecution.

State Historical Society

A. ADA Signs and Alarms (Senate Committee). The Senate Committee recommended a review of the Society's request of \$55,802 SGF for signs and alarms at Omnibus. The Division of Architectural Services has told the Society that the Kansas Museum of History's fire detection and security systems do not comply with the current ADA requirements.

B. HB 2531 (Law). House Bill 2531 adds to and amends the Historic Preservation Act to provide certain protection to land used for agricultural purposes within the environs of historic property. The Historical Society is required to provide notification to landowners by mail or newspaper publication. The Historical Society indicated the publication costs from its agency fee and federal funds would be \$2,080. These expenditures are not included in the currently approved FY 2005 budget.

Department on Aging

A. Review of EDS payment system - FY 2004 (Senate Committee and House Committee). The Committees expressed concern about the timing of payments to providers and the number of unpaid claims. The Committees requested information from both the Department of Social and Rehabilitation Services and the Department on Aging prior to Omnibus. The House

Budget Committee planned to meet with the EDS representatives and SRS and KDOA secretaries prior to Omnibus.

B. Transfer of Senior Employment Programs to the Department on Aging (House Committee). Under the provisions of ERO No. 31, the Older Kansans Employment Program (OKEP) and the Senior Community Service Employment Program (SCSEP), are to transfer from the Department of Human Resources (KDHR) to the Department of Commerce in FY 2005. The House Committee recommended consideration be given to the transfer of the programs to the Department on Aging prior to Omnibus.

The Department noted that the two programs were transferred from KDOA to KDHR in 1995. The Department indicated that the appropriate administrative money and staff would need to be transferred to KDOA in order for the agency to administer the program. KDOA noted that the program is currently funded from the EDIF and that it does not currently receive EDIF moneys, nor the spending authority for such funds. The Department believes that the two senior employment programs are compatible with its mission and supports the recommended interim study to further review the programs' transfer. The ERO took effect on March 14, 2004.

C. Review of Nutrition Program Funding Formula for the Area Agencies on Aging (House Committee). The House Committee requested a review of the current nutrition program funding formula for the Area Agencies on Aging. The table below illustrates the State General Fund allocations, both match and non-match from the 2004 appropriations bill, for FY 2003, FY 2004, and FY 2005. According to the Department, the SGF moneys were allocated in accordance with the 2003 appropriations bill proviso that provides that the PSA (Planning and Service Areas) In-Home Nutrition Program (IHNP) allocations for FY 2004, FY 2005, and FY 2006 shall be 92 percent of its prior fiscal year IHNP allocation. The remainder of the SGF appropriation, the Department noted, is allocated per the Kansas Intrastate Funding Formula.

In-Home Nutrition Program Allocations

PSA	Area Agency on Aging (AAA)	FY 2003 *	FY 2004 **	FY 2005 ***
01	Wyandotte/Leavenworth AAA	\$ 142,225	\$ 185,362	\$ 188,080
02	Central Plains AAA	505,650	582,092	568,874
03	Northwest Kansas AAA	38,019	65,046	69,669
04	Jayhawk AAA	161,366	208,776	209,421
05	Southeast Kansas AAA	170,155	204,865	205,042
06	Southwest Kansas AAA	130,857	170,715	172,315
07	East Central Kansas AAA	184,534	192,466	184,134
08	North Central-Flint Hills AAA	241,372	287,434	285,038
09	Northeast Kansas AAA	29,100	48,694	52,155
10	South Central Kansas AAA	150,921	190,159	191,293
11	Johnson County AAA	57,874	134,901	144,489
Total		\$ 1,812,073	\$ 2,270,510	\$ 2,270,510

Source:

* KDOA IM 2003-15, issued 09/24/2003

** KDOA IM 2004-02, issued 03/26/2004

*** KDOA IM 2004-05, issued 03/31/2004

D. Comparison of Reimbursement Rates and Requirements for Agency-directed and Self-directed services - Frail Elderly (FE) Waiver (House Committee). The House Committee expressed concern about the reimbursement rate disparity for agency-directed and self-directed services under the FE waiver in FY 2005. The Committee noted that items, such as Workers Compensation can affect the self-direct rate. The Senate Committee has requested a Legislative Post Audit on this issue.

E. Updated Waiting Lists for the FE Waiver and the Senior Care Act (House Committee). The Home and Community-Based Services/Frail Elderly waiver regular waiting list, as of April 9, 2004, was 46 individuals. The Senior Care Act waiting list, as of March 31, 2004, was 280 individuals.

F. Review of Policy Change for Plans of Care and Assistive Technology (Senate Committee). The Senate Committee expressed concern about the FY 2005 HCBS/FE Plans of Care and Assistive Technology. The Subcommittee noted testimony regarding a change from twelve months to six months for adjustments in Plans of Care to offset the costs of Assistive Technology. The Committee requested that the review discuss both the policy change and associated costs.

The Department indicated that there has been a reduction in the Plans of Care with regards to assistive technology. The Department cited two factors: (1) The Area Agencies on Aging (AAA) are maximizing other formal and informal resources, including the Kansas Accessibility Modification Program (KAMP) and Medicare, before utilizing the assistive technology under the FE waiver; and (2) The Department has modified its policy on assistive technology. The primary difference between the current policy and previous assistive technology policy is that costs less than \$1,000 must be a cost-effective alternative for at least six months. The previous policy allowed for a timeframe of twelve months. The Department provided a report regarding AAA resources utilized for Assistive Technology. The Central Plains AAA, for example, utilized the resources of county funds, KAMP, the Medical Equipment Recycling Network (MERN), Mennonite Housing, and the City of Wichita.

Assistive Technology coverage is illustrated below:

Assistive Technology Coverage

Assistive Technology Non-Coverage	Assistive Technology Coverage
If Medicare covers an assistive technology item, HCBS/FE will not cover the item.	If Medicare does not cover an item, HCBS/FE will only cover items that improve the customer's capabilities or home modifications that improve mobility, and reduce the customer's plan of care.
If Medicare covers an assistive technology item but denies authorization, HCBS/FE will not cover the item.	
If Medicaid Durable Medical Equipment (DME) covers an assistive technology item, HCBS/FE will not cover the item.	If Medicaid DME does not cover an item, HCBS/FE will only cover items that improve the customer's capabilities or home modifications that improve mobility, and reduce the customer's plan of care.
If Medicaid DME covers an assistive technology item but denies the authorization, HCBS/FE will not cover the item.	

G. Review of FY 2005 Senior Care Act Budget (Senate Committee). The Senate Committee noted its support of the Department's intent to reappropriate \$500,000 SGF from the FY 2004 Senior Care Act budget to the FY 2005 Senior Care Act budget, for a budget of \$6.5 million.

The FY 2004 budget would then be approximately \$6.9 million. The Committee requested that consideration be given at Omnibus to increase the FY 2005 budget to \$6.9 million, an increase (with the reappropriation) of \$400,000 SGF. The projected average wait list with a \$6.5 million Senior Care Act budget, the Committee noted, is 603 individuals.

H. Funding for the Senior Companion Program and Related Programs (Senate Committee). The Senate Committee recommended that consideration be given to the addition of \$25,000 SGF for the Senior Companion Program in FY 2005 at Omnibus. In addition, the Committee also requested information about appropriate funding levels and availability of matching funds for the Senior Companion Program and related programs, including the Foster Grandparents Program.

Funding of \$25,000 SGF from the Senior Care Act budget is provided for the Senior Companion Program in HB 2675 (appropriations bill).

I. Regulations for New Nursing Facilities (Senate Committee). The Senate Committee recommended that consideration be given at Omnibus to a regulatory change that would allow new nursing facilities to be subject to the same base year cost as existing nursing facilities.

Social and Rehabilitation Services

A. HB 2675 - Vocational Rehabilitation Federal Grant (Veto). The Governor vetoed proviso language in the FY 2005 appropriations bill requiring the agency fully fund the Vocational Rehabilitation Federal Grant with an additional \$550,629 state funds from existing resources.

B. ACIL Program Review (Senate Committee and House Committee). The House and Senate Committees requested the agency report back at Omnibus on costs associated with providing services for children as they age out of the ACIL (Attendant Care for Independent Living) program. The Conference Committee recommended Omnibus review of the addition of \$50,000 Children's Initiatives Fund in FY 2005 for the ACIL program.

C. Vagus Nerve Stimulator Maintenance (House Committee). The House Budget Committee received testimony about Kansans with disabilities that were provided a Vagus Nerve Stimulator (VNS) by Medicaid, and subsequently informed that the State (through Medicaid) would not cover the replacement of batteries for this device. The VNS device is used to help prevent debilitating seizures for certain persons with disabilities. Replacement of the VNS batteries is a surgical procedure, and medically necessary to reduce these seizures.

The House Committee recommended that SRS do a thorough review of the VNS replacement battery issue and report back at Omnibus on exactly why the state is denying battery replacement for these VNS devices. The House Committee directed SRS to produce the specific part of the Medicaid state plan that denies this coverage for VNS battery replacement, if the agency concludes that the replacement is not a medically necessary procedure. In addition, the House Committee asked that if SRS believes this procedure is experimental, they: (1) justify why they paid to implant the VNS device but now are denying payment for battery replacement; (2) produce credible medical evidence from a reputable neurologist to support the assertion that it is experimental; and (3) report how many other states cover this procedure under their state's Medicaid plan.

The House Committee also asked that SRS reexamine its policy not to pay to replace VNS batteries in these situations, and strongly recommended that they fund such medically necessary

procedures. As SRS examined this procedure, the House Committee also asked that they examine the implantation of VNS devices as a cost effective measure. Finally, the House Committee asked SRS to justify how denying this procedure is cost effective when compared to institutionalization, hospitalizations and medication, and report all these findings at Omnibus.

D. Reduction Methodology for Family Supports and Services (House Committee). The House Committee requested the agency report back at Omnibus on the methodology used to reduce family supports and services for persons on the waivers as budget cuts have been made. In particular, the House Committee was interested in what role, if any, caretakers had in deciding which services were essential and which were not as they were reduced.

E. Payroll Agents (House Committee). The House Committee requested the agency report back at Omnibus on the financial situation of payroll agents for persons who self-direct their care through the HCBS waivers. The House Committee is concerned that the rates paid to payroll agents are not sufficient to cover the cost of the additional responsibility of providing workers compensation insurance. According to testimony, providers have indicated that they must either go without insurance or join insurance pools with inflated costs.

F. Care Management Pilot Project (House Committee). The House Committee requested the agency report back at Omnibus on progress toward the implementation of the care management pilot project, which is designed to view the consumer as an individual, balancing the needs of the individual with cost effectiveness to provide the consumer with high quality, evidence-based care resulting in more appropriate and cost effective utilization practices.

G. NF/MH Screening Process (Senate Committee and House Committee). The House and Senate Committees requested the agency report back at Omnibus with an executive summary of the screening process for the NF/MHs (Nursing Facilities for Mental Health).

H. Medical Card Expansion (House Committee). The House Committee requested the agency report at Omnibus on its progress toward opening the Medicaid medical card to mental health clinicians beyond the community mental health centers (CMHCs) and NF/MHs. The agency has outlined a plan and has asked for comment from stakeholders by March 3, 2004. The House Committee encouraged opening the medical card to address concerns expressed by the Joint Committee on Children's Issues regarding the inadequate pool of qualified providers in some specialties and geographic areas, the inability of clients to utilize professionals in private practice because they cannot access the medical card, the need to provide for the special needs of groups such as African Americans and Mexican Americans, and the detriment a change of therapist can have on children as they move through the foster care system.

I. TANF Reauthorization (House Committee). The House Committee requested the agency report at Omnibus on the reauthorization of the Temporary Assistance for Needy Families (TANF) block grant. There are several concerns about the TANF reauthorization bill, which include restrictions on the activities that may be counted as work, increases in the work participation rates, and insufficient child care to complement the increased work rates.

J. Flexible Child Welfare Funding (House Committee). The House Committee requested the agency report at Omnibus on Flexible Child Welfare Funding. The Flexible Funding Child Welfare Option is a federal legislative proposal which affords states greater programmatic flexibility, but would cap Title IV-E federal foster care funds. Under the proposal, the fixed federal foster care funding over the five-year period would be based on the average spent in the previous three years. The U.S. Department of Health and Human Services (DHHS) has attempted for several years to draft a proposal that would allow Title IV-E funding to be used for services outside the instance when

children are placed in the custody of the state. Kansas, along with other states, has advocated for funding for services to prevent state custody using alternatives, such as family preservation, which could be financed with Title IV-E dollars. The federal proposal would not result in savings sufficient to cover the anticipated reduction in federal funds. The Pew Institute is working with DHHS in examining alternative funding models which may be more favorable to states in this area. SRS has been involved in providing input to the Pew Institute.

K. Residential Care Pilot Project (House Committee). The House Committee requested the agency report at Omnibus on the pilot project to provide residential care to seriously ill children. SRS is working on a pilot project designed for families with a child who has physical or mental disabilities, and is in crisis with the child, to make a single contact in their community for help and support. The goal of the pilot project is to prevent children with disabilities in crisis from coming into state custody and to provide the family community support to care for their child.

L. Acute Care Psychiatric Service Funding for Children (House Committee). The House Committee requests the agency report at Omnibus on possible amendments to the Medicaid state plan to fund longer stays for inpatient acute care psychiatric services for children. The House Budget Committee heard testimony regarding the limited inpatient services for children in the state. Funding longer stays for inpatient care would be one way to expand available services.

M. Payroll Agents and Fraud Reporting (House Committee). The House Committee noted with concern reports that payroll agents who discover and report fraud are penalized by reduced reimbursements, thus penalizing them for fraud beyond their control. The House Committee requested the agency investigate and report back at Omnibus with procedures to address the issue.

N. Child Welfare Contracts (House Committee). The House Committee expressed interest in what planning the agency is doing in preparation for the new child welfare contracts that will be awarded for implementation beginning July 1, 2006. The Request for Proposal (RFP) will be issued and possibly awarded prior to the 2005 Legislative Session. The House Committee requested the agency report back at Omnibus on the process that will be used during this transition.

O. State Grant Proviso (House Committee). The House Committee recommended Omnibus review of FY 2005 proviso language regarding state administered grants that would limit administrative costs to 7.0 percent, allow only private entities to receive the grants, and award grant funds to no less than two qualified private entities, unless there is only one qualified applicant, to be determined by the Secretary of SRS.

