

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 10:35 a.m. on March 9, 2004, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Jill Wolters, Senior Assistant, Revisor of Statutes
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

None

Others attending:

See Attached List.

Bill Introduction

Senator Jackson moved, with a second by Senator Helgerson, to introduce a bill concerning the Kansas Lottery; relating to the Veterans benefit lottery game (3rs2073). Motion carried on a roll call vote.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2004 and FY 2005 were available to the committee.

Subcommittee budget reports on:

Mental Health Institutions (Attachment 1)

Larned State Hospital
Osawatomie State Hospital
Rainbow Mental Health Facility

Developmental Disabilities Institutions

Kansas Neurological Institute
Parsons State Hospital and Training Center

Subcommittee Chairman Morris reported that the subcommittee on the Developmental Disabilities Institutions concurs with the Governor's recommendation in FY 2004 and concurs with the Governor's FY 2005 recommendations with observations.

Subcommittee Chairman Morris reported that the subcommittee on the Mental Health Institutions concurs with the Governor's recommendation in FY 2004 and concurs with the Governor's FY 2005 recommendations with adjustments.

Senator Helgerson moved, with a second by Senator Schodorf, to move the Governor's Budget Amendment on the 72.0 FTE's for Larned State Hospital, Sexual Predator Treatment Program (SPTP) in FY 2004 and FY 2005. Motion carried on a voice vote.

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 10:35 a.m. on March 9, 2004, in Room 123-S of the Capitol.

Senator Helgerson moved, with a second by Senator Jordan, to adopt the subcommittee budget report on the Mental Health Institutions and the Developmental Disabilities Institutions in FY 2004 and FY 2005. Motion carried on a voice vote.

School for the Blind (Attachment 2)

School for the Deaf

Kansas Arts Commission

Kansas State Library

Kansas State Historical Society

Subcommittee Chairman Salmans reported that the subcommittee on the School for the Blind concurs with the Governor's recommendation in FY 2004 and concurs with the Governor's FY 2005 recommendations with adjustments and notations.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the School for the Blind in FY 2004 and FY 2005. Motion carried on a voice vote.

Subcommittee Chairman Salmans reported that the subcommittee on the School for the Deaf concurs with the Governor's recommendation in FY 2004 and concurs with the Governor's FY 2005 recommendations with adjustments and notations.

Senator Downey moved, with a second by Senator Helgerson, to flag Item No. 3 in the FY 2005 subcommittee report for the School for the Deaf for Omnibus regarding the restoration of the BEST reductions in contractual services and commodities. Motion carried on a voice vote.

Senator Salmans moved, with a second by Senator Schodorf, to adopt the subcommittee budget report on the School for the Deaf in FY 2004 and FY 2005 as amended. Motion carried on a voice vote.

Subcommittee Chairman Salmans reported that the subcommittee on the Kansas Arts Commission concurs with the Governor's recommendation in FY 2004 and concurs with the Governor's FY 2005 recommendations with adjustments and notations.

Senator Helgerson moved, with a second by Senator Schodorf, to restore the \$35,000 in Item No. 2, FY 2005, using Economic Development Initiatives Fund (EDIF). Motion carried on a voice vote.

Senator Jackson moved, with a second by Senator Salmans, to review the EDIF funding source in Item No. 2, FY 2005, at Omnibus. Motion failed on a voice vote.

Senator Salmans moved, with a second by Senator Schodorf, to adopt the subcommittee budget report on the Kansas Arts Commission in FY 2004 and FY 2005 as amended. Motion carried on a voice vote.

Subcommittee Chairman Salmans reported that the subcommittee on the Kansas State Library concurs with the Governor's recommendation in FY 2004 and concurs with the Governor's FY 2005 recommendations with adjustment and notations.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Kansas State Library in FY 2004 and FY 2005. Motion carried on a voice vote.

Subcommittee Chairman Salmans reported that the subcommittee on the Kansas State Historical Society concurs with the Governor's recommendation in FY 2004 and concurs with the Governor's FY 2005 recommendations with adjustments and observations.

Senator Downey moved, with a second by Senator Helgerson, to replace \$31,353 State General Fund BEST reduction with Economic Development Initiative Fund moneys in Item 2, FY 2005. Motion carried on a voice vote.

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 10:35 a.m. on March 9, 2004, in Room 123-S of the Capitol.

Senator Salmans moved, with a second by Senator Schodorf, to adopt the subcommittee budget report on the Kansas State Historical Society in FY 2004 and FY 2005 as amended. Motion carried on a voice vote.

Kansas Guardianship Program (Attachment 3)

Subcommittee Chairman Jackson reported that the subcommittee on the Kansas Guardianship Program concurs with the Governor's recommendation in FY 2004 and concurs with the Governor's FY 2005 recommendations with adjustments.

Senator Jackson moved, with a second by Senator Helgerson, to adopt the subcommittee budget report on the Kansas Guardianship Program in FY 2004 and FY 2005. Motion carried on a voice vote.

The meeting adjourned at 11:50 a.m. The next meeting is scheduled for March 10, 2004.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**


DATE March 9, 2004

NAME	REPRESENTING
Julia Thomas	DOB
Vicki Hessel	II
Trula Hayward	II
Marion Cott	KHC
Terry Marmet	K's St Historical Society
David Haury	KS ST Historical Society
Dore Wilfer	Kansas Arts Council
Sheli Sweeney	Assoc. CMHC
Mike Hammond	Assoc. CMHC
Josie Torres	SILCK
DORANE JOHNSON	State Library
Bonnie Heim	State Library
Jim Kuhl	KOP
Robert Maile	K's JFH for the Deaf
Jane Adams	Keys for Networking
Janet Schalansky	SRS
Laura Howard	SRS
Tanya Dorf	SRS

SENATE SUBCOMMITTEE ON SRS-HOSPITALS

Mental Health Institutions - FY 2004-FY 2005
Larned State Hospital
Osawatomie State Hospital
Rainbow Mental Health Facility


Developmental Disabilities Institutions - FY 2004-FY 2005
Kansas Neurological Institute
Parsons State Hospital and Training Center



Senator Stephen Morris, Chair




Senator David Adkins



Senator Nick Jordan



Senator Jean Schodorf



Senator Henry Helgerson

Senate Ways and Means
3-9-04
Attachment 1

House Budget Committee Report

Agency: Developmental Disabilities
Institutions (DD Hospitals)

Bill No. HB 2899

Bill Sec. 35

Analyst: Dunkel

Analysis Pg. No. 1198, 1282

Budget Page No. 283, 329

Expenditure	Agency Est. FY 04	Governor Rec. FY 04	House Budget Committee Adjustments
Kansas Neurological Institute			
All Funds	\$ 24,695,014	\$ 24,641,966	\$ 0
SGF	10,022,788	10,023,740	0
FTE Positions	588.2	588.2	0.0
Parsons State Hospital and Training Center			
All Funds	\$ 20,552,640	\$ 20,552,640	\$ 0
SGF	6,923,703	6,923,703	0
FTE Positions	467.2	467.2	0.0

Agency Estimate

Kansas Neurological Institute

The agency estimates FY 2004 expenditures of \$24.7 million all funds, \$10.0 million State General Fund, an increase of \$264,072 or 1.0 percent all funds and \$209,541 or 2.1 percent State General Fund and 58.2 FTE positions. The increase includes supplemental requests totaling \$54,000 all funds for laundry services and internal agency adjustments shifting \$20,493 State General Fund from other resources in the Department of Social and Rehabilitation Services (SRS) and the addition of \$190,000 State General Fund and 58.2 FTE positions reflecting a shift of positions between the state hospitals to meet staffing needs while remaining within budget.

Governor's Recommendation

The Governor concurs with the agency request, but does not recommend the supplemental request.

Parsons' State Hospital

The agency estimates FY 2004 expenditures of \$20.2 million all funds and \$6.9 million State General Fund, an increase of \$14,077 or 0.1 percent all funds and \$10,888 or 0.2 percent State General Fund. There is an addition of 43.0 FTE positions over the amount approved for FY 2003, reflecting a re-allocation of positions from within the state hospital system. The agency request

includes internal adjustments of \$14,077 all funds, \$10,888 State General Fund and 43.0 FTE positions. The funding changes reflect an increase of \$3,189 of Title XIX funds, and a shift of \$10,888 to Parson's from SRS. The additional 43.0 FTE positions reflect a reallocation of positions within the hospital system.

Governor's Recommendation

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

House Social Services Budget Committee

The Budget Committee concurs with the Governor's recommendation.

House Committee

The Committee concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Developmental Disabilities
Institutions (DD Hospitals)

Bill No. SB 536

Bill Sec. 35

Analyst: Dunkel

Analysis Pg. No. 1198,1282

Budget Page No.283,329

<u>Expenditure</u>	<u>Agency Req. FY 04</u>	<u>Governor Rec. FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Kansas Neurological Institute			
All Funds	\$ 24,695,014	\$ 24,641,966	\$ 0
SGF	10,022,788	10,023,740	0
FTE Positions	588.2	588.2	0.0
Parsons State Hospital and Training Center			
All Funds	\$ 20,552,640	\$ 20,552,640	\$ 0
SGF	6,923,703	6,923,703	0
FTE Positions	467.2	467.2	0.0

Kansas Neurological Institute

Agency Request

The **agency** requests FY 2004 expenditures of \$24.7 million all funds, \$10.0 million State General Fund, an increase of \$264,072 or 1.0 percent all funds and \$209,541 or 2.1 percent State General Fund and 58.2 FTE positions. The increase includes supplemental requests totaling \$54,000 all funds for laundry services and internal agency adjustments shifting \$20,493 State General Fund from other resources in the Department of Social and Rehabilitation Services (SRS) and the addition of \$190,000 State General Fund and 58.2 FTE positions reflecting a shift of positions between the state hospitals to meet staffing needs while remaining within the budget.

Governor's Recommendation

The **Governor** concurs with the agency request, but does not recommend the supplemental request.

Parsons State Hospital and Training Center

Agency Request

The **agency** requests FY 2004 expenditures of \$20.2 million all funds, \$6.9 million State General Fund, an increase of \$14,077 or 0.1 percent all funds and \$10,888 or 0.2 percent State General Fund. There is an addition of 43.0 FTE positions over the amount approved for FY 2003, reflecting a re-allocation of positions from within the state hospital system.