P. General Assistance/MediKan Hardship Criteria (Senate Committee). The Senate Committee noted that the agency was drafting hardship criteria to address the issues in the General Assistance/MediKan program surrounding the 24-month time limit and requested the agency provide a draft of those criteria at Omnibus.

Q. Physician Reimbursement Rates - Senate Substitute for HB 2912 (Senate Committee) and GBA No. 3, Item 14, p. 6. The Senate Committee recommended Omnibus review of physician reimbursement rates if provider assessment legislation was enacted. Senate Substitute for HB 2912 enacted that legislation. Senate Substitute for HB 2912 creates the Health Care Access Improvement Program through an annual provider assessment. The provider assessment would not begin until it was approved by the Centers for Medicare and Medicaid Services, approximately six months from the application date. The enacted bill would result in additional expenditures, based on the estimated approval date, of \$22.3 million State General Fund and \$55.6 million all funds. The cost is based on the two quarters of increased payments to providers prior to the first assessment payment. A technical adjustment to the provisions of the bill, changing the biannual payment dates

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to June 30 and December 30 instead of July 19 and January 18, as well as making the first assessment payment after 150 days of increased rates instead of two quarters, would nullify the fiscal impact of the bill based on the estimated start date.

R. Smart Start Expenditure Plan (Conference Committee). The Conference Committee requested the Children's Cabinet report back at Omnibus with a detailed Smart Start Kansas expenditure plan.

S. Nursing Facility for Mental Health Transition Proviso (Senate Committee). The Senate Committee recommended the addition of language in FY 2005 requiring the agency to enforce the 120-day time limit for transition from an NF/MH only after a transition plan for the individual has been completed. This item was deferred until Omnibus due to the Committee request that the time limit not be implemented until Omnibus, when the agency could provide additional information about the transition screening process.

T. Rehabilitation and Repair at the State Developmental Disability Institutions (Conference Committee). The Conference Committee deleted funding and recommended Omnibus review of FY 2005 rehabilitation and repair expenditures for the Developmental Disabilities Institutions totaling \$6,772,365 from the State Institutions Building Fund.

U. House Substitute for Senate Bill 272 (Conference Committee). House Substitute for SB 272 authorizes recovery of estate monies from deceased Medicaid recipients. According to the agency, the fiscal impact of the bill would be reduced expenditures of \$180,160 State General Fund and \$450,400 all funds in FY 2005, with increased revenues of \$700,000 all funds.

V. Consensus Caseload Estimate and GBA No. 3, Item 12, p. 6. The April Consensus Caseload Estimates for FY 2004 are an increase of \$2,202,175 State General Fund and a reduction of \$2,065,698 all funds. The State General Fund increase is reflected in the Nursing Facilities for Mental Health (NF/MHs) at \$742,000 for increased populations of non-Medicaid eligibles; Temporary Assistance for Families (TAF) at \$500,000 for increased caseloads; General Assistance (GA) at \$482,897 and Regular Medical at \$977,278 for the injunction on enforcement of the 24-month time limit. The reduction in all funds reflects reduced federal only funds.

The April Consensus Caseload Estimates for FY 2005 are an increase of \$642,000 State General Fund and \$300,000 all funds. The State General Fund increase reflects increases in NF/MH and General Assistance expenditures. The all funds increase reflects General Assistance expenditures.

W. GBA No. 3, Item 10, p. 5 - Permanent Guardianship Placement.

X. GBA No. 3, Item 11, p. 5 - Replace Medicaid Deferral for Child Welfare.

Y. GBA No. 3, Item 4, p. 2 - Master Tobacco Settlement Agreement.

Larned State Hospital

A. Sexual Predator Treatment Program FTE Positions (House Committee). The House Committee recommended review of the Sexual Predator Treatment Program at Larned State Hospital to determine if additional FTE positions would be necessary.

B. Teacher Salary Increases. The Department of Education estimates an average statewide salary increase for teachers of 3.0 percent for FY 2005. The Governor's recommendation and legislative action to date for FY 2005 include no teacher salary increases within the education contracts. The Kansas Neurological Institute and Rainbow Mental Health Facility also have education contracts, but due to the nature of the contracts, adjustments are not necessary. The following table illustrates the adjustment necessary to provide uniform salary increases across the institutions.

<u>Percent Increase</u>	<u>Larned State Hospital</u>
0.5%	\$ 4,210
1.0%	8,420
1.5%	12,630
2.0%	16,840
2.5%	21,050
3.0%	25,260
3.5%	29,470
4.0%	33,680

C. Categorical Aid. For FY 2004, the budgeted school contracts for Larned State Hospital include categorical aid based on a rate of \$19,000. Due to the nature of the contract, an adjustment at Kansas Neurological Institute and Rainbow Mental Health Facility is not necessary. The current FY 2004 categorical aid rate per eligible teaching unit is estimated to be \$19,200. If this rate is maintained, the school contracts for FY 2004 at Larned State Hospital would need an increase of \$1,306 State General Fund.

For FY 2005, the categorical aid rate was budgeted at \$19,000 for Larned State Hospital. Due to the nature of the contract, an adjustment at Kansas Neurological Institute and Rainbow Mental Health Facility is not necessary. The current FY 2005 categorical aid rate is estimated to be at \$18,500. This estimate requires a reduction of \$3,266 State General Fund.

D. GBA No. 3, Item 13, p. 6 - Sexual Predator Treatment Program.

Parsons State Hospital

A. Teacher Salary Increases. The Department of Education estimates an average statewide salary increase for teachers of 3.0 percent for FY 2005. The Governor's recommendation and legislative action to date for FY 2005 include no teacher salary increase within the education contracts. The Kansas Neurological Institute and Rainbow Mental Health Facility also have education contracts, but due to the nature of the contracts, adjustments are not necessary. The following table illustrates the adjustment necessary to provide uniform salary increases across the institutions.

<u>Percent Increase</u>	<u>Parsons State Hospital and Training Center</u>
0.5%	\$ 1,562
1.0%	3,124
1.5%	4,686
2.0%	6,249
2.5%	7,811
3.0%	9,373
3.5%	10,935
4.0%	12,497

B. Categorical Aid. For FY 2004, the budgeted school contracts for Parsons State Hospital and Training Center include categorical aid based on a rate of \$18,750. Due to the nature of the contract, an adjustment at Kansas Neurological Institute and Rainbow Mental Health Facility is not necessary. The current FY 2004 categorical aid rate per eligible teaching unit is estimated to be \$19,200. If this rate is maintained, the school contracts for FY 2004 at the institutions would need an increase of \$2,448 State General Fund.

For FY 2005, the categorical aid rate was budgeted at \$18,750 for Parsons State Hospital and Training Center. Due to the nature of the contract, an adjustment at Kansas Neurological Institute and Rainbow Mental Health Facility is not necessary. The current FY 2005 categorical aid rate is estimated to be \$18,500 which would require a reduction of \$1,360 State General Fund.

Department of Health and Environment - Health

A. Consideration of State Dental Office funding (House Committee). The House Committee recommended a review at Omnibus of the possibility of adding \$50,000 SGF in FY 2005 to support a State Dental Office at KDHE. This money was added during conference committee action as recommended by the Senate during its consideration of the KDHE-Health budget.

B. Review Fetal Alcohol Syndrome Diagnostic and Prevention Network Pilot Programs grants (House Committee). The House Committee recommended a review at Omnibus of information regarding the continuation of the Fetal Alcohol Syndrome Diagnostic and Prevention Network grants in FY 2005. Subsequently, language allowing the continuation of these grants was included in the appropriations bill during conference committee action. No additional funding was added.

C. Review of Immunizations and ERISA Insurance Plans (House Committee). The House Committee recommended a review of information provided by the agency on the interaction of ERISA regulated health plans and immunization rates. In particular, the Committee is interested in hearing about any options that are available to reduce the barriers presented by ERISA plans which are negatively affecting immunization rates for children.

D. Review Infant - Toddler (Tiny-K) programs (House Committee). The House Committee recommended a review of information on Infant-Toddler programs regarding state comparisons, administrative costs and the implementation of a sliding fee scale for services.

E. Review Information on Immunizations and WIC (House Committee). The House Committee recommended Omnibus review of information on the interaction between immunization and the Women Infants and Children (WIC) programs. In particular, the Committee is interested in how the two programs can work collaboratively to increase immunization rates.

F. Review Information on Bioterrorism Preparedness Contracts (House Committee). The House Committee recommended a review at Omnibus of existing bioterrorism preparedness training contracts with out-of-state universities. In particular, the Committee is interested in looking at whether there is a possibility of contracting with or working through in-state universities for this activity.

G. Review Funding for Pregnancy Maintenance Initiative (House Committee). The House Committee recommended reviewing potential funding sources for the Pregnancy Maintenance Initiative. In the past, this program has been funded at \$300,000 SGF but funding was eliminated for FY 2005 in the Governor's recommended budget.

H. Consideration Interim Study on Child Care Programs Operated by School Districts (House Committee). The House Committee recommended a review of the need for an interim study of issues around the regulation of child care programs operated by school district boards of education.

I. Review Proviso Restricting Enforcement of Child Care Regulations (House Committee). The House Committee recommended Omnibus review of the need for the continuation of a proviso placed in the appropriations bills during the 2003 and 2004 Legislative Sessions which restricts the agency's enforcement of new regulations affecting school-age drop-in programs.

J. Consider Additional Immunization Support (Senate Committee). The Senate Committee recommended Omnibus consideration of providing additional FY 2005 support for immunizations in order to improve the state's childhood immunization rates.

K. Review Immunization Recommendations (Senate Committee). The Senate Committee recommended an Omnibus review of specific agency recommendations and performance measures aimed at increasing childhood immunization rates. The consideration should also include a review of the agency's assessment of the resources (state, federal, local and private) needed to meet the performance measures.

L. SB 418 - Birth Defects Information System (Law). S.B. 418 establishes a birth defects information system at KDHE with implementation contingent upon funds being available. The agency estimates a fiscal impact of \$290,396 for FY 2005 including \$101,000 for 2.0 FTE positions, staff travel costs of \$24,396, \$150,000 in contractual services to modify current databases, and additional data service expenditures of \$15,000. During the bill hearings, the agency indicated it would seek funding sources other than SGF, including federal funds, but if these are not available, SGF will need to be used.

M. GBA No. 3, Item 19, p. 10 - Transfer Food Safety Program to Department of Agriculture.

N. GBA No. 3, Item 14, p. 6 - Health Care Access Improvement Program.

Department of Health and Environment - Environment

A. Review Information on Public Water Supply Funding and Fluoridation (Senate Committee). The Senate Committee recommended Omnibus review of agency information on potential connections between public water supply funding and the encouragement of community water fluoridation.

Department of Commerce

A. Senate Sub. for Sub. for H.B. 2713 - Kansas Professional Regulated Sports Act (Law). Senate Sub. for Sub. for H.B. 2713 creates the Kansas Professional Regulated Sports Act. The Act establishes an Athletic Commission with the Department of Commerce to have authority over all regulated sports and professional wrestling performances held in the state. The fiscal note indicates that \$58,408 would be required in FY 2005 to establish and operate the Commission. The funding source could be either EDIF or SGF. Of these costs, \$52,408 would pay for Boxing Commissioner salary expenses and \$6,000 would be for other operating expenditures. In the future, fees collected by the Commission will be used to offset the cost to the agency. The Athletic Fee Fund created by the bill to collect such fees needs to be appropriated.

B. H.B. 2833 Governor's Hometown Heritage Act (Law). HB 2833 enacts the Governors of Kansas Hometown Heritage Act and authorizes special designations for a number of roads and highways. The agency estimates FY 2005 costs associated with marketing and conducting the competition for designing of the Governors Hometown logo at \$15,000 to \$25,000 from the EDIF.

C. Senate Sub. for Sub. for H.B. 2647 - Kansas Economic Growth Act (Law) - Senate Sub. for Sub. for H.B. 2647 includes the original language of H.B. 2647 creating the Kansas Bioscience Authority as well as the contents of S.B. 393 (Center for Entrepreneurship), S.B. 394 (IMPACT program changes), S.B. 417 (Rural Business Tax Credits), S.B. 480 (Angel Investor Act) and S.B. 520 (Downtown Redevelopment Act) which comprise the Kansas Economic Growth Act. The provisions regarding the Center for Entrepreneurship create the Kansas Community Entrepreneurship Fund, which needs to be appropriated, and gives authority to the Secretary of Commerce to budget EDIF moneys to the fund. During the regular session, the Legislature appropriated \$800,000 EDIF to support the Center and provide seed money to this fund.

D. GBA No. 3, Item 15, p. 7 - Employment Services.

State Fire Marshal

A. SB 312 Fire Insurance Premium Levy Distribution (Law). SB 312 adjusts the allocation of the 1.25 percent levy on fire insurance premiums to include the distribution of 0.2 percent to the Fire Services Training Institute at the University of Kansas. Currently, this program is funded by a transfer of \$750,000 from the Fire Marshal Fee fund to the Fire Service Training fund at KU. This issue is dealt with in the University of Kansas budget.

B. SB 335 - Regulation of Liquefied Petroleum Gas and Propane (Law). SB 335 enacts the Kansas Propane Safety and Licensing Act and establishes regulatory authority over the liquefied petroleum gas industry. The State Fire Marshal is required to establish rules and regulations consistent with the bill. The bill also establishes the State Fire Marshal Liquefied Petroleum Gas Fee Fund where fees collected under the bill would be credited. Fines collected would be credited to the

State General Fund. The fiscal impact on the State Fire Marshal's office of implementing these provisions is estimated at \$144,668 and 2.5 FTE. According to the fiscal note, these positions would provide field inspections, administrative coordination, and facility plan reviews. The Fire Marshal estimates that fees collected would generate \$256,000 in FY 2005.

KPERS

A. Technology Project (Senate Committee and House Committee) and GBA No. 3, Item 3, p. 2. Pending approval of the Executive Chief Information Technology Officer and recommendation of a Governor's Budget Amendment, the committees agreed to review additional funding of \$1,027,500 in FY 2005 for the project. Funding of \$756,207 is included in the approved FY 2005 budget for the project, with the agency requesting total expenditures of \$1,783,707 next fiscal year.