Governor's Recommendation

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

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Developmental Disabilities
Institutions (DD Hospitals)

Bill No. HB 2900

Bill Sec. 32

Analyst: Dunkel **Analysis Pg. No.** 1198, 1282

Budget Page No. 283, 329

Expenditure	Agency Req. FY 05	Governor Rec. FY 05	House Budget Committee Adjustments
Kansas Neurological Institute			
All Funds	\$ 26,587,940	\$ 25,930,761	\$ 0
SGF	11,387,203	11,048,774	0
FTE Positions	614.2	588.2	0.0
Parsons State Hospital and Training Center			
All Funds	\$ 21,811,430	\$ 21,490,225	\$ 0
SGF	7,421,545	7,245,227	0
FTE Positions	483.2	467.2	0.0

Kansas Neurological Institute

Agency Request

The **agency** requests FY 2005 expenditures of \$26.6 million all funds, \$11.4 million State General Fund, an increase of \$1.9 million or 7.7 percent all funds and \$1.4 million or 13.5 percent State General Fund. The increase reflects enhancements totaling \$1.0 million all funds, \$375,000 State General Fund.

Governor's Recommendation

The **Governor** recommends FY 2005 expenditures of \$25.9 million all funds, \$11.0 million State General Fund, an increase of \$1.3 million or 5.2 percent all funds and \$1.0 million or 10.2 percent State General Fund from the FY 2004 recommendation. This includes \$1.3 million all funds, \$1.1 million State General Fund for the Governor's pay plan and BEST reduction of \$65,890 all funds, \$79,902 State General Fund.

The Governor's recommendation is a reduction of \$657,179 or 2.5 percent all funds and \$399,629 or 3.5 percent State General Fund from the agency request. The Governor does not fund the agency enhancement requests.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$1,636,345 State General Fund.

Parsons State Hospital and Training Center

Agency Request

The **agency** requests FY 2005 expenditures of \$21.8 million all funds, \$7.4 million SGF, an increase of \$1.3 million or 6.1 percent all funds and \$497,842 or 7.2 percent SGF from the FY 2004 estimate. The increase reflects the enhancement request for \$630,000 SGF and 16.0 FTE positions to restore positions eliminated during FY 2002 from the Development and Training program and re-open a residence cottage.

Governor's Recommendation

The **Governor** recommends FY 2005 expenditures of \$21.5 million all funds, \$7.2 million SGF, an increase of \$437,585 or 2.1 percent all funds and \$321,524 or 4.6 percent SGF from the FY 2004 recommendation. The recommendation includes the Governor's pay plan adjustments and BEST reductions.

The recommendation is a decrease of \$821,205 or 3.8 percent all funds and \$176,318 or 2.4 percent SGF from the agency request. It does not include the enhancement request.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for the agency's budget would have to be reduced by an additional \$1,073,032 State General Fund.

House Social Services Budget Committee Recommendation

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

1. The Budget Committee requests that the Department of Social and Rehabilitation Services (SRS) report back to the 2004 Legislature on March 15, 2004 with recommendations for alternative use of intermediate care facilities for the mentally retarded (ICF/MR's) and state developmental disability institutions and how services will be provided for the residents of those facilities.
2. The Budget Committee recommends that if further budget reductions should become necessary, the state hospitals budgets should be exempted, each having contributed more than their fair share in addressing the budget crisis.

House Committee Recommendation

The Committee concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Developmental Disabilities
Institutions (DD Hospitals)

Bill No. SB 538

Bill Sec. 32

Analyst: Dunkel

Analysis Pg. No. 1198,1282

Budget Page No. 283,329

<u>Expenditure</u>	<u>Agency Req. FY 05</u>	<u>Governor Rec. FY 05</u>	<u>Senate Subcommittee Adjustments*</u>
Kansas Neurological Institute			
All Funds	\$ 26,587,940	\$ 25,930,761	\$ (57,302)
SGF	11,387,203	11,048,774	(25,556)
FTE Positions	614.2	588.2	0.0
Parsons State Hospital and Training Center			
All Funds	\$ 21,811,430	\$ 21,490,225	\$ (460,362)
SGF	7,421,545	7,245,227	(161,470)
FTE Positions	483.2	467.2	0.0

* Includes the reduction of \$57,302 all funds, \$25,556 State General Fund at Kansas Neurological Institute and \$460,362 all funds, \$161,470 State General Fund at Parsons State Hospital and Training Center, for deletion of the Governor's recommended pay plan adjustments.

Kansas Neurological Institute

Agency Request

The **agency** requests FY 2005 expenditures of \$26.6 million all funds, \$11.4 million State General Fund, an increase of \$1.9 million or 7.7 percent all funds and \$1.4 million or 13.5 percent State General Fund. The increase reflects enhancements totaling \$1.0 million all funds, \$375,000 State General Fund.

Governor's Recommendation

The **Governor** recommends FY 2005 expenditures of \$25.9 million all funds, \$11.0 million State General Fund, an increase of \$1.3 million or 5.2 percent all funds and \$1.0 million or 10.2 percent State General Fund from the FY 2004 recommendation. This includes \$1.3 million all funds, \$1.1 million State General Fund for the Governor's pay plan and BEST reduction of \$65,890 all funds, \$79,902 State General Fund.

The Governor's recommendation is a reduction of \$657,179 or 2.5 percent all funds and \$399,629 or 3.5 percent State General Fund from the agency request. The Governor does not fund the agency enhancement requests.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$1,636,345 State General Fund.

Parsons State Hospital and Training Center

Agency Request

The **agency** requests FY 2005 expenditures of \$21.8 million all funds, \$7.4 million SGF, an increase of \$1.3 million or 6.1 percent all funds and \$497,842 or 7.2 percent SGF from the FY 2004 estimate. The increase reflects the enhancement request for \$630,000 SGF and 16.0 FTE positions to restore positions eliminated during FY 2002 from the Development and Training program and re-open a residence cottage.

Governor's Recommendation

The **Governor** recommends FY 2005 expenditures of \$21.5 million all funds, \$7.2 million SGF, an increase of \$437,585 or 2.1 percent all funds and \$321,524 or 4.6 percent SGF from the FY 2004 recommendation. The recommendation includes the Governor's pay plan adjustments and BEST reductions.

The recommendation is a decrease of \$821,205 or 3.8 percent all funds and \$176,318 or 2.4 percent SGF from the agency request. It does not include the enhancement request.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for the agency's budget would have to be reduced by an additional \$1,073,032 State General Fund.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following observations:

1. The Subcommittee recommends the removal of the Governor's 3.0 percent pay plan increase, a reduction of \$25,556 State General Fund, \$57,302 all funds for Kansas Neurological Institute and \$161,470 State General Fund, \$460,362 all funds for Parsons State Hospital and Training Center.
2. The Subcommittee recommends interim review of the rate reduction for the ICF/MR's (intermediate care facilities for the mentally retarded). The ICF/MR rates were reduced by 10.0 percent as part of the Governor FY 2004 recommendation during the 2003 session. The agency has mitigated the rate reduction to 2.5 percent in FY 2004 and 5.0 percent in FY 2005. However, the rate reduction does not seem to be equitably spread across large (over 16 beds), medium (9-16 beds), and small (6-8 beds) facilities.
3. The Subcommittee notes that SB 531 creates a hospital closure commission to close one developmental disability institution and downsize or close the second developmental disability institution to ensure there is a plan in place that includes input from clients, families and service providers. The agency has indicated the the consolidation of the developmental disability institutions would save

approximately \$2.2 million all funds, and that the closure of one institution would result in double funding of services of approximately \$8.1 million all funds, \$3.5 million State General Fund.

4. The Subcommittee notes that Title XIX and DSH (disproportionate share) funding at the state hospitals has declined in the last several years. Title XIX funding has been reduced from \$34.1 million in FY 2003 to \$30.7 million in FY 2005. DSH funding has been reduced from \$18.4 million in FY 2002 to only \$10.6 million in the recommended FY 2005 budget. Spending more than incoming revenue has resulted in a declining ending balance in the Title XIX fund. The estimated ending balance for FY 2005 is \$88,744.

In addition, the agency had received the formal disallowance of its claim for education expenses at the state hospitals of \$13.6 million. The agency is appealing this disallowance, but the funds have already been removed by the federal government.

These issues leave the state hospitals with funding shortfall as early as FY 2005 if the agency appeal on the disallowance is unsuccessful. Even if the appeal is successful, declining receipts will require additional state funding for the hospitals for the next several years.

House Budget Committee Report

Agency: Mental Health Institutions

Bill No. HB 2899

Bill Sec. 35

Analyst: Dunkel **Analysis Pg. No.** 1222, 1258, 1309

Budget Page No. 307, 325, 335

Expenditure	Agency Est. FY 04	Governor Rec. FY 04	House Budget Committee Adjustments
Larned State Hospital			
All Funds	\$ 37,309,488	\$ 37,128,488	\$ 0
State General Fund	27,657,044	27,476,044	0
FTE Positions	801.2	798.2	0.0
Osawatomie State Hospital			
All Funds	\$ 19,927,060	\$ 19,927,060	\$ 0
State General Fund	8,367,622	8,367,622	0
FTE Positions	398.6	398.6	0.0
Rainbow Mental Health Facility			
All Funds	6,908,318	6,908,318	0
State General Fund	3,891,400	3,891,400	0
FTE Positions	115.0	115.0	0.0

Larned State Hospital

Agency Estimate

The **agency** requests \$37.3 million all funds and \$27.7 million State General Fund for FY 2004, an increase of \$2.3 million or 6.6 percent all funds and an increase of \$2.0 million or 6.1 percent State General Fund. The increase in total expenditures is reflected in contractual services and commodities for the agency. The increase in State General Fund is a reflection of decreased availability of Title XIX funds for the agency. This is seen throughout the hospital system.

Governor's Recommendation

The **Governor** recommends FY 2004 expenditures of \$37.1 million all funds, \$27.5 million State General Fund for Larned State Hospital, an increase of \$4.9 million or 15.1 percent all funds and \$15.6 million or 131.9 percent State General Fund from FY 2003. The difference in all funds expenditures reflects the shift to State General Fund as revenues from the hospital fee fund and Title XIX decline and Intergovernmental Transfer (IGT) funds are no longer available.

Osawatomie State Hospital

Agency Estimate

The **agency** requests expenditures \$19.9 million all funds and \$8.4 million State General Fund for FY 2004, an increase of \$195,602 or 0.9 percent all funds and an increase of \$3.0 million or 58.4 percent State General Fund. The increase in State General Fund is a reflection of decreased availability of Title XIX funds for the agency. This is seen throughout the hospital system.