B. Investment Management Fees (Senate Committee and House Committee). The committees agreed to review revised FY 2004 and FY 2005 projections for paying investment managers. One factor impacting the increased estimate for fees is the market upturn. Another factor is the investment of the pension bond revenue of \$440.2 million from the sale on March 10, 2004. For FY 2004, the original estimate of \$18,071,348 is increased to \$19,293,452, an increase of \$1,222,104. For FY 2005, the original estimate of \$19,459,476 is increased to \$22,873,741, an increase of \$3,417,065.

Department of Revenue

A. Fee Fund Status (Senate Committee and House Committee). The committees agreed to review updated information about the VIPS/CAMA Technology Fund ending balances after cancellation of a \$1.8 million encumbrance in FY 2003. The agency reencumbered \$1.8 million in FY 2003 for a subsequent vendor, along with an additional \$972,538 in FY 2004, for a contract with Cole-Layer-Trumble Company to develop a new CAMA system. The Executive CITO issued an approval letter on December 17, 2003, for the newly redefined project and a contract of \$2.8 million. An ending balance for FY 2005 would be less than \$2.0 million if reduced revenues are projected from the following information.

VIPS/CAMA Fund		Agency		Agency	
Resource	Actual	Estimate	Gov. Rec.	Request	Gov. Rec.
Estimate	FY 2003	FY 2004	FY 2004	FY 2005	FY 2005
Beginning Balance	\$ 1,174,796	\$ 319,141	\$ 319,141	\$ 1,081,126	\$ 1,081,126
Net Receipts	944,345	2,841,573	2,841,573	2,841,573	2,814,101
Total Funds Available	\$ 2,119,141	\$ 3,160,714	\$ 3,160,714	\$ 3,922,699	\$ 3,895,227
Less: Expenditures	1,800,000	2,079,588	2,079,588	1,913,642	1,886,170
Ending Balance	\$ 319,141	\$ 1,081,126	\$ 1,081,126	\$ 2,009,057	\$ 2,009,057
Ending Balance as Percent of Expenditures	17.7%	52.0%	52.0%	105.0%	106.5%

The agency has provided updated information about fee fund receipts through March 31, 2004, for a number of funds, with shortfalls noted in all four of its major funds. The VIPS/CAMA revenue is least impacted by the general shortfall in receipts to date this fiscal year.

10-25

	Shortage to March 31	Shortage Pct.	Proj. Shortage to 6/30	Total Proj. Shortage
DOV Operating Fund	\$ (240,607)	26.8%	\$ (83,092)	\$ (323,699)
Elec. Databases FF	(238,338)	4.8%	(88,841)	(327,179)
Photo FF	(272,066)	14.0%	(90,675)	(362,741)
VIPS/CAMA FF	(44,008)	2.1%	(14,634)	(58,642)
Totals	<u>\$ (795,019)</u>	--	<u>\$ (277,242)</u>	<u>\$ (1,072,261)</u>

Finally, SB 380 will reduce revenue in FY 2005 to the DOV Operating Fund by an estimated \$150,000 with a change in legal notification regarding notification by wrecking and towing companies.

B. Senate Sub. for Sub. for HB 2647 Kansas Economic Growth Act (Law). HB 2647 assigns certain duties to the Secretary of Revenue and a series of tax exemptions and tax credits are established. First, the Secretary and the Kansas Bioscience Authority will establish the base year of taxation for all bioscience companies and state universities conducting bioscience research. Second, the Secretary of Revenue, the Kansas Bioscience Authority and the State Board of Regents will establish the number of bioscience employees at universities, provide annual reports, and determine the incremental tax increases from the base year over a 15 year period. All incremental state taxes generated by growth of bioscience companies and research institutions will go into the Bioscience Development Investment Fund. Third, the Bioscience Tax Investment Incentive Act will be managed by the Secretary of Revenue. Fourth, a new tax credit for entrepreneurship in distressed and rural communities is established. Taxpayers donating to the Kansas Community Entrepreneurship Fund may claim a 50 percent tax credit on the amount donated. Fifth, a rural business development tax credit is established and state income tax credits will be awarded to seven designated regional organizations. The Secretary of Revenue will assist the Secretary of Commerce in designating regional organizations to serve as a regional foundation to receive the tax credits. Sixth, the Kansas Angel Investor Tax Credit Act is established to allow accredited investors up to a 50 percent tax credit not to exceed \$50,000.

The Department of Revenue estimates a reduction of State General Fund revenue in FY 2005 amounting to \$1,556,912 attributed to the Emerging Industry Investment Act.

C. HB 2143 Issuance of Distinctive License Plates (Governor). HB 2143 establishes new procedures and requirements for issuing distinctive license plates. A new Distinctive License Plate Fund is established for the development of new plates, using non-refundable deposits to defray development costs. One new distinctive plate is exempted from the new law, the "Helping Schools" plate. Annual royalty payments for those plates will be designated for a particular school district and all royalty payments will be deposited in a new Helping Schools License Plate Program Fund. Money credited to the new fund may be used for development of the license plate and administrative costs, and all other money will be distributed annually to designate school districts.

Two new funds need to be appropriated in FY 2005: the Distinctive License Plate Fund and the Helping Schools License Plate Program Fund.

Kansas Lottery

A. Additional Revenues (Senate Committee and House Committee). The committees agreed to review revised sales estimates during Omnibus and adjust SGRF revenue estimates as needed in FY 2004 and FY 2005. Sales to date have generated transfers in excess of the required minimum amount to transfer monthly (which is \$4.5 million each month).

Lottery Transfers:	Transfers FY 04	Minimum FY 04	Difference FY 04	Cumulative Difference
15-Aug	\$ 5,750,000	\$ 4,500,000	\$ 1,250,000	\$ 1,250,000
15-Sep	6,000,000	4,500,000	1,500,000	2,750,000
15-Oct	6,250,000	4,500,000	1,750,000	4,500,000
15-Nov	6,000,000	4,500,000	1,500,000	6,000,000
15-Dec	5,000,000	4,500,000	500,000	6,500,000
15-Jan	7,000,000	4,500,000	2,500,000	9,000,000
15-Feb	6,000,000	4,500,000	1,500,000	10,500,000
15-Mar	5,750,000	4,500,000	1,250,000	11,750,000
15-Apr	6,000,000	4,500,000	1,500,000	13,250,000
15-May		4,500,000		
15-Jun		4,500,000		
15-Jul		4,500,000		
Total-12		\$ 54,000,000		
Required		63,324,255		
Difference		\$ 9,324,255		

The Lottery revised its FY 2004 sales estimate from \$212.3 million to \$220 million, and estimates transfers to the SGRF of \$67.1 million, plus \$2 million directly to the EDIF, for a total of \$69.1 million. The earlier estimate was \$63.3 million to the SGRF plus the \$2 million to the EDIF approved in HB 2675. In FY 2004, the increased amount of \$3.8 million would enhance the SGF since any amount above \$50 million will be transferred on June 25, 2004. The additional amount is reflected in the April 2004 consensus revenue estimates. No changes in the FY 2005 sales estimate of \$215.5 million or in transfers of \$63.9 million are made.

Legislative Approved (HB 2675):	<u>Actual FY 2003</u>	<u>Approved FY 2004</u>	<u>Approved FY 2005</u>
Lottery Transfers:			
Regular SGRF	\$ 62,494,603	\$ 62,773,000	\$ 63,250,000
Veterans SGRF/SGF	0	551,255	723,255
Subtotal	\$ 62,494,603	\$ 63,324,255	\$ 63,973,255
Special EDIF	0	2,000,000	0
One-Time SGF	0	835,250	1,168,277
TOTAL	\$ 62,494,603	\$ 66,159,505	\$ 64,641,532

10-27

Department of Wildlife and Parks

A. Water Rights Purchases (Senate Committee and House Committee) and GBA No. 3, Item 34, p. 16. Pending a Governor's Budget Amendment, the committees agreed to review proposal to buy water rights for a two-year period in Sebelius Reservoir to maintain recreational activities by managing the water level. The agency proposes to spend \$120,000 each year in FY 2005 and FY 2006 during the two-year agreement with the Almena Irrigation District. Financing would be in three equal amounts of \$40,000 from the Wildlife Fee Fund, the Boating Fee Fund, and the Parks Fee Fund.

B. Additional Federal Funds (Senate Committee and House Committee) and GBA No. 3, Item 35, p. 17. The committees agreed to review possible additional federal grants that might be added to the FY 2005 budget. The agency requests \$80,000 in expenditures of additional federal funds in FY 2005 for the state hunter education program from the Wildlife Fee Fund.

C. Five-Year Plan for New State Park (House Committee). The House Committee agreed to review the proposal for acquiring and constructing a new state park in Topeka and a preliminary five-year plan for improvements. In HB 2675, the Legislature approved \$100,000 for planning Menninger Memorial State Park, but made expenditures subject the receipt of title to the land and approval by the State Finance Council.

A preliminary five-year plan was submitted to the House Appropriations Chairperson by the Secretary of Wildlife and Parks on April 15, 2004, per the House Committee request for an Omnibus report.

D. Diversion Issue (Senate Committee). The Senate Committee asked to review any negative impact of budget reductions associated with BEST recommendation on the Wildlife Fee Fund where an initial \$332,692 in budget adjustments were recommended in FY 2005.

A report was submitted to the Senate Ways and Means Chairperson by the Secretary of Wildlife and Parks on April 15, 2004, per the Senate Committee request for an Omnibus report.

E. Carryover for Capital Improvements (Senate Committee). The Senate Committee requested a review of information about FY 2004 approved capital improvement projects and funds carried over from prior fiscal years to pay for projects.

A report was submitted to the Senate Ways and Means Chairperson by the Secretary of Wildlife and Parks on March 18, 2004, per the Senate Committee request for a report.

F. FY 2005 Expenditures (Technical Adjustment). A technical amendment to HB 2675 would add appropriation items in FY 2005 for the Tuttle Creek State Park Mitigation Project and Cheyenne Bottoms Federal Grants that were appropriated in FY 2004 by HB 2675 as recommended by the Governor and approved by the Legislature. The moneys will reappropriate from the current fiscal year to the next fiscal year, and expenditure authority needs to be included in the Omnibus bill for FY 2005 as line items. Also, a technical amendment to provide for repayment of the Pooled Money Investment Board loan needs specified that it is in addition to the expenditure limitation of \$1.5 million for the Tuttle Creek project.

G. HB 2731 Kansas Farmers and Hunters Feeding the Hungry (Law). HB 2731 allows hunting license applicants to make voluntary contributions of at least \$2 or more to support the activities of the group, Kansas Farmers and Hunters Feeding the Hungry. The bill establishes the

Feed the Hungry Fund and requires annual reporting by the Secretary of Wildlife and Parks concerning voluntary contributions to the new fund.

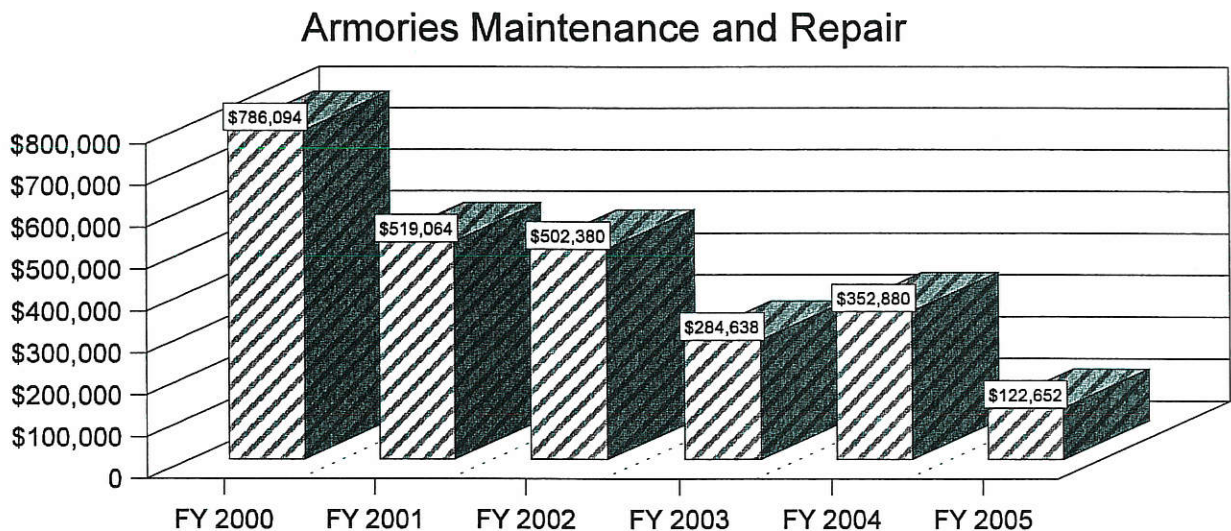
One new fund needs to be appropriated in FY 2005: the Feed the Hungry Fund.

H. HB 2557 New State Park (Conference Committee) and GBA No. 3, Message on Menninger Memorial State Park. A conference committee report on HB 2557 has been adopted by the Senate, but has not run in the House yet. That bill would authorize State Park No. 24 in Shawnee County, which shall be given a permanent name to be determined by the Legislature at a future date. A technical change in the section of HB 2675 line item appropriating \$100,000 for Menninger Memorial State Park needs to be renamed as the State Park No. 24 in Shawnee County account.

Adjutant General

A. Deputy Adjutant General (House Committee). The House Budget Committee requested for Omnibus consideration the addition of 1.0 other unclassified Deputy Adjutant General position and \$92,332 (from federal Homeland Security Funds) in FY 2005 to assist the Adjutant General in administering activities as the Homeland Security Officer as designated by the Governor. During testimony, Committee members voiced concern about the amount of additional work undertaken by the Adjutant General, with no "deputy" to aid in the increased tasks.

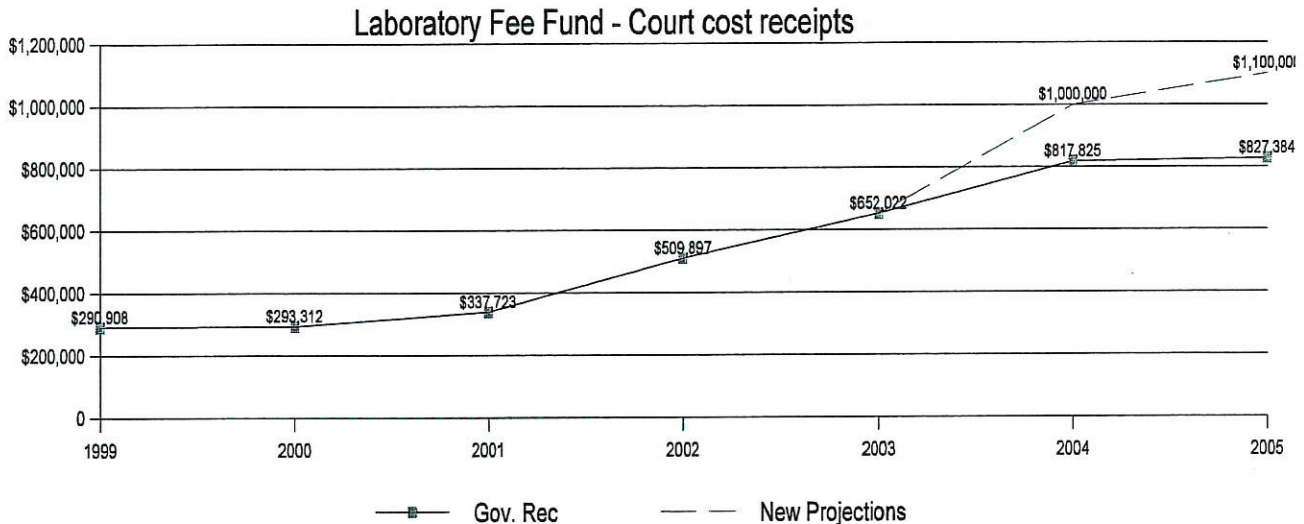
B. Aging Armories Funding (House Committee). The House Budget Committee noted for Omnibus consideration the addition of funds in FY 2005 to provide the agency with additional financing for repair and rehabilitation costs in conjunction with the passage of 2000 SB 326 (the bill authorized the issuance of 15-year bonds for acquisition, construction, equipping, renovation, reconstruction, and repair of the state's 58 armories). The agency had estimated that along with the aggregate \$22,000,000 in bonding authority authorized by the bill, \$750,000 of funding normally utilized by the agency to provide repair and maintenance of armories, was also going to be available to finance the provisions of the bill. However, over the last five fiscal years, that funding has significantly decreased. The House Budget Committee cited this item for Omnibus consideration in the event that additional funding becomes available.



10-29

Kansas Bureau of Investigation

A. Laboratory Fee Fund (Senate Committee). The Senate Subcommittee discussed the increase in projected receipts being deposited in the Laboratory Fee Fund. The Fund is financed through court costs and 20 percent of fees collected for driver's license reinstatements. The Senate Subcommittee noted the increase in court costs receipts over time and the increase in fees (from \$150 to \$400) as passed by the 2002 Legislature (KSA 28-176). The Senate Committee requested the review of the fee fund balances during Omnibus.



B. Transfer Date (Technical Adjustment). In HB 2675 (the appropriations bill), Section 127(c), the transfer date of June 1, 2005 needs to be changed to July 1, 2004.

Emergency Medical Services Board

A. Education Incentive Project (Senate Committee). In conjunction with the provisions and passage of 2004 Senate Sub. for SB 351 (which passed the Senate and has been referred to the House Appropriations Committee), \$200,000 of the \$975,000 which is transferred from the Emergency Medical Service Operating Fund to the State General Fund in HB 2675 (the appropriations bill) would be utilized in FY 2005 to provide help in defraying the costs of education and training for rural and primarily volunteer EMS agencies who have a documented shortage of personnel. Funds would be distributed through a grant process with grant guidance and awards being determined by the Board of EMS.

B. Statewide Data Collection Project (Senate Committee). HB 2675 (the appropriations bill) reduced the transfer of \$1,000,000 from the Emergency Medical Services Fund to the State General fund by \$75,000 in FY 2005 to initiate a Statewide Data Collection pilot project. One of the major challenges for EMS in Kansas is the scarcity of response data. Currently, the Kansas Department of Transportation and the Kansas Highway Patrol collect only data with regard to injuries/deaths in motor vehicle crashes. The pilot project would collect information on all ambulance responses, thus providing more detailed information on medical responses. The Senate Subcommittee directed the agency to appear during Omnibus to provide more information on the pilot project, and to appear before the 2005 Legislature to discuss statewide implementation.

Sentencing Commission

A. 2003 SB 123 Offender reimbursement (Senate Committee). The Senate Subcommittee had concerns relating to the collection of reimbursement dollars from offenders participating in the provisions of 2003 SB 123. Within the Governor FY 2005 Budget Report, \$360,108 was anticipated to be received from offenders. However, during testimony, the Subcommittee was informed that since November 1, 2003 no offenders have provided reimbursement funds to the Sentencing Commission nor have any insurance proceeds been received. The Subcommittee was concerned that the State is not receiving its share of monies that it is owed from offenders. That may be due to those funds first going to reimburse judicial costs, providing restitution, or other costs. The Senate Subcommittee directed the agency to report back by Omnibus on the status of offender reimbursement moneys and to recommend procedures that can be instituted to ensure that insurance proceeds are identified and collected.

B. GBA No. 3, Item 31, p. 15 - Drug Treatment Funding Revision.

Kansas Department of Transportation

A. Automobile Parts Contract (House Committee). The House Committee noted for Omnibus consideration the addition of a proviso in FY 2005 prohibiting the Department of Administration from limiting the vendors from which the Department of Transportation may obtain vehicle parts.

B. HB 2756 (Law) and GBA No. 3, Item 36, p. 17. HB 2756 authorizes the Department of Transportation to purchase and lease radio communications equipment, including access to radio communication towers, to both governmental and non-governmental organizations. The bill creates the Communication System Revolving Fund in which all proceeds from the lease of radio communications equipment would be deposited. The Department of Transportation estimates that \$5.0 million would be transferred from the State Highway Fund to the newly created fund in FY 2005. Of the \$5.0 million amount, \$568,302 would be used for salaries and wages in support of 12.0 new FTE positions, and the remaining \$4,430,698 would be available for the purchase, installation, and servicing of radio communications equipment. The Department anticipates that the revenue generated by the leasing of equipment and towers would support the ongoing costs of the communications system, and the clearing fund would be self-supporting thereafter. In addition, the agency estimates that these fees would generate enough revenue to repay the \$5.0 million capitalization loan from the State Highway Fund.

Department of Corrections

A. Visitor Centers at Correctional Facilities (Conference Committee). The Department of Corrections currently contracts with Outside Connections to operate off-grounds visitor centers at Ellsworth, Hutchinson, and Norton Correctional Facilities and an on-grounds visitor center at Lansing Correctional Facility. The contract is due to expire June 30, 2004. The contract has been historically funded through the Inmate Benefit Fund. Funding of \$225,000 for the visitor centers was included in the Department of Corrections FY 2005 budget request. However, in order to implement the Governor's \$1.6 million all funds reduction for offender programs, the department recommended not to fund the visitor centers for FY 2005. The Senate Ways and Means Committee added \$200,000 for the visitor centers from the Inmate Benefit Fund, but the funding was deleted in

Conference Committee pending further review at Omnibus. According to the Department of Corrections, the unobligated cash balance in the Inmate Benefit Fund for FY 2005 is \$91,617.

- B. GBA No. 3, Item 26, p. 13 - Bedspace Contract.**
- C. GBA No. 3, Item 27, p. 13 - Food Service Contract.**
- D. GBA No. 3, Item 28, p. 14 - Health Care Contract.**
- E. GBA No. 3, Item 29, p. 14 - Construction of Spiritual Life Center.**

Board of Tax Appeals

A. Update on Status of Senate Bill 535 (Senate Committee). The Senate Committee recommended the introduction of Senate Bill 535 which would remove the filing fee exemption placed on single family residential property and the \$10 filing fee limitation placed on the property of not-for-profit organizations with a valuation of \$100,000 or less. The fiscal note for SB 535 states that the removal of the two exemptions would enable the agency to collect approximately \$60,250 in additional funds for FY 2005. The bill was introduced by the Senate Committee on Ways and Means and referred to the Senate Committee on Assessment and Taxation.

Real Estate Appraisal Board

A. Additional Funding for Rent Space Surcharge (House Committee). The House Committee recommended a review of the possibility of including an additional \$1,204 from the Appraiser Fee Fund to the Real Estate Appraisal Board's FY 2005 budget to fund a \$0.94 per square foot rent space surcharge levied against the agency. The Governor's FY 2005 recommendation did not include the \$1,204 to cover the rent space surcharge. The House Committee noted this issue for Omnibus consideration, and requested a Governor's Budget Amendment to finance the additional expense.

B. Fee Fund Transfer to the State General Fund (House Committee). In House Bill 2675 (appropriations bill), the 2004 Legislature approved the Governor's recommendation that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. For the Real Estate Appraisal Board, the estimated transfer will be \$334,369. The House Committee recommended a review of the fee fund transfer to further assess its impact on the agency's budget.

According to the Board, the fee fund transfer will most likely require an increase in license renewal fees. The agency expressed concern that as interest rates go up over the next few years, the number of new and renewal licensees will likely decrease by approximately thirty percent, which will substantially impact the amount of revenue generated in the Appraiser Fee Fund in the future. In addition, the agency stated that a rise in interest rates will also likely increase the number of complaints it receives each year, thus affecting its expenditure limitation as well. The Real Estate Appraisal Board felt that a carryforward of \$200,000 in FY 2006 would not be enough to meet the possibilities that would arise when interest rates increase within the next several years.

The following table outlines an analysis of the Appraiser Fee Fund for FY 2004 and FY 2005.

Resource Estimate	Actual FY 2003	Agency Estimate FY 2004	Legislative Approved FY 2004	Agency Request FY 2005	Legislative Approved FY 2005
Beginning Balance	\$ 441,574	\$ 526,346	\$ 526,346	\$ 522,384	\$ 522,384
Net Receipts	269,387	258,043	258,043	258,043	258,043
Total Funds Available	\$ 710,961	\$ 784,389	\$ 784,389	\$ 780,427	\$ 780,427
Less: Expenditures	225,005	251,919	251,919	242,512	244,226
Lapses	0	10,086	10,086	0	0
BEST Transfer	0	0	0	0	1,832
Biennial Transfer	0	0	0	0	334,369
Transfer	199	0	0	0	0
Ending Balance	\$ 485,757	\$ 522,384	\$ 522,384	\$ 537,915	\$ 200,000
Ending Balance as Percent of Expenditures	215.9%	207.4%	207.4%	221.8%	81.9%

Staff Note: The beginning balance for FY 2004, for the agency's estimate and the Governor's recommendation, includes a carryforward in KSIP funds totaling \$40,589.

HB 2675 included a provision that the certification date for the fee fund transfer take place no later than April 19, 2004, rather than the end of FY 2005 as originally recommended by the Governor. The amount certified was \$334,369.

Kansas Real Estate Commission

A. Additional Funding for Rent Space Surcharge (Senate Committee and House Committee). The Senate Committee and the House Committee recommended a review of the possibility of including an additional \$4,100 from the Real Estate Fee Fund to the Real Estate Commission's FY 2005 budget to fund a \$0.94 per square foot rent space surcharge levied against the agency. The Governor's FY 2005 recommendation did not include the \$4,100 to cover the rent space surcharge. The Senate Committee and the House Committee noted this issue for Omnibus consideration, and requested a Governor's Budget Amendment to finance the additional expense.

B. Fee Fund Transfer to State General Fund (House Committee). In House Bill 2675 (appropriations bill), the 2004 Legislature approved the Governor's recommendation that all unencumbered biennial fee funds with an estimated balance greater than \$200,000 at the end of FY 2005 be transferred to the State General Fund. For the Real Estate Commission, the estimated transfer will be \$508,438. The House Committee recommended a review of the fee fund transfer to further assess its impact on the agency's budget.

According to the Real Estate Commission, the fee fund transfer will most likely require an increase in licensing fees, which are currently at the statutory limit. The agency's receipts fluctuate from year to year because more licensees are scheduled for renewal in even-numbered years rather than odd-numbered years. The Real Estate Commission explained that revenues are historically lower in odd-numbered years and expenditures recommended by the Governor for FY 2005 far exceed projected revenues after the agency transfers the 20.0 percent required to the State General Fund to cover indirect costs.

The following table outlines an analysis of the Real Estate Fee Fund for FY 2004 and FY 2005.

Resource Estimate	Actual FY 2003	Agency Estimate FY 2004	Legislative Approved FY 2004	Agency Request FY 2005	Legislative Approved FY 2005
Beginning Balance	\$ 805,277	\$ 856,981	\$ 856,981	\$ 844,419	\$ 844,419
Net Receipts	734,639	796,690	796,690	668,572	668,572
Total Funds Available	\$ 1,539,916	\$ 1,653,671	\$ 1,653,671	\$ 1,512,991	\$ 1,512,991
Less: Expenditures	682,167	764,665	764,665	830,887	795,796
BEST Transfer	0	0	0	0	8,757
Biennial Transfer	0	0	0	0	508,438
Transfer	768	44,587	44,587	0	0
Ending Balance	\$ 856,981	\$ 844,419	\$ 844,419	\$ 682,104	\$ 200,000
Ending Balance as Percent of Expenditures	125.6%	110.4%	110.4%	82.1%	25.1%

HB 2675 included a provision that the certification date for the transfer take place no later than April 19, 2004, rather than the end of FY 2005 as originally recommended by the Governor. The amount certified was \$508,438.

Department of Human Resources

A. Substitute for House Bill 2435 (Law) and GBA No. 3, Item 16, p. 8. Substitute for House Bill 2435 creates the Hispanic and Latino American Affairs Commission and repeals statutes concerning the current Hispanic Affairs and the Mexican American Affairs Advisory Committees. The new Commission will be housed in the Governor's Office. Current law designates the Advisory Committees within the Department of Human Resources.

Membership, for three-year terms, on the Commission is outlined in the bill similar to the membership of the current Advisory Committee on Hispanic Affairs. Meeting dates, payment amounts, and qualifications are controlled by the same statutes governing the current Advisory Committee.

The Advisory Commission on African American Affairs is also transferred from the Department of Human Resources to the Governor's Office.