Governor's Recommendation

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

Rainbow Mental Health Facility

Agency Request

The **agency** estimates FY 2004 expenditures of \$6.9 million all funds, \$3.9 million State General Fund, an increase of \$46,662 or 0.6 percent all funds and \$9,603 or 0.2 percent State General Fund, with the addition of 2.9 FTE positions. The State General Fund increase reflects a reallocation of State General Fund funds by the Department of Social and Rehabilitation Services to address agency expenditures.

Governor's Recommendation

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

House Social Services Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The Committee concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Mental Health Institutions

Bill No. 536

Bill Sec. 35

Analyst: Dunkel

Analysis Pg. No. 1222,1258,1309

Budget Page No. 307,325,335

Expenditure	Agency Est. FY 04	Governor Rec. FY 04	Senate Subcommittee Adjustments
Larned State Hospital			
All Funds	\$ 37,309,488	\$ 37,128,488	\$ 0
State General Fund	27,657,044	27,476,044	0
FTE Positions	801.2	798.2	0.0
Osawatomie State Hospital			
All Funds	\$ 19,927,060	\$ 19,927,060	\$ 0
State General Fund	8,367,622	8,367,622	0
FTE Positions	398.6	398.6	0.0
Rainbow Mental Health Facility			
All Funds	\$ 6,908,318	\$ 3,908,318	\$ 0
State General Fund	3,891,400	3,891,400	0
FTE Positions	115.0	115.0	0.0

Larned State Hospital

Agency Estimate

The agency requests \$37.3 million all funds and \$27.7 million State General Fund for FY 2004, an increase of \$2.3 million or 6.6 percent all funds and an increase of \$2.0 million or 6.1 percent State General Fund. The increase in total expenditures is reflected in contractual services and commodities for the agency. The increase in State General Fund is a reflection of decreased availability of Title XIX funds for the agency. This is seen throughout the hospital system.

Governor's Recommendation

The Governor recommends FY 2004 expenditures of \$37.1 million all funds, \$27.5 million State General Fund for Larned State Hospital, an increase of \$4.9 million or 15.1 percent all funds and \$15.6 million or 131.9 percent State General Fund from FY 2003. The difference in all funds expenditures reflects the shift to State General Fund as revenues from the hospital fee fund and Title XIX decline and Intergovernmental Transfer (IGT) funds are no longer available.

Osawatomie State Hospital

Agency Estimate

The agency requests expenditures \$19.9 million all funds and \$8.4 million State General Fund for FY 2004, an increase of \$195,602 or 0.9 percent all funds and an increase of \$3.0 million or 58.4 percent State General Fund. The increase in State General Fund is a reflection of decreased availability of Title XIX funds for the agency. This is seen throughout the hospital system.

Governor's Recommendation

The Governor concurs with the agency estimate for FY 2004.

Rainbow Mental Health Facility

Agency Request

The agency estimates FY 2004 expenditures of \$6.9 million all funds, \$3.9 million State General Fund, an increase of \$46,662 or 0.6 percent all funds and \$9,603 or 0.2 percent State General Fund, with the addition of 2.9 FTE positions. The State General Fund increase reflects a reallocation of State General Fund funds by the Department of Social and Rehabilitation Services to address agency expenditures.

Governor's Recommendation

The Governor concurs with the agency FY 2004 estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Mental Health Institutions

Bill No. HB 2900

Bill Sec. 32

Analyst: Dunkel **Analysis Pg. No.** 1222, 1258, 1309

Budget Page No. 307, 325, 335

Expenditure	Agency Est. FY 05	Governor Rec. FY 05	House Budget Committee Adjustments
Larned State Hospital			
All Funds	\$ 41,652,950	\$ 35,925,662	\$ 1,057,600
State General Fund	31,452,280	26,216,315	449,600
FTE Positions	921.7	707.2	19.0
Osawatomie State Hospital			
All Funds	\$ 21,521,670	\$ 20,768,542	0
State General Fund	9,108,026	8,035,978	0
FTE Positions	422.6	398.6	0.0
Rainbow Mental Health Facility			
All Funds	\$ 7,062,434	\$ 7,174,008	0
State General Fund	3,811,769	3,841,426	0
FTE Positions	115.0	115.0	0.0

Larned State Hospital

Agency Request

The **agency** requests an FY 2005 \$41.7 million all funds, \$31.5 million State General Fund for operations, an increase of \$4.3 million or 11.6 percent all funds and \$3.8 million or 13.7 percent State General Fund. The increases are primarily in salaries and wages and reflects enhancements totaling \$5.4 million State General Fund.

Governor's Recommendation

The Governor recommends FY 2005 expenditures of \$35.9 million all funds, \$26.2 million State General Fund, a reduction of \$1.2 million or 3.2 percent all funds and \$1.3 million or 4.6 percent State General Fund. The reduction reflects the Governor's pay plan and BEST reductions, as well as the elimination of services for children 12 and under.

In addition, the agency base budget request did not include funding for the 72.0 FTE positions added for the Sexual Predator Treatment Unit in the FY 2004 recommendation. The funding was included in the agency enhancement package of \$3.8 million to add 51.0 FTE to the SPTP program in FY 2005. The Governor did not fund the enhancement request.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$3,882,688 State General Fund.

Osawatomie State Hospital

Agency Request

The **agency** requests FY 2005 expenditures of \$21.5 million all funds, \$9.1 million State General Fund for operations, an increase of \$1.6 million or 8.0 percent all funds and an increase of \$740,404 or 8.8 percent State General Fund. The increases are primarily in salaries and wages, and include enhancement requests totaling \$1.2 million State General Fund

Governor's Recommendation

The **Governor** recommends FY 2005 expenditures of \$20.8 million all funds, \$8.0 million State General Fund, an increase of \$841,482 or 4.2 percent all funds and a reduction of \$331,644 or 4.2 percent State General Fund from the FY 2004 recommendation. This reflects the Governor's pay plan increase, as well as the BEST reductions.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$1,190,144 State General Fund.

Rainbow Mental Health Facility

Agency Request

The **agency** requests an FY 2005 \$7.0 million all funds, \$3.8 million State General Fund for operations, in increase of \$154,116 or 2.2 percent all funds and a decrease of \$79,735 or 2.0 percent State General Fund from FY 2004 estimates.

Governor's Recommendation

The **Governor** recommends FY 2005 expenditures of \$7.2 million all funds, \$3.8 million State General Fund for operations, an increase of \$265,690 or 3.8 percent all funds and a reduction of \$49,974 or 1.3 percent State General Fund. The change in State General Fund expenditures reflects higher estimate revenues from the agency fee fund and the Title XIX fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$568,923 State General Fund.

House Social Services Budget Committee Recommendation

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

1. The Budget Committee notes that the Governor does not fund the 72.0 FTE positions approved in the FY 2004 recommendation for the Sexual Predator Treatment Program in FY 2005. In the event that this was merely an oversight on the part of the Governor, the Budget Committee would recommend review of the program prior to Omnibus.

2. The Budget Committee expresses concern regarding the projected growth of the Sexual Predator Treatment Program, which the agency estimates will grow by 3 persons per month, or 36 persons annually and requests a Post Audit of the program.
3. The Budget Committee notes the concerns of the advocates regarding the elimination of services for children 12 and under at Larned State Hospital, which are as follows:
 - a. No additional funding was provided for the Severely Emotionally Disturbed (SED) Waiver to address treatment of these children in the community.
 - b. There are a limited number of psychiatric beds for children in Kansas, and the elimination of these services would further limit available resources.
 - c. Closure of the beds will force some families to seek treatment for their children far from home, where the family members cannot be part of the treatment process.
 - d. Some children who are sent to LSH for treatment have already been receiving the full range of community based services, but could not be stabilized in a community based setting.
4. The Budget Committee recommends the restoration of the Governor's reduction of \$449,600 State General Fund, \$1,057,600 all funds which would eliminate services for children under 12 at Larned State Hospital (LSH). The Governor recommended the reduction because while the bed capacity for the program is eight, the average daily census for the program is four. The Budget Committee is not convinced that community services will be adequate to meet the needs of the children who would otherwise be served at LSH and recommends funding the restoration from the HCBS/SED Waiver program in SRS.
5. The Budget Committee recommends that if further budget reductions should become necessary, the state hospitals budgets should be exempted, each having contributed more than their fair share in addressing the budget crisis.

House Committee Recommendation

The Committee concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Mental Health Institutions

Bill No. 538

Bill Sec.32

Analyst: Dunkel

Analysis Pg. No. 1222,1258,1309 **Budget Page No.** 307,325,335

Expenditure	Agency Est. FY 05	Governor Rec. FY 05	Senate Subcommittee Adjustments*
Larned State Hospital			
All Funds	\$ 41,652,950	\$ 35,925,662	\$ 338,681
State General Fund	31,452,280	26,216,315	(118,318)
FTE Positions	921.7	707.2	19.0
Osawatomie State Hospital			
All Funds	\$ 21,521,670	\$ 20,768,542	\$ (412,515)
State General Fund	9,108,026	8,035,978	(92,777)
FTE Positions	422.6	398.6	0.0
Rainbow Mental Health Facility			
All Funds	\$ 7,062,434	\$ 7,174,008	\$ (139,827)
State General Fund	3,811,769	3,841,426	(58,014)
FTE Positions	115.0	115.0	0.0

* Includes a reduction of \$718,919 all funds, \$567,918 State General Fund at Larned State Hospital, \$412,515 all funds, \$92,777 State General Fund at Osawatomie State Hospital, and \$139,827 all funds, \$58,014 State General Fund at Rainbow Mental Health Facility for deletion of the Governor's recommended pay plan adjustments.

Larned State Hospital

Agency Request

The **agency** requests an FY 2005 \$41.7 million all funds, \$31.5 million State General Fund for operations, an increase of \$4.3 million or 11.6 percent all funds and \$3.8 million or 13.7 percent State General Fund. The increases are primarily in salaries and wages and reflects enhancements totaling \$5.4 million State General Fund.

Governor's Recommendation

The **Governor** recommends FY 2005 expenditures of \$35.9 million all funds, \$26.2 million State General Fund, a reduction of \$1.2 million or 3.2 percent all funds and \$1.3 million or 4.6 percent State General Fund. The reduction reflects the Governor's pay plan and BEST reductions, as well as the elimination of services for children 12 and under.