The Hispanic Affairs Committee's approved FY 2005 budget totals \$194,365, including \$183,684 from the State General Fund and 3.0 FTE positions. The Advisory Commission on African American Affairs' approved FY 2005 budget totals \$186,852, including \$183,502 from the State General Fund, and 3.0 FTE positions. The total combined funding approved for FY 2005, that will be transferred to the Governor's Office, is \$381,217, including \$367,186 from the State General Fund, and 6.0 FTE positions.

B. GBA No. 3, Item 15, p. 7 - Employment Services.

C. GBA No. 3, Item 17, p. 9 - Transfer Unused Bond Proceeds to Other Capital Improvement Projects.

D. GBA No. 3, Item 18, p. 9 - Unemployment Insurance Benefits Computer System.



K A N S A S

OFFICE OF THE GOVERNOR

KATHLEEN SEBELIUS, GOVERNOR

April 20, 2004

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

and

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

Dear Senator Morris:

This amendment, Governor's Budget Amendment No. 3, includes items for new budget issues that have arisen, updated information about existing issues, caseload adjustments, implementation of executive reorganization orders, and technical corrections. The following table summarizes the contents of this GBA:

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ 9,167,229	\$ 11,039,679
All other Funds	<u>(13,895,083)</u>	<u>82,250,717</u>
All Funds	\$ (4,727,854)	\$ 93,290,396
FTE Positions	--	43.7
Non-FTE Unclassified Permanent	<u>--</u>	<u>(5.0)</u>
Total Positions	--	38.7

HOUSE APPROPRIATIONS

DATE 4-21-2004
ATTACHMENT 11

Department of Administration

1. Medicaid Reimbursement/Older Americans Act Funding

I amend my budget to create a separate fund for the Long-Term Care Ombudsman entitled Title XIX—Long-Term Care Ombudsman Medicaid Federal Grant Fund. These dollars, totaling \$45,316 for FY 2005, are currently transferred from the Department on Aging to the Department of Administration, where they are expended from the Older Americans Act—Long-Term Care Ombudsman Federal Fund. With the creation of a separate fund, the existing one can be reduced from \$321,796 to \$276,480. This change more clearly identifies the sources of the receipts and expenditures for the Long-Term Care Ombudsman. The change will also allow the Ombudsman to maximize Title XIX receipts.

2. Motor Vehicle Sale Proceeds

In February 2004, the Department of Administration contracted for a vehicle auction to dispose of excess vehicles in the state inventory. In my original recommendations, the sale of these vehicles was estimated to result in additional revenues of \$1.0 million for the State General Fund. At the end of the auction actual receipts that will be transferred to the State General Fund totaled \$1.6 million. A total of 24 of the vehicles sold belonged to the Department of Wildlife and Parks. These vehicles were purchased with funds whose use is subject to federal restrictions. To avoid violating the restrictions governing these funds, I amend my budget to transfer \$42,960 from the State General Fund to the Wildlife and Parks Fee Fund in FY 2005.

KPERS

3. Core Systems Replacement Project

I amend my budget to finance the KPERS Core Systems Replacement Project in the amount of \$1,027,500 from the KPERS Fund in FY 2005. This phase will include the migration of all current systems to a single platform utilizing an enterprise relational database. At the time my original budget recommendations were presented to the Legislature, the project had not been given approval by the Executive Branch Chief Information Technology Officer (CITO). However, since that time, the CITO has approved the project and KPERS is ready to proceed to the next phase.

	FY 2004	FY 2005
State General Fund	\$ --	\$ --
All Other Funds	--	1,027,500
All Funds	\$ --	\$ 1,027,500

4. Master Tobacco Settlement Agreement

According to the Master Settlement Agreement signed in 1998, Kansas is to receive regular payments through the Tobacco Settlement Agreement, which are deposited in the Kansas

Endowment for Youth (KEY) Fund. From this fund, transfers are made to the Children's Initiatives Fund to finance important programs as well as to the State General Fund. My original budget recommendations were based on the revenue estimates developed last fall. We now know, however, that actual receipts in the current year are \$3.5 million less than projected, and the FY 2005 amount will be \$4.0 million less. I recommend that the Legislature reduce the FY 2004 and FY 2005 transfers from the KEY Fund to the State General Fund in order to avoid budget reductions to children's programs.

Secretary of State

5. HAVA State Match

I amend my FY 2004 and FY 2005 budgets to add \$28,245 and \$434,152, respectively, from the State General Fund to provide the state match for federal funds to implement the Help America Vote Act (HAVA). During the 2002 Legislative Session, I recommended \$225,000 from the State General Fund to match \$7.5 million in federal funds. As of March 31, 2004, the amount of federal funds has been approved at \$7,661,648, which requires an additional state match of \$28,245. For FY 2005, the state match represents 3.0 percent of the aggregate amount to be spent for HAVA. Another 2.0 percent will be provided by Kansas counties. Therefore, \$434,152 from the State General Fund and \$289,435 from the counties will match the \$14,471,728 federal funds.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ 28,245	\$ 434,152
All Other Funds	<u>161,648</u>	<u>14,471,728</u>
All Funds	\$ 189,893	\$ 14,905,880

Attorney General

6. Lapse Correction

To implement reductions that were included in my FY 2004 recommendations for the Attorney General's operating expenditures, \$242,997 was lapsed in the regular appropriations bill. However, this amount was a misposting in the bill and should have been \$214,037. This technical correction needs to be made in the Omnibus appropriations bill. Reportable expenditures, as they appeared in the original budget documents, were presented correctly and do not need to change.

Insurance Department

7. Service Regulation Fund

For FY 2004, an excess balance of \$850,000 in the Service Regulation Fund is authorized to be transferred to the State General Fund. As part of the Consensus Revenue Estimate for April 20, 2004, the excess balance is now estimated to be \$150,000 higher than originally anticipated. The amounts transferred for FY 2004, therefore, will total \$1.0 million. For FY 2005, the transfer approved in the regular appropriations bill was \$920,000. The consensus estimates increased this amount by \$80,000, for a total of \$1.0 million in FY 2005 as well. I amend my budget to capture the increased amounts in both FY 2004 and FY 2005.

Kansas Dental Board

8. Convert Temporary Staff to FTE Position

In addition to its permanent staff, the Kansas Dental Board currently employs temporary personnel to handle the irregular workload of the licensure process. One of the temporary staff is a part-time Administrative Assistant. Because of the potential for turnover of temporary staff and the risk of losing the incumbent's expertise, I amend my budget to make this part-time temporary position a permanent .5 FTE position. The position is already budgeted at \$10,410 from agency fee funds, so no additional expenditure authority is needed. The agency's FTE position limitation will be increased from 2.5 to 3.0 for FY 2005 as a result of this action.

	<u>FY 2004</u>	<u>FY 2005</u>
FTE Positions	--	.5
Non-FTE Unclassified Permanent	<u>--</u>	<u>--</u>
Total Positions	--	.5

9. Operating Expenditure Increases

I amend my budget to include additional expenditure authority from the Kansas Dental Board Fee Fund in FY 2004 from \$317,870 to \$347,241. This \$29,371 increase is mostly the result of unintentionally exceeding the budget for contractual services: temporary services in office assistance in relocating to new office space; DISC charges for computer services and the use of cell phones; higher rent costs in the new office location; increased travel expenses for board members; and higher than anticipated costs for professional services in the inspections contract and the legal services contract. All of the increase will be paid from the Dental Board Fee Fund.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>29,371</u>	<u>--</u>
All Funds	\$ 29,371	\$ --

Department of Social & Rehabilitation Services

10. Permanent Guardianship Placements

I amend my FY 2005 budget to add \$70,200 from the State General Fund for additional placements in the Permanent Guardianship Program. This recommendation will bring FY 2005 funding to the same level as the FY 2004 recommendation.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ 70,200
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 70,200

11. Replace Medicaid Deferral for Child Welfare

I amend my FY 2004 and FY 2005 budget to reflect the replacement of Medicaid funds for Child Welfare programs that were deferred by the Centers for Medicare and Medicaid Services (CMS) for not complying with the August 2003 managed care regulations. While SRS has placed the utmost priority on gaining compliance, CMS has set a deliberate pace for approval. The agency does not expect the final resolution to occur until FY 2005. In FY 2004, the total amount of federal funding that will not be available is expected to be \$29,310,000. This amount represents the total FY 2004 Medicaid funding for the Foster Care, Adoption, and Family Preservation Programs. For the current fiscal year, this amendment includes an increase of \$10.0 million from the State General Fund, an increase of \$19.3 million from the fee fund, and a decrease of \$29.3 million from the federal Medicaid Fund. For FY 2005, this amendment includes a decrease of \$10.0 million from the State General Fund, a decrease of \$19.3 million from the fee fund, and an increase of \$29.3 million from the federal Medicaid Fund. This funding swap between the fiscal years is predicated on the recoupment of the deferred Medicaid dollars in FY 2005.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ 10,000,000	\$ (10,000,000)
All Other Funds	<u>(10,000,000)</u>	<u>10,000,000</u>
All Funds	\$ --	\$ --

12. Medicaid Caseloads

I amend my FY 2004 and FY 2005 budget to reflect changes in caseloads and the cost of assistance programs. These adjustments are the result of consensus caseload estimates that involved the staff of the Department of Social and Rehabilitation Services, Legislative Research, the Department on Aging, and the Division of the Budget. The consensus estimates included Regular Medical Assistance, Nursing Facilities, Nursing Facilities for Mental Health, Temporary Assistance to Families, General Assistance, Foster Care, and Adoption.

For FY 2004, this amendment includes a decrease from all funding sources of \$2.1 million and an increase of \$2.2 million from the State General Fund. This change in the funding mix is the result of changes in the populations that are served and the funding sources that are available to each different population. For FY 2005, this amendment includes an increase of \$300,000, including \$642,000 from the State General Fund. The State General Fund adjustments include an increase of \$300,000 for General Assistance and \$342,000 for Nursing Facilities for Mental Health. The recommended expenditures for Nursing Facilities, Temporary Assistance to Families, Regular Medical Assistance, Foster Care, and Adoption were not changed.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ 2,202,175	\$ 642,000
All Other Funds	<u>(4,267,873)</u>	<u>(342,000)</u>
All Funds	\$ (2,065,698)	\$ 300,000

13. Sexual Predator Treatment Program

I amend my FY 2005 budget to provide additional funding for the Sexual Predator Treatment Program (SPTP) at Larned State Hospital. The original FY 2004 budget approved by the 2003 Legislature for this program totaled \$3,727,931. In January, I recommended a total of \$3,856,439 for FY 2005. However, in January as part of the revised FY 2004 budget, I also recommended the addition of \$1.96 million as supplemental funding to support 72.0 new positions with the expectation that some of that supplemental funding would carry forward to FY 2005. SRS now estimates that \$750,000 of the FY 2004 supplemental funding will be carried forward to FY 2005. For FY 2005, SRS estimates that an additional \$2,724,691 will be needed in addition to the amount already recommended. The total includes the \$750,000 that will carry forward and \$1,974,691 appropriated from the State General Fund.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ (750,000)	\$ 2,724,691
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (750,000)	\$ 2,724,691

14. Health Care Access Improvement Program

I amend my FY 2005 budget to add expenditures for a new Health Care Access Improvement Program. Funding for the program, from the Health Care Access Improvement

Fund, will be derived through a provider assessment on hospitals and health maintenance organizations. These assessments will be subject to the approval of a state plan amendment by the federal Centers for Medicare and Medicaid Services (CMS). The Health Care Access Improvement Program cannot begin until CMS has approved the assessment plan. SRS states that approval of the assessment plan is not likely to occur before January 1, 2005. If that is the case, one half of the revenues from the assessments, or \$22,250,000, will be available for expenditure in FY 2005.

From that amount, I recommend increases in Medicaid reimbursement rates for the following services: \$14.0 million for hospital rates, \$3.5 million for physician rates, \$2.5 million for managed care provider rates, and \$800,000 for pharmacy rates. In addition, I recommend \$500,000 for operational grants to primary care safety net clinics, \$200,000 in one-time grants for facility expansion to provide dental services, \$550,000 for in-home family supports for home and community-based services participants, and \$150,000 for the home and community-based services for head injuries. This additional state funding will be used to draw down \$33,375,000 in matching federal Medicaid funding, which will bring the total increase in SRS expenditures to \$55,575,000. Finally, \$50,000 of the \$22,250,000 will support the functions of the Healthcare Data Governing Board of the Department of Health and Environment.

Department of Social & Rehabilitation Services:

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>55,575,000</u>
All Funds	\$ --	\$ 55,575,000

Department of Health & Environment:

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>50,000</u>
All Funds	\$ --	\$ 50,000

Department of Human Resources

15. Employment Services

I amend my budget to transfer the Employment Services Program from the Department of Human Resources (DHR) to the Department of Commerce. The authority to make the transfer is included in Executive Reorganization Order No. 31 (ERO), which was approved during the regular part of the legislative session. The reorganization will require the transfer of \$38,973,356 from DHR to Commerce. DHR's total positions will be reduced by 301.6 positions, and Commerce's total positions will be increased by 296.6. The difference of 5.0 positions represents non-FTE vacant positions which will not be transferred to Commerce. The ERO

establishes the Division of Workforce Development in Commerce, which will administer the Employment Services Program. The ERO also abolishes the Division of Employment and Training in DHR and DHR is renamed the Department of Labor.

Department of Human Resources:

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ (4,444)
All Other Funds	<u>--</u>	<u>(38,968,912)</u>
All Funds	\$ --	\$ (38,973,356)
FTE Positions	--	(280.6)
Non-FTE Unclassified Permanent	<u>--</u>	<u>(21.0)</u>
Total Positions	--	(301.6)

Department of Commerce:

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ 4,444
All Other Funds	<u>--</u>	<u>38,968,912</u>
All Funds	\$ --	\$ 38,973,356
FTE Positions	--	280.6
Non-FTE Unclassified Permanent	<u>--</u>	<u>16.0</u>
Total Positions	--	296.6

16. Hispanic, African-American, & Native American Affairs

I amend my budget to implement Substitute for 2004 HB 2435, which the Legislature passed prior to first adjournment. This bill changes the name of the current Advisory Committee on Hispanic Affairs to the Hispanic and Latino American Affairs Commission and relocates it, together with the existing Advisory Commission on African-American Affairs to the Office of the Governor. In addition, I recommend relocation of the Office of Native American Affairs in the same way, except it was not part of HB 2435 because it was created administratively, not by statute. The FY 2005 budget for Hispanic and Latino American Affairs totals \$194,365, of which \$183,684 is from the State General Fund, \$10,000 is federal funds, and \$681 represents private donations. The FY 2005 budget for African-American Affairs equals \$186,852, \$183,502 from the State General Fund and \$3,350 from federal funds. The FY 2005 budget for Native American Affairs is \$120,374, all from the State General Fund. These amounts will be deleted from the budget of the Department of Human Resources and added to the budget of the Governor's Office. A total of 8.0 positions, 3.0 FTE positions each for Hispanic and African-American Affairs and 1.0 FTE position and 1.0 non-FTE unclassified permanent position for Native American Affairs, will also be transferred.