In addition, the agency base budget request did not include funding for the 72.0 FTE positions added for the Sexual Predator Treatment Unit in the FY 2004 recommendation. The funding was included in the agency enhancement package of \$3.8 million to add 51.0 FTE to the SPTP program in FY 2005. The Governor did not fund the enhancement request.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$3,882,688 State General Fund.

Osawatomie State Hospital

Agency Request

The **agency** requests FY 2005 expenditures of \$21.5 million all funds, \$9.1 million State General Fund for operations, an increase of \$1.6 million or 8.0 percent all funds and an increase of \$740,404 or 8.8 percent State General Fund. The increases are primarily in salaries and wages, and include enhancement requests totaling \$1.2 million State General Fund

Governor's Recommendation

The **Governor** recommends FY 2005 expenditures of \$20.8 million all funds, \$8.0 million State General Fund, an increase of \$841,482 or 4.2 percent all funds and a reduction of \$331,644 or 4.2 percent State General Fund from the FY 2004 recommendation. This reflects the Governor's pay plan increase, as well as the BEST reductions.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$1,190,144 State General Fund.

Rainbow Mental Health Facility

Agency Request

The **agency** requests an FY 2005 \$7.0 million all funds, \$3.8 million State General Fund for operations, in increase of \$154,116 or 2.2 percent all funds and a decrease of \$79,735 or 2.0 percent State General Fund from FY 2004 estimates.

Governor's Recommendation

The **Governor** recommends FY 2005 expenditures of \$7.2 million all funds, \$3.8 million State General Fund for operations, an increase of \$265,690 or 3.8 percent all funds and a reduction of \$49,974 or 1.3 percent State General Fund. The change in State General Fund expenditures reflects higher estimate revenues from the agency fee fund and the Title XIX fund.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$568,923 State General Fund.

Senate Subcommittee Recommendation

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

1. The Subcommittee recommends the removal of the Governor's 3.0 percent pay plan increase, a reduction of \$567,918 State General Fund, \$718,919 all funds at Larned State Hospital, \$92,777 State General Fund, \$412,515 all funds at Osawatomie State Hospital, and \$58,014 State General Fund, \$139,827 all funds at Rainbow Mental Health Facility.
2. The Subcommittee recommends the addition of \$449,600 State General Fund, \$1,057,600 all funds and 19.0 FTE positions to restore beds for children 12 and under at Larned State Hospital. However, the Subcommittee also recommends Omnibus review of this item for alternative funding sources.
3. The Subcommittee notes that the Governor added 72.0 FTE positions for the Sexual Predator Treatment Program in FY 2004, but did not continue those FTE in FY 2005. The Governor's Budget Amendment shifts those 72.0 FTE to Non-FTE Unclassified Permanent positions in FY 2004 and adds 72.0 Non-FTE Unclassified Permanent positions but no additional funding for the positions in FY 2005. The Subcommittee anticipates a Governor's Budget Amendment or a supplemental appropriation to address this issue as the agency develops better estimates on the number of staff necessary to run the program.
4. The Subcommittee notes the growth in the Sexual Predator Treatment Program over the past ten years, from a year end census of 5 in FY 1995 to an estimated year end census of 107 in FY 2004. The agency has indicated that even with the completion of the new state security hospital in June 2004, which will allow additional space for the Sexual Predator Treatment Program, the program is estimated to exceed its bed capacity in April 2007. The Subcommittee requests that SRS begin planning to address this population, participate in discussion on this issue during the 2004 interim, and report back to the 2005 Legislature.
5. The Subcommittee asks that SRS continue to explore alternatives for Rainbow Mental Health Facility that maintain the facility and maximize federal funds drawn down by the state.
6. The Subcommittee notes that psychiatric admissions at the state hospitals have increased by almost 50.0 percent from 1,719 in FY 2000 to 2,515 in FY 2003. The agency noted that the average length of stay has decreased for these placements, with no negative impacts reflected in the data collected thus far. However, increases in admissions can be attributed to the closure of private facilities and the increased number of persons in their mid-twenties accessing psychiatric services at the state hospitals.
7. The Subcommittee notes that Title XIX and DSH (disproportionate share) funding at the state hospitals has declined in the last several years. Title XIX funding has been reduced from \$34.1 million in FY 2003 to \$30.7 million in FY 2005. DSH funding has been reduced from \$18.4 million in FY 2002 to only \$10.6 million in the recommended FY 2005 budget. Spending more than incoming revenue has resulted in a declining ending balance in the Title XIX fund. The estimated ending balance for FY 2005 is \$88,744.

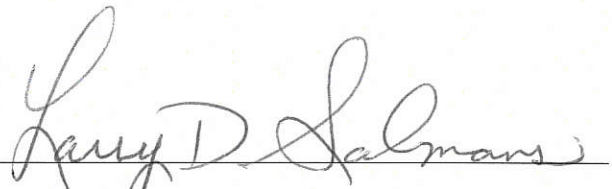
In addition, the agency had received the formal disallowance of its claim for education expenses at the state hospitals of \$13.6 million. The agency is appealing this disallowance, but the funds have already been removed by the federal government.

These issues leave the state hospitals with funding shortfall as early as FY 2005 if the agency appeal on the disallowance is unsuccessful. Even if the appeal is successful, declining receipts will require additional state funding for the hospitals for the next several years.

FY 2004 and FY 2005

SENATE SUBCOMMITTEE REPORTS

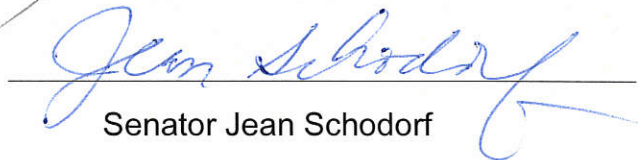
School for the Blind
School for the Deaf
Kansas Arts Commission
State Library
State Historical Society



Senator Larry Salmans, Chair



Senator Jim Barone



Senator Jean Schodorf

Senate Ways and Means
3-9-04
Attachment 2

House Budget Committee Report

Agency: School for the Blind

Bill No. --

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. 154

Budget Page No. 83

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 4,943,801	\$ 4,943,801	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 4,943,801	\$ 4,943,801	\$ 0
Capital Improvements	207,741	130,151	0
TOTAL	\$ 5,151,542	\$ 5,073,952	\$ 0
State General Fund:			
State Operations	\$ 4,484,762	\$ 4,484,762	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 4,484,762	\$ 4,484,762	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 4,484,762	\$ 4,484,762	\$ 0
FTE Positions	93.5	93.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	93.5	93.5	0.0

Agency Estimate/Governor's Recommendation

The **agency** estimates FY 2004 operating expenditures at \$4,943,801, an increase of \$53,476 or 1.1 percent from the approved amount. The estimated State General Fund expenditures are \$4,484,762, the same amount that was approved by the 2003 Legislature. Special revenue fund expenditures are estimated at \$459,039, an increase of \$53,476, or 13.2 percent from the amount approved by the 2003 Legislature.

The **Governor** recommends operating expenditures of \$4,943,801 an increase of \$53,476 or 1.1 percent from the approved amount. The recommendation is the same as the agency's request.

House Budget Committee Recommendation

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

House Committee Recommendation

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

Senate Subcommittee Report

Agency: School for the Blind

Bill No. --

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. 154

Budget Page No. 83

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 4,943,801	\$ 4,943,801	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 4,943,801	\$ 4,943,801	\$ 0
Capital Improvements	207,741	130,151	0
TOTAL	\$ 5,151,542	\$ 5,073,952	\$ 0
State General Fund:			
State Operations	\$ 4,484,762	\$ 4,484,762	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 4,484,762	\$ 4,484,762	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 4,484,762	\$ 4,484,762	\$ 0
FTE Positions	93.5	93.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	93.5	93.5	0.0

Agency Estimate/Governor's Recommendation

The **agency** estimates FY 2004 operating expenditures at \$4,943,801, an increase of \$53,476 or 1.1 percent from the approved amount. The estimated State General Fund expenditures are \$4,484,762, the same amount that was approved by the 2003 Legislature. Special revenue fund

expenditures are estimated at \$459,039, an increase of \$53,476, or 13.2 percent from the amount approved by the 2003 Legislature.

The **Governor** recommends operating expenditures of \$4,943,801 an increase of \$53,476 or 1.1 percent from the approved amount. The recommendation is the same as the agency's request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: School for the Blind

Bill No. HB 2900

Bill Sec. 37

Analyst: Deckard

Analysis Pg. No. 154

Budget Page No. 83

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 5,104,201	\$ 5,020,829	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 5,104,201</u>	<u>\$ 5,020,829</u>	<u>\$ 0</u>
Capital Improvements	146,230	142,460	0
TOTAL	<u><u>\$ 5,250,431</u></u>	<u><u>\$ 5,163,289</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 4,719,652	\$ 4,646,699	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 4,719,652</u>	<u>\$ 4,646,699</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 4,719,652</u></u>	<u><u>\$ 4,646,699</u></u>	<u><u>\$ 0</u></u>
FTE Positions	93.5	93.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>93.5</u></u>	<u><u>93.5</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The **agency** requests an FY 2005 operating expenditure limitation of \$5,104,201, an increase of \$160,400 or 3.2 percent from the FY 2004 estimate. The request includes \$4,719,652 State General Fund, an increase of \$234,890 or 5.2 percent from the FY 2004 estimate. In addition, the request includes \$384,549 in special revenue funds, a decrease of \$74,490 or 16.2 percent from the FY 2004 estimate.

The request includes two enhancement packages totaling \$104,169 State General Fund: restoration of one week of the extended school year at the cost of \$54,000 State General Fund and an equity pay increase for the teachers at the School for the Blind at a cost of \$50,169 State General Fund.

The **Governor** recommends operating expenditures of \$5,020,829 for FY 2005, an increase of \$77,028 or 1.6 percent from the FY 2004 recommendation. The recommendation is a decrease of \$83,372 or 1.6 percent from the agency's request. The Governor does recommend a reduction of \$43,928 State General Fund in salaries and wages. The Governor does not recommend the

inclusion of the agency's enhancement packages totaling \$104,169 State General Fund. In addition the Governor recommends a reduction of \$42,995 (\$29,673 State General Fund) for the BEST recommendations and the addition of \$107,720 (\$104,817 State General Fund) for the three percent state employee pay plan increase.