Department of Human Resources:

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ (487,560)
All Other Funds	<u>--</u>	<u>(14,031)</u>
All Funds	\$ --	\$ (501,591)
FTE Positions	--	(7.0)
Non-FTE Unclassified Permanent	<u>--</u>	<u>(1.0)</u>
Total Positions	--	(8.0)

Office of the Governor:

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ 487,560
All Other Funds	<u>--</u>	<u>14,031</u>
All Funds	\$ --	\$ 501,591
FTE Positions	--	7.0
Non-FTE Unclassified Permanent	<u>--</u>	<u>1.0</u>
Total Positions	--	8.0

17. Transfer Unused Bond Proceeds to Other Capital Improvement Projects

I amend my FY 2005 budget to use \$600,000 in unspent bond money from renovation of the state-owned building at 401 SW Topeka Blvd. for other renovation projects subject to review by the Joint Committee on State Building Construction. The Department of Human Resources has completed renovation of the facility at the Topeka Blvd. location and has realized a savings of \$600,000 from the original \$3.8 million bond issuance. The debt service payments on the bonds would not change.

18. Unemployment Insurance Benefits Computer System

I amend my FY 2005 budget to recommend that the Department of Human Resources be given bonding authority to finance a comprehensive upgrade of Kansas' unemployment benefits computer system. The Department will use \$21.0 million in federal Reed Act funds to pay the debt service on the bonds. The duration of the bonds will be for six years. By using bond financing, the Department will be using the equivalent of the accrued interest on the principal to finance the project. A needs assessment and feasibility study on the computer system, as well as the financing for both, are included in the approved FY 2004 budget. I recommend that the final decision to proceed with the project be subject to approval of the State Finance Council after the project has been reviewed by the Joint Committee on Information Technology.

Department of Health and Environment

19. Food Safety Program

I amend my budget to implement Executive Reorganization No. 32, which transfers some food safety functions from the Department of Health and Environment to the Department of Agriculture, effective October 1, 2004. The purpose of the transfer is to streamline the food safety program and to avoid the confusion that has occurred in the past because similar duties were being performed by two separate agencies. The duty of regulating and inspecting restaurants will remain with KDHE, and the inspection of other food service establishments will be performed by the Department of Agriculture. KDHE will transfer 6.0 FTE inspector positions, including the computers and vehicles assigned to those positions, to KDA at a cost of \$320,198 from agency fee funds. Of this amount, \$246,986 is for salaries and \$73,212 for related operating expenses. The Food Inspection Fee Fund will remain at KDHE and a similar fund will be established for DOA, both having unlimited spending authority.

Department of Health and Environment:

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>(320,198)</u>
All Funds	\$ --	\$ (320,198)
FTE Positions	--	(6.0)
Non-FTE Unclassified Permanent	<u>--</u>	<u>--</u>
Total Positions	--	(6.0)

Department of Agriculture:

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>320,198</u>
All Funds	\$ --	\$ 320,198
FTE Positions	--	6.0
Non-FTE Unclassified Permanent	<u>--</u>	<u>--</u>
Total Positions	--	6.0

Kansas Commission on Veterans Affairs

20. Federal Match for Capital Improvements

I amend my FY 2004 budget to authorize \$181,771 to match federal grants for capital improvements at the Kansas Soldiers Home and Kansas Veterans Home. This amount will pay

for the shortfall between the original estimates for these projects, which were submitted when the grants were applied for, and the current bids. Of the total shortfall of \$273,448, \$91,677 will be paid from funds remaining in other construction grants, and the balance of \$181,771 will be paid from the State Institutions Building Fund.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>181,771</u>	<u>--</u>
All Funds	\$ 181,771	\$ --

Department of Education

21. School Finance Consensus Adjustments

I amend my budget to adjust state funding for school finance in FY 2004 and FY 2005. Current estimates for the amount of supplemental general state aid and general state aid to school districts are based on the recently released final assessment valuation data, enrollment changes, and the anticipated effect of local option budget usage. These factors were agreed to by staff from the Legislative Research Department, Department of Education, and Division of the Budget. Property valuations were reduced by \$93.0 million to reflect a recent Supreme Court decision that the state has no authority to tax stored natural gas owned by non-resident power companies. 2004 HB 2897 would address this issue, to clarify that the natural gas is taxable. This adjustment reduces local effort, requiring the addition of \$1,856,000 from the State General Fund under the school finance formula. I urge the Legislature to enact HB 2897 to clarify the state's tax policy. The balance of additional monies required are primarily for additional anticipated use of local option budgets. Barring action by the Legislature on school finance, school boards must continue to make use of this mechanism, which was originally conceived as temporary.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ (71,000)	\$ 10,260,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (71,000)	\$ 10,260,000

22. KPERS—School

In concert with my veto message on HB 2675, I hereby amend my budget to adjust the amount for KPERS—School. My veto message restored \$6.0 million to the KPERS—School line-item for FY 2004. Because the final payment has already been released, to lapse the money at this time would pose administrative difficulties. To avoid this, I instead recommend lapsing the correct current year's savings, \$847,191. Staff from the Legislative Research Department, Department of Education, KPERS, and Division of the Budget conferred on the amounts appropriated for employer contributions to the KPERS Fund for school employees and

determined that the adjustments noted below are what is needed to keep contributions to the fund at the correct level.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ (847,191)	\$ 4,253,138
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ (847,191)	\$ 4,253,138

23. Vocational and Technical Education Act

The Board of Regents and the State Board of Education entered into a memorandum of understanding on July 1, 2001, setting forth each Board's responsibilities for administering the federal Carl D. Perkins Vocational and Technical Education Act in Kansas. Under this agreement and state law, the Board of Regents assumes the role of lead agency for administering technical education in Kansas on July 1, 2004. With this change, \$11,700 will be lapsed from the appropriation to the State Board of Education and \$11,700 will be appropriated to the Board of Regents so that all state matching funds will be equally divided between the two agencies. The Board of Education will also transfer 1.5 FTE positions to the Board of Regents. So that these changes may be implemented, I hereby amend my budget to reflect these changes.

Department of Education:

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ (11,700)
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ --	\$ (11,700)
FTE Positions	--	(1.5)
Non-FTE Unclassified Permanent	<u> --</u>	<u> --</u>
Total Positions	--	(1.5)

Board of Regents:

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ 11,700
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ --	\$ 11,700
FTE Positions	--	1.5
Non-FTE Unclassified Permanent	<u> --</u>	<u> --</u>
Total Positions	--	1.5

Board of Regents

24. National Guard Educational Assistance

I amend my budget to reduce the appropriation for the National Guard Educational Assistance Program from \$725,028 to \$475,028. The 2003 Legislature already appropriated \$250,000 for this program that was overlooked when the appropriation bill was approved for FY 2005. This adjustment will put the total FY 2005 funding for the program at the intended amount of \$725,028, the \$250,000 approved a year ago and the \$475,028 added this year. Reportable expenditures, as they appeared in the original budget documents, were presented correctly and do not need to change.

Fort Hays State University

25. Memorial Union Renovation Debt Financing

I amend my budget to authorize a \$5.7 million bond issue for renovation of the Fort Hays State Memorial Union in FY 2005. This will be a 20-year revenue bond issuance by the Kansas Development Finance Authority with debt service beginning in FY 2006. It will be secured with student activity fee revenues. In December 2003, the student body passed a referendum endorsing an increase in student fees up to \$6.00 per on-campus credit hour to support the renovation. These fees will be deposited in the newly-created Memorial Union Renovation Debt Service Fund.

Department of Corrections

26. Bedspace Contract

I amend my budget to include \$1,460,000 from the State General Fund in FY 2005 for the Department of Corrections to contract with local governments or private companies for the housing of male medium and/or maximum custody inmates. These funds will be utilized only when the number of maximum and medium custody male inmates reaches a capacity of 6,061. On March 29, 2004, the number of inmates was 5,954. This requested amount will provide for the lease of 100 beds for 365 days at a per diem rate of \$40.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ 1,460,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 1,460,000

27. Food Service Contract

Based on a higher than anticipated inmate population level, it is estimated that the FY 2004 food service contract will exceed the current budget amount by \$125,000. Of this amount,

\$80,000 can be absorbed with savings from the Inmate Benefit Fund. As a result, I amend my budget to add a State General Fund appropriation of \$45,000 for the food service contract.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ 45,000	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 45,000	\$ --

28. Health Care Contract

Current estimates indicate that the FY 2004 cost of the health care contract will exceed the current budget amounts by \$460,000. Of this amount, \$185,000 is a result of a higher inmate population level and \$275,000 is from a shortfall in the alien incarceration federal grant. Of the \$460,000 deficit, \$181,000 can be offset from travel savings in Parole Services, \$119,000 can be offset from unanticipated commissions from inmate telephone calls, and \$100,000 can be offset from savings at the Lansing Correctional Facility. As a result, I amend my budget to include a State General Fund appropriation of \$60,000 to make up the difference for the health care contract.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ 60,000	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 60,000	\$ --

29. Construction of Spiritual Life Center

The Central Kansas Prison Ministry, a private organization, has been raising funds for a Spiritual Life Center at the El Dorado Correctional Facility. The organization has raised \$120,000 of the estimated \$711,000 needed for construction of the building. No state funds will be used for this project, and the private funds will be spent directly by the Ministry, not through the state budget. However, the Center will become the property of the state. I amend my budget to add a provision that will allow the Spiritual Life Center to be constructed on state property.

Kansas Juvenile Correctional Complex

30. Open 60 Beds

I amend my budget to finance operating costs associated with 60 maximum-security beds at the new Kansas Juvenile Correctional Complex during FY 2005. A total of \$1,415,774, with \$1,115,774 from the State General Fund and \$300,000 in federal school lunch funds, will be added to the \$430,000 of State General Fund money already included in the approved FY 2005 budget. All of the original \$430,000 is for utilities. The additional funding will primarily be used to finance the salaries and wages of the 38.2 FTE positions that are needed to make use of

60 beds. Minimal funding has been added for maintenance and other operational costs. In addition, new federal funds need to be established in each of the juvenile correctional facilities.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ 1,115,774
All Other Funds	<u>--</u>	<u>300,000</u>
All Funds	\$ --	\$ 1,415,774
FTE Positions	--	38.2
Non-FTE Unclassified Permanent	<u>--</u>	<u>--</u>
Total Positions	--	38.2

Sentencing Commission

31. SB 123 Drug Treatment Funding Revision

I amend my budget to reduce expenditures in FY 2004 by \$1.5 million from the State General Fund for 2003 SB 123 drug treatment payments to community corrections. This recommendation does not reduce the capacity of the program, but adjusts expenditures based on the most recent estimates for the number of offenders that are utilizing the treatment program.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ (1,500,000)	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (1,500,000)	\$ --

Animal Health Department

32. Animal Disease Homeland Defense Account

I amend my budget to include the expenditure of additional monies received from the USDA for foreign animal disease detection along with a response plan that includes cattle, swine, sheep, and poultry. The Department will receive funds for the following: \$75,350 for Foreign Animal Disease, \$44,110 for Bovine Spongiform Encephalopathy (known as Mad Cow Disease), \$43,940 for emergency management preparedness, \$16,000 for Johne's, \$60,000 for Scrapie, \$38,000 for Swine Health, \$11,000 for Exotic Newcastle Disease, and \$334,905 for homeland security for FY 2005. The homeland security portion includes surveillance and two self-contained mobile units to be used for emergency eradication efforts.

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	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>623,305</u>
All Funds	\$ --	\$ 623,305

Kansas Water Office

33. New FTE Position and Position Upgrades

I amend my budget to add 1.0 FTE Professional Civil Engineer I position for \$66,753 and upgrade the salaries of 2.0 existing positions in the Kansas Water Office. The new position in the Hydrology and Evaluation Unit is needed to fulfill my commitment to the Kansas Water Office to identify and resolve complex water resource issues across the state. The Water Office has a list of 11 projects for which technical analysis and study is needed to resolve policy issues and negotiate with other agencies and interested parties statewide. Existing staff members have had to work with diverse and often conflicting interests in addition to regular duties. I will upgrade a Public Service Administrator I (PSA I) to a PSA III for \$6,129 and upgrade an Environmental Scientist IV (ES IV) to an ES V for \$6,842. Total funding will be \$79,724 from the State General Fund.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ 79,724
All Other Funds	--	<u>--</u>
All Funds	\$ --	\$ 79,724
FTE Positions	--	1.0
Non-FTE Unclassified Permanent	<u>--</u>	<u>--</u>
Total Positions	--	1.0

Department of Wildlife and Parks

34. Almena Irrigation District Agreement

I amend my budget to finance an agreement between the Department of Wildlife and Parks and the Almena Irrigation District. This agreement will pay the District to maintain a level of water in Sebelius Reservoir that will be adequate for outdoor recreation use and give the Department and the District two years to establish policies for sustainable water yield from the Reservoir. For FY 2005, the Department of Wildlife and Parks will pay \$120,000 for this agreement, financed in equal amounts from the Wildlife Fee Fund, the Boating Fee Fund, and the Park Fee Fund.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>120,000</u>
All Funds	\$ --	\$ 120,000

35. Hunter Education Program

I amend my budget to authorize the Department of Wildlife and Parks to spend \$80,000 in additional federal aid for the state's Hunter Education program. The U.S. Fish and Wildlife Service has notified the Department that the additional \$80,000 will be available in FY 2005, and the funds will be used to purchase equipment to enhance the existing program.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>80,000</u>
All Funds	\$ --	\$ 80,000

Kansas Department of Transportation

36. Radio Communications System

I amend my budget to finance expenditures related to the Kansas Department of Transportation's radio communication system. 2004 HB 2756, which has been passed by the Legislature and signed by me, authorizes the agency to lease radio communication equipment and access to the agency's radio communication towers to state and local public safety agencies. Administration of the program will require 4.0 FTE positions for \$203,184 and \$142,000 for other operating expenditures, all from the Radio Communication System Revolving Fund.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>345,184</u>
All Funds	\$ --	\$ 345,184
FTE Positions	--	4.0
Non-FTE Unclassified Permanent	<u>--</u>	<u>--</u>
Total Positions	--	4.0

Message on Menninger Memorial State Park

I ask the Legislature to amend the FY 2005 appropriation language included in HB 2675 for the Kansas Department of Wildlife and Parks to delete a proviso restricting development of the proposed Menninger Memorial State Park. My FY 2005 budget recommendations included

\$100,000 from the Park Fee Fund to implement the planning phase of park development prior to acquisition of the property. This appropriation was approved, but the proviso attached by the Legislature restricting expenditure of the funds until title to the property has been acquired and requiring State Finance Council approval prior to expenditure of the funds will unnecessarily delay development of this facility. The Legislature has approved the development of this new park in Shawnee County, and funds should be authorized effective July 1, 2004, to allow for adequate time to develop a master plan for this park.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Sebelius". The signature is written in a cursive style with a vertical line at the beginning of the first letter.