House Budget Committee Recommendation

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

1. The House Budget Committee requests that the agency investigate the possibility of membership in KAN-ED and benefits that could be derived from the association with this organization and report back to the Budget Committee prior to Omnibus.
2. The House Budget Committee notes that there is a disparity between teachers salaries at the local school districts and at the School for the Blind, and that even though this phenomenon has been historically true, that does not mean it is correct. The House Budget Committee feels strongly that this issue should be corrected and will review this issue again and present a funding mechanism to the House Committee prior to Omnibus. The House Budget Committee requests that the agency provide detailed salary levels for their teachers and a comparison to the current salary levels at local school districts.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: School for the Blind

Bill No. SB 538

Bill Sec. 37

Analyst: Deckard

Analysis Pg. No. 154

Budget Page No. 83

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 5,104,201	\$ 5,020,829	\$ (53,720)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 5,104,201</u>	<u>\$ 5,020,829</u>	<u>\$ (53,720)</u>
Capital Improvements	146,230	142,460	0
TOTAL	<u><u>\$ 5,250,431</u></u>	<u><u>\$ 5,163,289</u></u>	<u><u>\$ (53,720)</u></u>
State General Fund:			
State Operations	\$ 4,719,652	\$ 4,646,699	\$ (50,817)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 4,719,652</u>	<u>\$ 4,646,699</u>	<u>\$ (50,817)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 4,719,652</u></u>	<u><u>\$ 4,646,699</u></u>	<u><u>\$ (50,817)</u></u>
FTE Positions	93.5	93.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>93.5</u></u>	<u><u>93.5</u></u>	<u><u>0.0</u></u>

*Includes a reduction of \$107,720, including \$104,817 from the State General Fund for deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency** requests an FY 2005 operating expenditure limitation of \$5,104,201, an increase of \$160,400 or 3.2 percent from the FY 2004 estimate. The request includes \$4,719,652 State General Fund, an increase of \$234,890 or 5.2 percent from the FY 2004 estimate. In addition, the request includes \$384,549 in special revenue funds, a decrease of \$74,490 or 16.2 percent from the FY 2004 estimate.

The request includes two enhancement packages totaling \$104,169 State General Fund: restoration of one week of the extended school year at the cost of \$54,000 State General Fund and

an equity pay increase for the teachers at the School for the Blind at a cost of \$50,169 State General Fund.

The **Governor** recommends operating expenditures of \$5,020,829 for FY 2005, an increase of \$77,028 or 1.6 percent from the FY 2004 recommendation. The recommendation is a decrease of \$83,372 or 1.6 percent from the agency's request. The Governor does recommend a reduction of \$43,928 State General Fund in salaries and wages. The Governor does not recommend the inclusion of the agency's enhancement packages totaling \$104,169 State General Fund. In addition the Governor recommends a reduction of \$42,995 (\$29,673 State General Fund) for the BEST recommendations and the addition of \$107,720 (\$104,817 State General Fund) for the three percent state employee pay plan increase.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$688,185 State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$107,720, including \$104,817 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. Add \$54,000 State General Fund to fund an additional week of the extended school year to bring the total weeks to four. The agency presented testimony indicating that most of the students who attend the extended school year do not attend the School for the Blind during the regular school year. Therefore, the extended school year is the only opportunity that exists for the students to receive the intensive preparation provided by the school.
3. The Subcommittee wishes to commend the School for the Blind for the outstanding job it does with the special students it educates.
4. The Subcommittee requests that the Department of Personnel Services (DPS) look at the possibility of accelerating the priority of a salary comparison study for the teachers at the School for the Blind and the School for the Deaf, especially if such a study has not occurred within the last four years. The Subcommittee recommends that the study take into consideration the fact that the schools are located in a high cost location. In addition, the Subcommittee wants to consider at Omnibus the viability of creating a separate pay matrix for the teachers at the School for the Blind and the School for the Deaf.

House Budget Committee Report

Agency: School for the Deaf

Bill No. --

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. 169

Budget Page No. 133

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 7,893,458	\$ 7,893,458	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 7,893,458	\$ 7,893,458	\$ 0
Capital Improvements	1,127,197	1,101,663	0
TOTAL	\$ 9,020,655	\$ 8,995,121	\$ 0
State General Fund:			
State Operations	\$ 7,264,758	\$ 7,264,758	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 7,264,758	\$ 7,264,758	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 7,264,758	\$ 7,264,758	\$ 0
FTE Positions	169.9	173.5	0.0
Non FTE Uncl. Perm. Pos.	3.5	0.0	0.0
TOTAL	173.4	173.5	0.0

Agency Estimate/Governor's Recommendation

The **agency's** estimate for operating expenditures for FY 2004 is \$7,893,458, an increase of \$305,365 from the approved amount. The agency estimates \$7,264,758 in State General Fund expenditures, the same as the FY 2004 approved amount. The increase is attributable to the agency budgeting fee funds expenditures in the current year which were originally planned in FY 2003 but which did not occur do to anticipated funding reductions.

The agency's estimate for FTE positions was 3.6 FTE less than the approved amount. There was a corresponding increase of 3.5 Non-FTE Permanent Unclassified positions.

In addition, the agency is requesting capital improvements of \$1,127,197, the same as the approved amount. This includes \$564,274 in reappropriated capital improvement funds from the State Institutions Building Fund (SIBF).

The **Governor** recommends \$7,893,458 for FY 2004 operating expenditures, the same as the agency's estimate. The Governor recommends a reduction of \$25,534 in capital improvement funds from the State Institutions Building Fund. The Governor also makes a technical correction to the FTE request to bring it to 173.5 FTE positions.

House Budget Committee Recommendation

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

House Committee Recommendation

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

Senate Subcommittee Report

Agency: School for the Deaf

Bill No. --

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. 169

Budget Page No. 133

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 7,893,458	\$ 7,893,458	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 7,893,458	\$ 7,893,458	\$ 0
Capital Improvements	1,127,197	1,101,663	0
TOTAL	\$ 9,020,655	\$ 8,995,121	\$ 0
State General Fund:			
State Operations	\$ 7,264,758	\$ 7,264,758	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 7,264,758	\$ 7,264,758	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 7,264,758	\$ 7,264,758	\$ 0
FTE Positions	169.9	173.5	0.0
Non FTE Uncl. Perm. Pos.	3.5	0.0	0.0
TOTAL	173.4	173.5	0.0

Agency Estimate/Governor's Recommendation

The **agency's** estimate for operating expenditures for FY 2004 is \$7,893,458, an increase of \$305,365 from the approved amount. The agency estimates \$7,264,758 in State General Fund expenditures, the same as the FY 2004 approved amount. The increase is attributable to the agency budgeting fee funds expenditures in the current year which were originally planned in FY 2003 but which did not occur do to anticipated funding reductions.

The agency's estimate for FTE positions was 3.6 FTE less than the approved amount. There was a corresponding increase of 3.5 Non-FTE Permanent Unclassified positions.

In addition, the agency is requesting capital improvements of \$1,127,197, the same as the approved amount. This includes \$564,274 in reappropriated capital improvement funds from the State Institutions Building Fund (SIBF).

The **Governor** recommends \$7,893,458 for FY 2004 operating expenditures, the same as the agency's estimate. The Governor recommends a reduction of \$25,534 in capital improvement funds from the State Institutions Building Fund. The Governor also makes a technical correction to the FTE request to bring it to 173.5 FTE positions.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: School for the Deaf

Bill No. HB 2900

Bill Sec. 38

Analyst: Deckard

Analysis Pg. No. 169

Budget Page No. 133

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 8,006,817	\$ 7,713,429	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 8,006,817	\$ 7,713,429	\$ 0
Capital Improvements	901,794	901,794	0
TOTAL	\$ 8,908,611	\$ 8,615,223	\$ 0
State General Fund:			
State Operations	\$ 7,652,186	\$ 7,382,250	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 7,652,186	\$ 7,382,250	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 7,652,186	\$ 7,382,250	\$ 0
FTE Positions	169.9	173.5	0.0
Non FTE Uncl. Perm. Pos.	3.0	0.0	0.0
TOTAL	172.9	173.5	0.0

Agency Request/Governor's Recommendation

The **agency** requests an FY 2005 appropriation limitation for operating expenditures of \$8,006,817, an increase of \$113,359 or 1.4 percent from the FY 2004 estimate. The increase is attributable to two of the agency's enhancement packages: \$109,933 to decrease the salary and wage shrinkage rate from 5.1 percent to 3.5 percent; and \$121,386 to increase unclassified merit pay to achieve parity. The request includes a reduction in fee fund balances in FY 2005, due to using increased fee funds in FY 2004 to offset State General Fund reductions. The FY 2005 request reflects a return to more normal State General Fund expenditure patterns.

In addition, the agency submitted an enhancement request that the General Fees Fund be appropriated with a no-limit designation.

The agency is requesting capital improvements expenditures of \$901,794 from the State Institutions Building Fund (SIBF).

The **Governor** recommends \$7,713,429 for FY 2005 operating expenditures, a decrease of \$180,029 from the FY 2004 recommendation. The recommendation is a decrease of \$293,388 from the agency's request. The decrease is attributable to: the Governor not recommending two of the agency's enhancement packages totaling \$231,315 State General Fund; the reduction of \$107,850 (\$82,575 State General Fund) for the BEST recommendations; the reduction of \$102,100 State General Fund in reduced resources packages; a reduction of \$19,121 State General Fund for the vehicle moratorium; the reduction of \$4,813 State General Fund for a revised calculation; and the addition of \$171,811 (\$169,988 State General Fund) for the three percent state employee salary increase. The Governor also makes a technical correction to the FTE request to bring it to 173.5 FTE positions.

The **Governor** recommends FY 2005 capital improvement expenditures of \$901,794 from the State Institutions Building Fund (SIBF). The Governor does not recommend the \$100,000 land acquisition requested by the agency, but does increase the amount for the dorm renovation project by \$100,000 from the agency's request.

House Budget Committee Recommendation

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

1. The House Budget Committee requests that the agency investigate the possibility of membership in KAN-ED and benefits that could be derived from the association with this organization and report back to the Budget Committee prior to Omnibus.
2. The House Budget Committee notes that there is a disparity between teachers salaries at the local school districts and at the School for the Deaf, and that even though this phenomenon has been historically true, that does not mean it is correct. The House Budget Committee feels strongly that this issue should be corrected and will review this issue again and present a funding mechanism to the House Committee prior to Omnibus. The House Budget Committee requests that the agency provide detailed salary levels for their teachers and a comparison to the current salary levels at local school districts.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: School for the Deaf

Bill No. SB 538

Bill Sec. 38

Analyst: Deckard

Analysis Pg. No. 169

Budget Page No. 133

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 8,006,817	\$ 7,713,429	\$ (100,997)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 8,006,817	\$ 7,713,429	\$ (100,997)
Capital Improvements	901,794	901,794	0
TOTAL	\$ 8,908,611	\$ 8,615,223	\$ (100,997)
State General Fund:			
State Operations	\$ 7,652,186	\$ 7,382,250	\$ (99,174)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 7,652,186	\$ 7,382,250	\$ (99,174)
Capital Improvements	0	0	0
TOTAL	\$ 7,652,186	\$ 7,382,250	\$ (99,174)
FTE Positions	169.9	173.5	0.0
Non FTE Uncl. Perm. Pos.	3.0	0.0	0.0
TOTAL	172.9	173.5	0.0

*Includes a reduction of \$171,811, including \$169,988 from the State General Fund for deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency** requests an FY 2005 appropriation limitation for operating expenditures of \$8,006,817, an increase of \$113,359 or 1.4 percent from the FY 2004 estimate. The increase is attributable to two of the agency's enhancement packages: \$109,933 to decrease the salary and wage shrinkage rate from 5.1 percent to 3.5 percent; and \$121,386 to increase unclassified merit pay to achieve parity. The request includes a reduction in fee fund balances in FY 2005, due to using increased fee funds in FY 2004 to offset State General Fund reductions. The FY 2005 request reflects a return to more normal State General Fund expenditure patterns.

In addition, the agency submitted an enhancement request that the General Fees Fund be appropriated with a no-limit designation.

The agency is requesting capital improvements expenditures of \$901,794 from the State Institutions Building Fund (SIBF).

The **Governor** recommends \$7,713,429 for FY 2005 operating expenditures, a decrease of \$180,029 from the FY 2004 recommendation. The recommendation is a decrease of \$293,388 from the agency's request. The decrease is attributable to: the Governor not recommending two of the agency's enhancement packages totaling \$231,315 State General Fund; the reduction of \$107,850 (\$82,575 State General Fund) for the BEST recommendations; the reduction of \$102,100 State General Fund in reduced resources packages; a reduction of \$19,121 State General Fund for the vehicle moratorium; the reduction of \$4,813 State General Fund for a revised calculation; and the addition of \$171,811 (\$169,988 State General Fund) for the three percent state employee salary increase. The Governor also makes a technical correction to the FTE request to bring it to 173.5 FTE positions.

The **Governor** recommends FY 2005 capital improvement expenditures of \$901,794 from the State Institutions Building Fund (SIBF). The Governor does not recommend the \$100,000 land acquisition requested by the agency, but does increase the amount for the dorm renovation project by \$100,000 from the agency's request.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$1,093,326 State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$171,811, including \$169,988 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee recommends that the agency request a Governor's Budget Amendment (GBA) for the following two items:
 - A. The restoration of vehicles: \$19,121 deleted in the vehicle moratorium and \$19,425 deleted in the reduced resources package to postpone vehicle replacement.
 - B. The restoration of capital outlay: \$82,675 deleted in the reduced resources packages to postpone replacement of all capital outlay and \$11,761 deleted for the BEST reductions in capital outlay.

In addition, the Subcommittee wishes to review these items at Omnibus. The Subcommittee is very concerned that all capital outlay expenditures were

reduced, as the School has a critical need for access to the latest technology to enable teachers to use every available method to carry out the mission of the School.

3. Add \$70,814 State General Fund in order to restore the BEST reductions in contractual services and commodities.
4. The Subcommittee wishes to commend the School for the Blind for the outstanding job it does with the special students it educates.
5. The Subcommittee requests that the Department of Personnel Services (DPS) look at the possibility of accelerating the priority of a salary comparison study for the teachers at the School for the Blind and the School for the Deaf, especially if such a study has not occurred within the last four years. The Subcommittee recommends that the study take into consideration the fact that the schools are located in a high cost location. In addition, the Subcommittee wants to consider at Omnibus the viability of creating a separate pay matrix for the teachers at the School for the Blind and the School for the Deaf.

House Budget Committee Report

Agency: Kansas Arts Commission

Bill No. --

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. 1, p. 142

Budget Page No. 110

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Operating Expenditures			
State General Fund	\$ 1,503,391	\$ 1,503,391	\$ 0
Other Funds	720,702	720,702	0
TOTAL	\$ 2,224,093	\$ 2,224,093	\$ 0
FTE Positions			
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	8.0	8.0	0.0

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$2,224,093 is an increase of \$226,933 (11.4 percent) from the approved budget. The State General Fund estimate of \$1,503,391 is a decrease of \$647 (0.04 percent) from the approved budget. In addition, the agency's estimate for all other funds operating expenditures of \$720,702 is an increase of \$227,580 (46.2 percent) from the approved budget. The increase in all other funds includes the agency's one-time withholding of 15.0 percent of federal grant funds from FY 2003 totaling \$225,757 that was carried forward to FY 2004 to soften the decrease in arts funding since FY 2002.

The **Governor's** recommendation for FY 2004 operating expenditures of \$2,224,093 is an increase of \$226,933 (11.4 percent) from the approved budget. The State General Fund recommendation of \$1,503,391 is a decrease of \$647 (0.04 percent) from the approved budget. The Governor's recommendation is consistent with the agency's FY 2004 estimate.

House Budget Committee Recommendations

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

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas Arts Commission

Bill No. --

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. 1, p. 142 **Budget Page No.** 110

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 1,503,391	\$ 1,503,391	\$ 0
Other Funds	720,702	720,702	0
TOTAL	\$ 2,224,093	\$ 2,224,093	\$ 0
FTE Positions			
	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.			
	0.0	0.0	0.0
TOTAL	8.0	8.0	0.0

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2004 operating expenditures of \$2,224,093 is an increase of \$226,933 (11.4 percent) from the approved budget. The State General Fund estimate of \$1,503,391 is a decrease of \$647 (0.04 percent) from the approved budget. In addition, the agency's estimate for all other funds operating expenditures of \$720,702 is an increase of \$227,580 (46.2 percent) from the approved budget. The increase in all other funds includes the agency's one-time withholding of 15.0 percent of federal grant funds from FY 2003 totaling \$225,757 that was carried forward to FY 2004 to soften the decrease in arts funding since FY 2002.

The Governor's recommendation for FY 2004 operating expenditures of \$2,224,093 is an increase of \$226,933 (11.4 percent) from the approved budget. The State General Fund recommendation of \$1,503,391 is a decrease of \$647 (0.04 percent) from the approved budget. The Governor's recommendation is consistent with the agency's FY 2004 estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Arts Commission

Bill No. HB 2900

Bill Sec. 36

Analyst: Alishahi

Analysis Pg. No. Vol. 1, p. 142

Budget Page No. 110

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,706,345	\$ 1,481,857	\$ 0
Other Funds	495,900	499,891	0
TOTAL	\$ 2,202,245	\$ 1,981,748	\$ 0
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	8.0	8.0	0.0

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$2,202,245 is a decrease of \$21,848 (1.0 percent) from the FY 2004 estimate. The State General Fund request of \$1,706,345 is an increase of \$202,954 (13.5 percent) from the FY 2004 estimate. In addition, the agency's request for all other funds operating expenditures of \$495,900 is a decrease of \$224,802 (31.2 percent) from the FY 2004 estimate. The agency's request includes three enhancement requests totaling \$196,067 from the State General Fund.

The **Governor's** recommendation for FY 2005 operating expenditures of \$1,981,748 is a decrease \$242,345 (10.9 percent) from the FY 2004 recommendation. The State General Fund recommendation of \$1,481,857 is a decrease of \$21,534 (1.4 percent) from the FY 2004 recommendation. The Governor recommends a 3.0 percent base salary increase of \$11,668 (\$7,585 from the State General Fund), and a BEST reduction of \$1,098 (\$1,006 from the State General Fund) in contractual services and commodities. The Governor's recommendation is \$220,497 (10.0 percent) less than the agency's FY 2005 request; and does not include the three enhancement requests.

Under the Governor's FY 2005 **statutory budget recommendation**, the Governor's recommendation for the agency's budget would have to be reduced by an additional \$219,466.

House Budget Committee Recommendations

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

House Committee Recommendation

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

1. Restore the \$35,000 from the State General Fund in aid to local units of government that the Governor's recommendation included as part of the agency's reduced resources packages.

Senate Subcommittee Report

Agency: Kansas Arts Commission **Bill No.** SB 538 **Bill Sec.** 36

Analyst: Alishahi **Analysis Pg. No.** Vol. 1, p. 142 **Budget Page No.** 110

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 1,706,345	\$ 1,481,857	\$ 27,415
Other Funds	495,900	499,891	(4,083)
TOTAL	<u>\$ 2,202,245</u>	<u>\$ 1,981,748</u>	<u>\$ 23,332</u>
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

* Includes a reduction of \$11,668, including \$7,585 from the State General Fund, for deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$2,202,245 is a decrease of \$21,848 (1.0 percent) from the FY 2004 estimate. The State General Fund request of \$1,706,345 is an increase of \$202,954 (13.5 percent) from the FY 2004 estimate. In addition, the agency's request for all other funds operating expenditures of \$495,900 is a decrease of \$224,802 (31.2 percent) from the FY 2004 estimate. The agency's request includes three enhancement requests totaling \$196,067 from the State General Fund.

The **Governor's** recommendation for FY 2005 operating expenditures of \$1,981,748 is a decrease \$242,345 (10.9 percent) from the FY 2004 recommendation. The State General Fund recommendation of \$1,481,857 is a decrease of \$21,534 (1.4 percent) from the FY 2004 recommendation. The Governor recommends a 3.0 percent base salary increase of \$11,668 (\$7,585 from the State General Fund), and a BEST reduction of \$1,098 (\$1,006 from the State General Fund) in contractual services and commodities. The Governor's recommendation is \$220,497 (10.0 percent) less than the agency's FY 2005 request; and does not include the three enhancement requests.