KATHLEEN SEBELIUS
Governor

Items for Omnibus Consideration

(Includes Items referred by the House, Senate, and Conference Committees; GBAs; and bills with a fiscal impact)

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
FY 2004				
<u>Attorney General</u>				
Other				
Make correction to accurately reflect the Governor's recommendation and GBA No. 3, Item 6, p. 3.	28,960	0	28,960	0.0
<u>Secretary of State</u>				
GBA				
No. 3 Item 5 Page 3 HAVA State Match	28,245	161,648	189,893	0.0
<u>Insurance Department</u>				
GBA				
No. 3 Item 7 Page 4 Service Regulation Fund	0	0	0	0.0
<u>KPERS</u>				
GBA				
No. 3 Item 4 Page 2 Reduce transfer from KEY fund to State General Fund by \$3,536,252.	0	0	0	0.0
Conference				
Review investment manager fees.	0	1,783,707	1,783,707	0.0
<u>Kansas Lottery</u>				
Conference				
Review sales and estimated SGF transfers.	0	0	0	0.0
<u>Kansas Dental Board</u>				
GBA				
No. 3 Item 9 Page 4 Operating Expenditures Increases	0	29,371	29,371	0.0
<u>Commission on Veterans Affairs</u>				
GBA				
No. 3 Item 20 Page 10 Federal match for capital improvements	0	181,771	181,771	0.0
<u>Department on Aging</u>				
House				
Review EDS payment system prior to Omnibus.	0	0	0	0.0
Senate				
Requests a review of the EDS payment system and outstanding claims.	0	0	0	0.0
<u>Social and Rehabilitation Services</u>				
GBA				
No. 3 Item 12 Page 6 Medicaid Caseloads	2,202,175	(4,267,873)	(2,065,698)	0.0
No. 3 Item 11 Page 5 Replace Medicaid Deferral for Child Welfare	10,000,000	(10,000,000)	0	0.0
Other				
Consensus Caseload Estimates; GBA 1; Item 12; Page 6	2,202,175	(4,267,873)	(2,065,698)	0.0

HOUSE APPROPRIATIONS

DATE 4-21-2004

ATTACHMENT 12

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Larned State Hospital</u>				
GBA				
No. 3 Item 13 Page 6 Sexual Predator Treatment Program	(750,000)	0	(750,000)	0.0
Other				
Categorical Aid	1,306	0	1,306	0.0
<u>Department of Education</u>				
Conference				
Request a GBA for KPERS-School shortfall, and GBA No. 3, Item 22, p. 11.	5,082,788	0	5,082,788	0.0
Bills				
HB 2675 - The Governor vetoed a lapse for KPERS-School and indicated that she will issue a GBA to lapse a revised amount, based on new estimates made April 13, 2004.	(6,005,014)	0	(6,005,014)	0.0
<u>Board of Regents</u>				
Other				
Expenditure authority for Other Federal Grants Fund (Technical Adjustment)	0	0	0	0.0
<u>Department of Corrections</u>				
GBA				
No. 3 Item 28 Page 14 Health Care Contract	60,000	0	60,000	0.0
No. 3 Item 27 Page 13 Food Service Contract	45,000	0	45,000	0.0
<u>Sentencing Commission</u>				
GBA				
No. 3 Item 31 Page 15 SB 123 Drug Treatment Fund Revision	(1,500,000)	0	(1,500,000)	0.0
<u>Department of Wildlife and Parks</u>				
Senate				
Review at Omnibus information about carryover funds for capital improvements authorized in previous years, but not expended in the current fiscal year.	0	0	0	0.0
<u>FY 2005</u>				
<u>Legislature</u>				
Other				
Language in HB 2675 inadvertently included the increase in non-session legislative allowance for the entire FY 2005 instead of starting in April 2005 as intended. A technical change in the language is required to implement the legislative intent.	0	0	0	0.0
<u>Office of the Governor</u>				
Bills				
HB 2435 - Moving Hispanic and Latino Affairs Commission and African-American Affairs Advisory Committee to Governor's office and GBA No. 3, Item 16, Page 8	487,560	14,031	501,591	7.0
<u>Attorney General</u>				
Senate				
Consider funding for SB 489, if enacted, in Omnibus Bill. SB 489 imposes duties on the Child Death Review Board to investigate deaths or near fatalities of children in the care of SRS or who at any time have been declared CINC's.	156,831	0	156,831	0.0
If additional resources are identified, consider funding for new White Collar Crime Unit.	200,000	0	200,000	0.0

Agency Item

State General Fund

All Other Funds

All Funds

FTEs

Bills

SB 489 - SB 489 would increase responsibilities of the Child Death Review Board to investigate deaths or near fatalities of children in the custody of the state, but the bill did not pass out of the first committee.

156,831

0

156,831

2.0

HB 2798 - HB 2798 enacts the Personal and Family Protection Act and was vetoed by the Governor April 16.

110,000

0

110,000

4.0

Secretary of State

GBA

No. 3 Item 5 Page 3 HAVA State Match

434,152

14,471,728

14,905,880

0.0

Senate

Consider proviso to allow SOS to establish interest in receiving free distribution copy of Session Laws, KARs, and KSAs

0

0

0

0.0

Have SOS report back concerning expenditures related to Session Laws and KARs

0

0

0

0.0

Bills

SB 479 - SB 479 implements provision of the federal Help America Vote Act (HAVA) of 2002

0

0

0

0.0

Insurance Department

GBA

No. 3 Item 7 Page 4 Service Regulation Fund

0

0

0

0.0

Board of Indigents' Defense Services

House

Review potential sources of funding for \$4,000,000 to increase the hourly rate for Assigned Counsel from \$50 to \$80 should HB 2616 be enacted.

0

0

0

0.0

Conference

Funding for appeals associated with State v. McAdam

0

0

0

0.0

Funding for Public Defender Office in the 14th Judicial District (Montgomery and Chautauqua)

0

0

0

0.0

Other

Consensus caseload estimates for the Assigned Counsel Program

0

0

0

0.0

KPERS

GBA

No. 3 Item 3 Page 2 Core Systems Replacement Project

0

1,027,500

1,027,500

0.0

No. 3 Item 4 Page 2 Reduce transfer from KEY fund to State General Fund by \$4,000,000

0

0

0

0.0

Conference

Review additional funding for technology project.

0

1,027,500

1,027,500

0.0

Review investment manager fees.

0

3,417,065

3,417,065

0.0

Department of Administration

GBA

No. 3 Item 1 Page 2 Medicaid Reimbursement/Older Americans Act Funding

0

0

0

0.0

No. 3 Item 2 Page 2 Motor Vehicle Sale Proceeds

0

0

0

0.0

Senate

Ask the Department to report back on requested capital improvement projects which impact life safety issues

0

0

0

0.0

12+3

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
Conference				
Consider the issue of offsetting \$438,326 in SGF expenditures for insurance costs with state building funds - the funding was deleted from the appropriations bill.	0	438,326	438,326	0.0
Bills				
HB 2675 - KANS-A-N Directory - Line Item Veto	0	0	0	0.0
HB 2675 - Health Risk Appraisal - Line Item Veto	0	0	0	0.0
Other				
Delete section of the bill regarding the facilities conservation improvement program. (Technical Adjustment)	0	0	0	0.0
<u>Board of Tax Appeals</u>				
Senate				
Update on SB 535 which would remove two exemptions placed on the agency's filing fee schedule.	0	0	0	0.0
<u>Department of Revenue</u>				
Conference				
Review VIPS/CAMA Fee Fund balances	0	0	0	0.0
Bills				
HB 2143 - Issuance of Distinctive License Plates	0	0	0	0.0
HB 2647 - Kansas Economic Growth Act	0	0	0	0.0
<u>Department of Commerce</u>				
GBA				
No. 3 Item 15 Page 7 Transfer employment services to Department of Commerce.	4,444	38,968,912	38,973,356	281.0
Bills				
H.B. 2713 - Senate Sub. For Sub. For H.B. 2713 established an Athletic Commission.	0	58,408	58,408	0.0
H.B. 2833 - H.B. 2833 enacts the Governors of Kansas Hometown Heritage Act.	0	25,000	25,000	0.0
H.B. 2647 - Senate Sub. For Sub. For H.B. 2647 creates the Kansas Economic Growth Act	0	0	0	0.0
<u>Board of Healing Arts</u>				
Bills				
S. HB 2698 - Radiological Technologists Practice Act.	0	46,688	46,688	0.0
<u>Kansas Dental Board</u>				
GBA				
No. 3 Item 8 Page 4 Convert Temporary Staff to FTE Position	0	0	0	0.0
<u>Board of Pharmacy</u>				
House				
Recommends consideration be given at Omnibus to the Board's request to encumber \$500,000 of its fee fund balance for litigation purposes.	0	0	0	0.0
<u>Real Estate Appraisal Board</u>				
House				
If Governor does not include GBA, consider funding to cover the \$0.94 per square foot surcharge recommended by Governor.	0	1,204	1,204	0.0

<i>Agency, item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
Review fee fund transfer of \$334,369 to SGF to determine its impact on the agency.	0	0	0	0.0
<u>Kansas Real Estate Commission</u>				
House				
Review fee fund transfer of \$508,438 to SGF to determine its impact on the agency.	0	0	0	0.0
Conference				
If Governor does not consider a GBA, consider funding to cover the \$0.94 per square foot surcharge recommended by the Governor.	0	4,100	4,100	0.0
<u>Department of Human Resources</u>				
GBA				
No. 3 Item 18 Page 9 Recommends bonding authority to finance a comprehensive upgrade of the unemployment benefits computer system. Recommends \$21.0 million in federal Reed Act funds be used to pay the debt service on the bonds.	0	0	0	0.0
No. 3 Item 17 Page 9 Transfers \$600,000 in unspent bond money from renovation of state-owned building at 401 SW Topeka Blvd for other renovation projects subject to review by the Joint Committee on State Building Construction.	0	0	0	0.0
No. 3 Item 15 Page 7 Transfers Employment Services to the Department of Commerce. (The authority for the transfer is in ERO 31.)	(4,444)	(38,968,912)	(38,973,356)	-281.0
No. 3 Item 16 Page 8 Implements Sub. HB 2435 which relocates Hispanic and African American Affairs to the Governor's Office. Also recommends the transfer of the Office of Native American Affairs to the Governor's Office as well.	(487,560)	(14,031)	(501,591)	-7.0
Bills				
HB 2435 - Transfers Hispanic American Affairs and African-American Affairs from Department of Human Resources to the Governor's Office.	(367,186)	(14,031)	(381,217)	-6.0
<u>Commission on Veterans Affairs</u>				
Senate				
Review status of the Fort Riley Cemetery construction	0	0	0	0.0
Review systemwide cemetery program staffing needs	0	0	0	0.0
<u>Dept. of Health and Environment - Health</u>				
GBA				
No. 3 Item 19 Page 10 Transfer food safety program to Department of Agriculture effective October 1, 2004.	0	(320,198)	(320,198)	-6.0
No. 3 Item 14 Page 6 Health Care Access Improvement Program funding for Health Care Data Governing Board	0	50,000	50,000	0.0
House				
Consider adding \$50,000 SGF and 1.0 FTE to support state dental office.	50,000	0	50,000	1.0
Consider requesting an interim committee study of issues around the regulation of child care programs operated by school district boards of education	0	0	0	0.0
Review information on the continuation of the Fetal Alcohol Syndrome Diagnostic and Prevention Network Pilot Programs.	0	0	0	0.0
Review information on immunizations and ERISA plans	0	0	0	0.0
Review information on Infant-Toddler programs regarding state comparisons, administrative costs and sliding fee scale implementation.	0	0	0	0.0
Review information on interaction between immunizations and WIC.	0	0	0	0.0
Review information on the potential for bioterrorism contracts with Kansas universities.	0	0	0	0.0