Under the Governor's FY 2005 **statutory budget recommendation**, the Governor's recommendation for the agency's budget would have to be reduced by an additional \$219,466.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** – Delete \$11,668, including \$7,585 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee notes the Governor's FY 2005 recommendation includes, as part of the agency's reduced resources package, a reduction of \$35,000 from the State General Fund in aid to local units of government. The Subcommittee recognizes that local arts organizations raise almost \$21 in private funds for every \$1 in state funds granted by the Kansas Arts Commission. The agency estimates that the \$35,000 reduction will result in the loss of approximately \$735,000 in matched private funds for the budget year. The Subcommittee appreciates the important impact the arts have on economic development in Kansas; and recommends the restoration of the \$35,000 from the State General Fund in aid to local units of government.

House Budget Committee Report

Agency: Kansas State Library

Bill No. HB 2899

Bill Sec. 37

Analyst: Alishahi

Analysis Pg. No. Vol. 1, p. 183

Budget Page No. 110

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,924,294	\$ 4,924,294	\$ 0
Other Funds	1,594,832	1,594,832	0
TOTAL	\$ 6,519,126	\$ 6,519,126	\$ 0
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.0	27.0	0.0

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$6,519,126 is a decrease of \$5,460 (0.1 percent) from the approved budget. The State General Fund estimate of \$4,924,294 is consistent with the approved budget.

The **Governor's** recommendation for FY 2004 operating expenditures of \$6,519,126 is a decrease of \$5,460 (0.1 percent) from the approved budget. The State General Fund recommendation of \$4,924,294 is consistent with the approved budget. The Governor's recommendation is also consistent with the agency's FY 2004 estimate.

House Budget Committee Recommendations

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

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas State Library

Bill No. SB 536

Bill Sec. 37

Analyst: Alishahi

Analysis Pg. No. Vol. 1, p. 183

Budget Page No. 110

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,924,294	\$ 4,924,294	\$ 0
Other Funds	1,594,832	1,594,832	0
TOTAL	\$ 6,519,126	\$ 6,519,126	\$ 0
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.0	27.0	0.0

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$6,519,126 is a decrease of \$5,460 (0.1 percent) from the approved budget. The State General Fund estimate of \$4,924,294 is consistent with the approved budget.

The **Governor's** recommendation for FY 2004 operating expenditures of \$6,519,126 is a decrease of \$5,460 (0.1 percent) from the approved budget. The State General Fund recommendation of \$4,924,294 is consistent with the approved budget. The Governor's recommendation is consistent with the agency's FY 2004 estimate.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas State Library

Bill No. HB 2900

Bill Sec. 35

Analyst: Alishahi

Analysis Pg. No. Vol. 1, p. 183

Budget Page No. 110

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 8,774,429	\$ 4,954,803	\$ 0
Other Funds	1,594,832	1,598,020	0
TOTAL	\$ 10,369,261	\$ 6,552,823	\$ 0
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.0	27.0	0.0

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$10,369,261 is an increase of \$3,850,135 (59.1 percent) from the FY 2004 estimate. The State General Fund request of \$8,774,429 is an increase of \$3,850,135 (78.2 percent) from the FY 2004 estimate. The agency's request includes three enhancement requests totaling \$3,818,330 from the State General Fund.

The **Governor's** recommendation for FY 2005 operating expenditures of \$6,552,823 is an increase of \$33,697 (0.5 percent) from the FY 2004 recommendation. The State General Fund recommendation of \$4,954,803 is an increase of \$30,509 (0.6 percent) from the FY 2004 recommendation. The Governor recommends a 3.0 percent base salary increase of \$30,609 (\$25,857 from the State General Fund), and a BEST reduction of \$28,717 (\$27,153 from the State General Fund) in contractual services. The Governor's recommendation is \$3,816,438 (36.8 percent) less than the agency's FY 2005 request; and does not include the three enhancement requests.

Under the Governor's FY 2005 **statutory budget recommendation**, the Governor's recommendation for the agency's budget would have to be reduced by an additional \$733,816.

House Budget Committee Recommendations

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

1. The House Budget Committee commends the agency for joining together with the KAN-ED Network, the Board of Regents libraries, and large urban public libraries in the state to purchase licenses to use research and education databases. The House Budget Committee encourages the State Library to include more agencies in its cooperative buying efforts.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas State Library

Bill No. SB 538

Bill Sec. 35

Analyst: Alishahi

Analysis Pg. No. Vol. 1, p. 183

Budget Page No. 110

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 8,774,429	\$ 4,954,803	\$ (25,857)
Other Funds	1,594,832	1,598,020	(4,752)
TOTAL	<u>\$ 10,369,261</u>	<u>\$ 6,552,823</u>	<u>\$ (30,609)</u>
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>27.0</u>	<u>27.0</u>	<u>0.0</u>

* Includes a reduction of \$30,609, including \$25,857 from the State General Fund, for deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$10,369,261 is an increase of \$3,850,135 (59.1 percent) from the FY 2004 estimate. The State General Fund request of \$8,774,429 is an increase of \$3,850,135 (78.2 percent) from the FY 2004 estimate. The agency's request includes three enhancement requests totaling \$3,818,330 from the State General Fund.

The **Governor's** recommendation for FY 2005 operating expenditures of \$6,552,823 is an increase of \$33,697 (0.5 percent) from the FY 2004 recommendation. The State General Fund recommendation of \$4,954,803 is an increase of \$30,509 (0.6 percent) from the FY 2004 recommendation. The Governor recommends a 3.0 percent base salary increase of \$30,609 (\$25,857 from the State General Fund), and a BEST reduction of \$28,717 (\$27,153 from the State General Fund) in contractual services. The Governor's recommendation is \$3,816,438 (36.8 percent) less than the agency's FY 2005 request; and does not include the three enhancement requests.

Under the Governor's FY 2005 **statutory budget recommendation**, the Governor's recommendation for the agency's budget would have to be reduced by an additional \$733,816.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** – Delete \$30,609, including \$25,857 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee appreciates the agency's dedication to its mission to provide excellent library service for all Kansans. The Subcommittee commends the agency for working hard to meet the budget and funding challenges that the current economy creates; and recognizes the State Library as an outstanding example of an agency that is doing its best to do more with less as the Governor and the Legislature directed.

In particular, the Subcommittee commends the State Library for joining together with the KAN-ED Network, the Board of Regents libraries, and large urban public libraries in the state to purchase licenses to use research and education databases. The Subcommittee appreciates the agency's attempt to maximize the benefits of cooperative buying; and commends the State Library for reducing costs through such efforts.

3. The Subcommittee recognizes that the agency is facing a very serious problem in Research and Information Services. This sub-program responds to the research and information needs of every agency in state government. In the past several years, the State Library economized in the purchase of research information database subscriptions by buying multiple-year subscriptions when it could afford them. These specialized databases, which are frequently utilized by the Legislature, the Governor's Office, the Revisor's Office, and Legislative Research, include LexisNexis, WESTLAW, Statistical Research Index and Collection, Mergent, Inc. (Moody's Industries & Business), and Dun & Bradstreet Directory & Foundation Index. The Subcommittee realizes many of the database subscriptions are expiring; and the agency does not have the necessary funds for some of the renewals. The Subcommittee notes that the Governor's FY 2005 recommendation does not include the \$92,000 State General Fund enhancement the agency requested to assist in paying for some of the subscription renewals; and is aware that this is a major issue that the agency is concerned about at the present time.

In addition, the Subcommittee understands that, unlike the agency's statewide cooperative buying efforts to purchase licenses to use research and education databases, it is not cost effective to purchase statewide licenses for the specialized databases that are used primarily by government employees in the State Capitol Building. The agency would not be able to afford the expensive fees charged by the publishers of the databases for a statewide license, especially for LexisNexis and WESTLAW.

The Subcommittee also notes that the State Library distinguishes between its two legal databases, LexisNexis and WESTLAW, emphasizing that they are very much separate from one another. The agency stresses that both are extremely useful for legal research.

4. The Subcommittee notes that the State Library recently purchased a vehicle; and recognizes that, like many other state agencies, it will have to deal with additional expenses related to the maintenance of the vehicle in the future. In addition, the Subcommittee appreciates that state law prohibits agencies from purchasing collision insurance for their vehicles; and feels that this is a global issue that must be addressed by the Department of Administration. The Subcommittee believes that should there be an accident, the State Library would not likely have the funds necessary to replace its vehicle.

House Budget Committee Report

Agency: State Historical Society

Bill No. HB 2899

Bill Sec. 40

Analyst: Calderwood

Analysis Pg. No. Vol. 1 - 124 **Budget Page No.** 197

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 6,742,015	\$ 6,742,015	\$ 0
Aid to Local Units	1,159,760	1,159,760	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 7,901,775</u>	<u>\$ 7,901,775</u>	<u>\$ 0</u>
Capital Improvements	147,076	147,076	0
TOTAL	<u><u>\$ 8,048,851</u></u>	<u><u>\$ 8,048,851</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 5,426,453	\$ 5,426,453	\$ 0
Aid to Local Units	109,760	109,760	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 5,536,213</u>	<u>\$ 5,536,213</u>	<u>\$ 0</u>
Capital Improvements	47,076	47,076	0
TOTAL	<u><u>\$ 5,583,289</u></u>	<u><u>\$ 5,583,289</u></u>	<u><u>\$ 0</u></u>
FTE Positions	136.5	136.5	0.0
Non FTE Uncl. Perm. Pos.	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>
TOTAL	<u><u>140.5</u></u>	<u><u>140.5</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency's current year estimate for operating expenditures of \$7,901,775 is an increase of \$57,022 or 0.7 percent from the approved budget. The agency estimates State General Fund expenditures of \$5,536,213, an increase of \$2,161 from the approved budget. The State General Fund increase includes an unlimited reappropriation of \$2,161. Aid to local units was increased by \$30,000. Federal and fee fund revenue increased, primarily due to the Museum and Historic Sites charging an admission fee beginning in February 2003. The agency estimates FY 2004 capital improvements expenditures of \$147,076, including \$47,076 from the State General Fund, for emergency repairs and routine maintenance and special projects. The estimate includes an unlimited reappropriation of \$526 in rehabilitation and repair funds.