12-5

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
Review potential funding sources for funding the Pregnancy Maintenance Initiative (\$300,000).	0	0	0	0.0
Review status of implementation of regulations regarding school-age drop-in programs.	0	0	0	0.0
Senate				
Consider additional support for immunizations	0	0	0	0.0
Review agency recommendations to increase Immunization rates	0	0	0	0.0
Bills				
S.B. 418 - S.B. 418 establishes a birth defects information system at KDHE with implementation contingent upon funds being available.	290,396	0	290,396	2.0
<u>Dept. of Health and Environment - Environment</u>				
Senate				
Review agency information on potential connections between public water supply funding and community water fluoridation	0	0	0	0.0
<u>Department on Aging</u>				
House				
Consider transfer of OKEP and SCSEP, senior employment programs, to the Department on Aging prior to Omnibus.	0	0	0	0.0
Recommend a review of the nutrition program funding formula for the Area Agencies on Aging prior to Omnibus.	0	0	0	0.0
Requests a comparison of reimbursement rates and requirements under both self-direct and agency-directed services for the HCBS/ FE waiver.	0	0	0	0.0
Requests an update on the waiting lists for the FE waiver and the Senior Care Act, prior to Omnibus.	0	0	0	0.0
Senate				
Recommends consideration be given to increasing the Senior Care Act budget by \$400,000 SGF and requests a review of the Senior Care Act budget and financing at Omnibus.	0	0	0	0.0
Recommends consideration be given to the addition of \$25,000 SGF for the Senior Companion Program. Consider funding of related programs, including Foster Grandparents Program.	0	0	0	0.0
Recommends consideration of a regulatory change to allow new nursing facilities to be subject to the same base year costs as existing facilities at Omnibus.	0	0	0	0.0
Requests a review of the funding for the HCBS/FE waiver at Omnibus.	0	0	0	0.0
Review of the policy change for Plans of Care and Assistive Technology and any associated costs prior to Omnibus.	0	0	0	0.0
<u>Social and Rehabilitation Services</u>				
GBA				
No. 3 Item 10 Page 5 Permanent Guardianship Placements	70,200	0	70,200	0.0
No. 3 Item 11 Page 5 Replace Medicaid Deferral for Child Welfare	(10,000,000)	10,000,000	0	0.0
No. 3 Item 12 Page 6 Medicaid Caseloads	642,000	(342,000)	300,000	0.0
No. 3 Item 14 Page 6 Health Care Access Improvement Program		55,575,000		0.0
House				
Recommend the agency review of the Vagus Nerve Stimulator (VNS) battery replacement issue and report back at Omnibus.		0		0.0
Recommends review of proviso language regarding state administered grants.	0	0	0	0.0

12-6

<i>Agency, item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
Request the agency report back at Omnibus regarding costs associated with providing services for children as they age out of the ACIL (attendant care for independent living) program.	0	0	0	0.0
Requests the agency report back at Omnibus on Flexible Child Welfare Funding.	0	0	0	0.0
Requests the agency report back at Omnibus on its progress toward opening the Medicaid medical card to mental health clinicians beyond the community mental health centers (CMHCs) and NF/MHs.	0	0	0	0.0
Requests the agency report back at Omnibus on possible amendments to the Medicaid state plan to fund longer stays in inpatient acute care psychiatric services for children.	0	0	0	0.0
Requests the agency report back at Omnibus on the financial situation of payroll agents for person's who self-direct their care through the HCBS/waivers as they address the worker's compensation insurance issue.	0	0	0	0.0
Requests the agency report back at Omnibus on the methodology used to reduce family supports and services for persons on the waivers as budget cuts have been made.	0	0	0	0.0
Requests the agency report back at Omnibus on the pilot project to provide residential care to seriously ill children.	0	0	0	0.0
Requests the agency report back at Omnibus on the preparation for the new child welfare contract.	0	0	0	0.0
Requests the agency report back at Omnibus on the progress toward the implementation of the care management pilot project.	0	0	0	0.0
Requests the agency report back at Omnibus on the re-authorization of the Temporary Assistance for Needy Families (TANF) block grant.	0	0	0	0.0
Requests the agency report back at Omnibus with an executive summary of the screening process for the Nursing Facilities for Mental Health (NF/MHs).	0	0	0	0.0
Requests the agency report back at Omnibus with procedures to address fraud reports by payroll agents without penalizing them for reporting.	0	0	0	0.0
Senate				
	0	0	0	0.0
Add proviso language requiring the agency to enforce the 120 day time limit for transition from an NF/MH only after a transition plan has been completed.	0	0	0	0.0
Recommends Omnibus review of physician reimbursement rates if provider assessment legislation is enacted.	0	0	0	0.0
Request the agency delay implementation of the NF/MH screen process and report back at Omnibus with more details on the NF/MH screening process.	0	0	0	0.0
Request the agency provide a draft of the GA/MediKan hardship criteria at Omnibus.	0	0	0	0.0
Request the agency report back at Omnibus on children aging out of the ACIL program.	0	0	0	0.0
Conference				
Rehabilitation and repair projects for the state Developmental Disability Institutions	0	6,772,365	6,772,365	0.0
The Conference Committee requested the Children's Cabinet report at Omnibus on expenditures for Smart Start Kansas.	0	0	0	0.0
Bills				
SB 272 - (Conference) The bill provides additional eligibility requirements for Medicaid recipients, resulting in reduces expenditures. The recovery provisions of the bill would result in additional revenues of \$700,000.	(180,160)	(270,240)	(450,400)	0.0
HB 2912 - (Law) The bill would create a provider assessment to improve health care access.	22,250,000	33,350,000	55,600,000	0.0
Other				

12-7

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
Consensus Caseload Estimates; GBA 1; Item 12; Page 6	642,000	(342,000)	300,000	0.0
HB 2675 (VETO) - The Governor vetoed proviso language requiring the agency to fully fund the Vocational Rehabilitation federal grant with an additional \$550,629 state funds.	0	0	0	0.0
<u>Larned State Hospital</u>				
GBA				
No. 3 Item 13 Page 6 Sexual Predator Treatment Program	2,724,691	0	2,724,691	0.0
House				
Review the Larned State Hospital Sexual Predator Treatment program in regard to additional FTE positions that may be necessary.	0	0	0	0.0
Other				
Categorical Aid	(3,266)	0	(3,266)	0.0
Teacher Salaries and Wages - 3.0 percent increase	25,260	0	25,260	0.0
<u>Parsons State Hospital</u>				
Other				
Categorical Aid	(1,360)	0	(1,360)	0.0
Teacher Salaries and Wages - 3.0 percent increase	9,373	0	9,373	0.0
<u>Department of Education</u>				
GBA				
No. 3 Item 23 Page 12 Vocational and Technical Education Act	(11,700)	0	(11,700)	0.0
Senate				
Request a GBA for Juvenile Detention State Aid as the consequence of enrollment growth and addition of facility.	669,522	0	669,522	0.0
Conference				
Request a GBA for KPERS-School shortfall, and GBA No. 3, Item 22, p. 11.	4,875,474	0	4,875,474	0.0
Other				
School Finance Estimates and GBA No. 3, Item 21, p. 11.	0	0	0	0.0
<u>School for the Blind</u>				
House				
Review salary levels and potential funding mechanism for an increase for teachers at the School for the Blind.	0	0	0	0.0
Senate				
Consider viability of creating a separate pay matrix for the teachers at the School for the Blind.	0	0	0	0.0
Request information regarding utilization, capacity, and the possibility of other uses and the viability of keeping the School open.	0	0	0	0.0
<u>School for the Deaf</u>				
House				
Review salary levels and potential funding mechanism for an increase for teachers at the School for the Deaf.	0	0	0	0.0
Senate				
Consider viability of creating a separate pay matrix for the teachers at the School for the Deaf.	0	0	0	0.0
Request GBA for the restoration of vehicles and the restoration of capital outlay.	0	0	0	0.0

Agency/Item

State General Fund

All Other Funds

All Funds

FTEs

Request information regarding utilization, capacity, and the possibility of other uses and the viability of keeping the School open. 0 0 0 0.0

Review possible restoration of BEST contractual services and commodities of \$70,814. 0 0 0 0.0

Conference

Review dorm renovation project and the possible impact on life and safety of the students. 0 0 0 0.0

State Historical Society

Senate

Review agency request of \$55,802 SGF for ADA signs and alarms at Omnibus. 0 0 0 0.0

Bills

HB 2531 - Historic Preservation Act - agricultural land use 0 2,080 2,080 0.0

Fort Hays State University

Other

Bonding authority for Memorial Union renovations (Joint Committee on State Building Construction) and GBA No. 3, Item 25, p. 13 0 0 0 0.0

University of Kansas

Bills

SB 312 - SB 312 would authorize a portion of the fee on fire insurance companies to be transferred directly to the Fire Service Training Program Fund. 0 0 0 0.0

University of Kansas Medical Center

House

Consider additional funding for pursuit of a national designation as a Comprehensive Cancer Research Center. 0 0 0 0.0

Review potential sources of funding for an increase in the Medical Loan Program. 0 0 0 0.0

Wichita State University

House

Review potential sources for \$2,000,000 in additional funding for aviation research. 0 0 0 0.0

Senate

Review potential of increasing the transfer from the State Gaming Revenues Fund to the Economic Development Initiatives Fund by \$2,000,000 to be appropriated to WSU for aviation research (Completed in budget deliberations on the EDIF). 0 0 0 0.0

Board of Regents

GBA

No. 3 Item 23 Page 12 Vocational and Technical Education Act 11,700 0 11,700 2.0

House

Receive status report from agency on Southwest Kansas Access 0 0 0 0.0

Senate

Report from the Board of Regents on suggestions for budgetary flexibility 0 0 0 0.0

Conference

Additional funding for technical colleges 0 0 0 0.0

Other

Overfunding of the National Guard Educational Assistance Program (Technical Adjustment) and GBA No. 3, Item 24, p. 13 0 0 0 0.0

12-9

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Department of Corrections</u>				
GBA				
No. 3 Item 26 Page 13 Bedspace Contract	1,460,000	0	1,460,000	0.0
No. 3 Item 29 Page 14 Construction of Spiritual Life Center	0	0	0	0.0
House				
Review in offender programs the contract funding for the visitor centers.	0	0	0	0.0
<u>State Fire Marshal</u>				
Bills				
S.B. 335 - S.B. 335 enacts the Kansas Propane Safety and Licensing Act and establishes regulatory authority over the liquefied petroleum gas industry.	0	144,668	144,668	2.0
S.B. 312 - S.B. 312 adjusts the distribution of the 1.25 percent fire insurance premium levy between the State Fire Marshal, Emergency Medical Services and the KU Fire Services Training Institute.	0	0	0	0.0
<u>Juvenile Justice Authority</u>				
Bills				
A - SB 183 - Interstate Compact for Juveniles	46,700	0	46,700	1.0
<u>Kansas Juvenile Correctional Complex</u>				
GBA				
No. 3 Item 30 Page 14 Open 60 Beds	1,115,774	300,000	1,415,774	38.0
House				
The House Budget Committee encourages the Governor to review the option of phasing in 40 Reception and Diagnostics Unit (RDU) Beds and 90 Maximum Security Beds.	0	0	0	0.0
Senate				
Review the possibility of opening KJCC in FY 2005.	0	0	0	0.0
Bills				
A. - Review the possibility of opening KJCC in FY 2005.	0	0	0	0.0
<u>Adjutant General</u>				
House				
Add 1.0 Deputy Adjutant General position	0	92,332	92,332	1.0
Add funding for rehabilitation and repair of the 58 statewide armories	0	0	0	0.0
<u>Kansas Bureau of Investigation</u>				
Senate				
Review receipts deposited in the Laboratory Fee Fund	0	0	0	0.0
Other				
Technical Adjustment. In HB 2675 (the Mega Bill), Section 127(C.), the transfer date of June 1, 2005 needs to be changed to July 1, 2004.	0	0	0	0.0
<u>Emergency Medical Services Board</u>				
Senate				
Directs the agency to present a plan on the initiation of the statewide data collection pilot project	0	0	0	0.0
Reduced the balance transfer of \$975,000 from the EMS Operating fund to the State General Fund by \$200,000, and utilize that funding to finance the provision of 2004 SB 351 pending passage of the bill	0	200,000	200,000	0.0

Sentencing Commission**Senate**

Report on the status of offender reimbursement monies received according to the provisions of 2003 SB 123	0	0	0	0.0
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Department of Agriculture**GBA**

No. 3 Item 19 Page 10 Food safety program	0	320,198	320,198	6.0
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Conference

Review agency budget upon adoption of ERO 32	0	0	0	0.0
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Animal Health Department**GBA**

No. 3 Item 32 Page 15 Animal disease homeland defense account	0	623,305	623,305	0.0
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Senate

Review funding of Animal Facilities Inspection Program	0	0	0	0.0
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Bills

HB 2593 - Animal Identification Program and Livestock Premise Registration	61,960	0	61,960	2.0
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Kansas Water Office**GBA**

No. 3 Item 33 Page 16 New FTE position and position upgrades	79,724	0	79,724	1.0
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Department of Wildlife and Parks**GBA**

No. 3 Item 35 Page 17 Hunter Education Program	0	80,000	80,000	0.0
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No. 3 Item 37 Page 17 Message on Menninger Memorial State Park -- Proviso deletion.	0	0	0	0.0
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No. 3 Item 34 Page 16 Almena Irrigation District Agreement	0	120,000	120,000	0.0
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House

Review five-year plan of improvements for new state park in Topeka.	0	0	0	0.0
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Senate

Review the potential for diversion involving the Wildlife Fee Fund and \$332,692 recommended as BEST reductions for subsequent transfer to the SGF.	0	0	0	0.0
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Conference

Review additional federal funds for hunter education	0	80,000	80,000	0.0
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Review water rights purchases at Sebelius Reservoir	0	120,000	120,000	0.0
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Bills

HB 2557 - State Park No. 24 in Shawnee County	0	0	0	0.0
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HB 2731 - Kansas Farmers and Hunters Feeding the Hungry	0	0	0	0.0
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Other

Add appropriation items in FY 2005 for Tuttle Creek State Park Mitigation Project and Cheyenne Bottoms Federal Grants that were appropriated in FY 2004 by HB 2675 as recommended by the Governor. (Technical adjustment)	0	0	0	0.0
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<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Kansas Department of Transportation</u>				
GBA				
No. 3 Item 36 Page 17 Radio Communications System	0	345,184	345,184	4.0
House				
Consider a proviso prohibiting the Department of Administration from limiting the vendors from which the Department of Transportation may obtain vehicle parts.	0	0	0	0.0
Bills				
HB 2756 - KDOT to purchase and lease radio communications equipment, including access to radio communication towers, to both governmental and non-governmental organizations and establish the Communication System Revolving Fund	0	0	0	12.0

**Governor's Recommended Adjustments
to April 2004 State General Fund Receipts
Contained in Governor's Budget Amendment No. 3**

FY 2004:

Kansas Endowment for Youth Fund Reduce Transfer	\$ (3,536,252)
Insurance Department Increase Transfer	<u>150,000</u>
TOTAL	<u><u>\$ (3,386,252)</u></u>

FY 2005:

Kansas Endowment for Youth Fund Reduce Transfer	\$ (4,000,000)
Insurance Department Increase Transfer	<u>80,000</u>
TOTAL	<u><u>\$ (3,920,000)</u></u>

HOUSE APPROPRIATIONSDATE 4-21-2004
ATTACHMENT 13