The Governor concurs with the agency estimates for operating expenditures and capital improvements.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: State Historical Society

Bill No. SB 536

Bill Sec. 40

Analyst: Calderwood

Analysis Pg. No. Vol. 1 - 124 **Budget Page No.** 197

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 6,742,015	\$ 6,742,015	\$ 0
Aid to Local Units	1,159,760	1,159,760	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 7,901,775	\$ 7,901,775	\$ 0
Capital Improvements	147,076	147,076	0
TOTAL	\$ 8,048,851	\$ 8,048,851	\$ 0
State General Fund:			
State Operations	\$ 5,426,453	\$ 5,426,453	\$ 0
Aid to Local Units	109,760	109,760	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 5,536,213	\$ 5,536,213	\$ 0
Capital Improvements	47,076	47,076	0
TOTAL	\$ 5,583,289	\$ 5,583,289	\$ 0
FTE Positions	136.5	136.5	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	140.5	140.5	0.0

Agency Estimate/Governor's Recommendation

The agency's current year estimate for operating expenditures of \$7,901,775 is an increase of \$57,022 or 0.7 percent from the approved budget. The agency estimates State General Fund expenditures of \$5,536,213, an increase of \$2,161 from the approved budget. The State General Fund increase includes an unlimited reappropriation of \$2,161. Aid to local units was increased by \$30,000. Federal and fee fund revenue increased, primarily due to the Museum and Historic Sites charging an admission fee beginning in February 2003. The agency estimates FY 2004 capital improvements expenditures of \$147,076, including \$47,076 from the State General Fund, for emergency repairs and routine maintenance and special projects. The estimate includes an unlimited reappropriation of \$526 in rehabilitation and repair funds.

The Governor concurs with the agency estimates for operating expenditures and capital improvements.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 2004.

39348(3/8/4{10:26AM})

House Budget Committee Report

Agency: State Historical Society

Bill No. HB 2900

Bill Sec. 39

Analyst: Calderwood

Analysis Pg. No. Vol. 1 - 124

Budget Page No. 197

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 6,976,185	\$ 6,790,374	\$ 0
Aid to Local Units	1,159,760	1,159,760	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal—Operating	\$ 8,135,945	\$ 7,950,134	\$ 0
Capital Improvements	<u>649,255</u>	<u>125,000</u>	<u>0</u>
TOTAL	<u>\$ 8,785,200</u>	<u>\$ 8,075,134</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 5,629,678	\$ 5,450,504	0
Aid to Local Units	109,760	109,760	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal—Operating	\$ 5,739,438	\$ 5,560,264	0
Capital Improvements	<u>649,255</u>	<u>125,000</u>	<u>0</u>
TOTAL	<u>\$ 6,388,693</u>	<u>\$ 5,685,264</u>	<u>\$ 0</u>
FTE Positions	136.5	136.5	0.0
Non FTE Uncl. Perm. Pos.	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>
TOTAL	<u>140.5</u>	<u>140.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$8,135,945, an increase of \$234,170 or 3.0 percent from the revised current year estimate. The agency request includes \$5,739,438 in State General Fund expenditures, an increase of \$203,225 or 3.7 percent from the revised current year estimate. The request includes an enhancement request of \$61,000 from the State General Fund for computer and technology needs. The agency request includes \$5,252,876 for salaries and wages, an increase of \$156,150 or 3.1 percent from the current year estimate. Salaries and wages are adjusted to reflect the recommended benefits provided in the agency's budget instructions for FY 2005. The agency requests \$649,255 from the State General Fund for FY 2005 capital improvements. The request includes \$46,550 for routine maintenance and emergency repairs and an enhancement package of \$602,705 which includes routine maintenance and emergency repairs, ongoing work at the state's historic sites based on a three-year plan of rehabilitation and repair, signs and alarms to make the Museum compliant with the Americans With Disabilities Act, and development of a cyclical maintenance plan for the historic sites and the Kansas History Center.

The Governor recommends FY 2005 operating expenditures of \$7,950,134, an increase of \$48,359 or 0.6 percent from the current year recommendation. The recommendation includes \$5,560,264 from the State General Fund, an increase of \$24,051 or 0.4 percent from the current

year recommendation. The recommendation is a decrease of \$185,811 from the FY 2005 agency request. The adjustments in the recommendation include \$195,808 in reduced resources, a decrease of \$55,818 in BEST reductions of agency OOE, and a 3.0 percent pay plan increase. The Governor did not recommend the enhancement request. The Governor recommends \$125,000 from the State General Fund to allow the agency to complete repair projects that have been delayed due to limited State General Fund financing during FY 2003 and FY 2004.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: State Historical Society **Bill No.** SB 538 **Bill Sec.** 39

Analyst: Calderwood **Analysis Pg. No.** Vol. 1 - 124 **Budget Page No.** 197

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 6,976,185	\$ 6,790,374	\$ (70,997)
Aid to Local Units	1,159,760	1,159,760	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 8,135,945</u>	<u>\$ 7,950,134</u>	<u>\$ (70,997)</u>
Capital Improvements	649,255	125,000	0
TOTAL	<u><u>\$ 8,785,200</u></u>	<u><u>\$ 8,075,134</u></u>	<u><u>\$ (70,997)</u></u>
State General Fund:			
State Operations	\$ 5,629,678	\$ 5,450,504	\$ (77,634)
Aid to Local Units	109,760	109,760	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 5,739,438</u>	<u>\$ 5,560,264</u>	<u>\$ (77,634)</u>
Capital Improvements	649,255	125,000	0
TOTAL	<u><u>\$ 6,388,693</u></u>	<u><u>\$ 5,685,264</u></u>	<u><u>\$ (77,634)</u></u>
FTE Positions	136.5	136.5	0.0
Non FTE Uncl. Perm. Pos.	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>
TOTAL	<u><u>140.5</u></u>	<u><u>140.5</u></u>	<u><u>0.0</u></u>

* Includes a reduction of \$126,815, including \$108,987 from the State General Fund, for deletion of the Governor's recommended pay plan adjustments.

Agency Estimate/Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$8,135,945, an increase of \$234,170 or 3.0 percent from the revised current year estimate. The agency request includes \$5,739,438 in State General Fund expenditures, an increase of \$203,225 or 3.7 percent from the revised current year estimate. The request includes an enhancement request of \$61,000 from the State General Fund for computer and technology needs. The agency request includes \$5,252,876 for salaries and wages, an increase of \$156,150 or 3.1 percent from the current year estimate. Salaries and wages are adjusted to reflect the recommended benefits provided in the agency's budget instructions for FY 2005. The agency requests \$649,255 from the State General Fund for FY 2005 capital improvements. The request includes \$46,550 for routine maintenance and emergency repairs and an enhancement package of \$602,705 which includes routine maintenance and emergency repairs, ongoing work at the state's historic sites based on a three-year plan of rehabilitation and repair, signs and alarms to make the Museum compliant with the Americans With Disabilities Act, and development of a cyclical maintenance plan for the historic sites and the Kansas History Center.

The Governor recommends FY 2005 operating expenditures of \$7,950,134, an increase of \$48,359 or 0.6 percent from the current year recommendation. The recommendation includes \$5,560,264 from the State General Fund, an increase of \$24,051 or 0.4 percent from the current year recommendation. The recommendation is a decrease of \$185,811 from the FY 2005 agency request. The adjustments in the recommendation include \$195,808 in reduced resources, a decrease of \$55,818 in BEST reductions of agency OOE, and a 3.0 percent pay plan increase. The Governor did not recommend the enhancement request. The Governor recommends \$125,000 from the State General Fund to allow the agency to complete repair projects that have been delayed due to limited State General Fund financing during FY 2003 and FY 2004.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$841,999 State General Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 2005, with the following adjustments and observations:

1. **Pay Plan Adjustment** - Delete \$126,815, including \$108,987 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee recommends restoration of the agency's BEST reduction of \$55,818, including \$31,353 from the State General Fund. The Subcommittee believes this restoration is essential as it allows the agency some flexibility within its allocated budget. The subcommittee notes two items of concern in the agency's FY 2005 budget, transportation and information technology needs. The elimination of Central Motor Pool occurred after the agency submitted its budget. The agency states that the budget will accommodate vehicle repairs, but would not be able to address vehicle replacements. The agency has concerns about its high mileage vehicles and the difficulty it has in generating funds to replace those vehicles. In addition, the agency submitted an enhancement request to

address a replacement cycle for computer and technology needs. The agency stated that it has been unable to budget for regular replacement of its computer and related technology needs.


3. The Subcommittee notes the Society's FY 2005 shrinkage rate of 20.6 percent. The Society indicated that it is currently holding 27 positions vacant and the increased shrinkage of \$195,808 in the Governor's recommendation for reduced resources for the Society increases the number of vacant positions by six to seven positions. The Society noted that in the early 1990's its headcount was close to 145, with a very limited shrinkage rate. The current headcount is 110 positions, while the total FTE positions allowed for the agency is 140.5.
4. The Subcommittee expresses concern about the impact of the admissions fee charged to museum and historic sites visitors, begun in February 2003. The agency stated that visitation to historic sites has declined 40 to 60 percent this year. The agency noted that there is a decrease visitation to such venues across the state and nation and also noted that the Shawnee Indian Mission was closed during part of FY 2003 for rehabilitation. The hours at Mine Creek and Grinter Place have been decreased due to budget cuts and staff lay-offs.
5. The Subcommittee is encouraged by the volunteer effort at the Kansas Museum of History and the Center for Historical Research and the historic sites. The Society maintains a policy that one of the people at the admissions desk is always a volunteer. The Subcommittee further notes contributions of the Society's volunteers during FY 2003, including 34 volunteers worked a total of 4,070 hours, assisting researchers working with microfilm in the reference room, indexing the 1895 census, and working on various arrangement and description, cataloging, and preservation projects in the Library and Archives division; in addition, volunteers donated nearly 14,000 hours of service at the state's historic sites.
6. The Subcommittee notes the continued need for funding of programs associated with the work of the Kansas Humanities Council. KHC testified that in the future, a number of special programs will require enhanced funding to its current allocation of \$81,830. KHC testified about a number of opportunities, including a statewide reading program that would involve the state's historical societies, a program aimed at lower-level readers and bring parents and children together at libraries, and programming associated with the state's sesquicentennial celebration in 2011.

FY 2004 and FY 2005
SENATE SUBCOMMITTEE REPORTS

Kansas Guardianship Program

A handwritten signature in black ink, appearing to read "David Jackson", written over a horizontal line.

Senator David Jackson, Chair

A handwritten signature in black ink, appearing to read "Henry Helgerson", written over a horizontal line.

Senator Henry Helgerson

House Budget Committee Report

Agency: Kansas Guardianship Program **Bill No.** HB 2899

Bill Sec. --

Analyst: Calderwood

Analysis Pg. No. Vol. II - 1114 **Budget Page No.** 169

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
State General Fund:			
State Operations	\$ 1,032,854	\$ 1,032,854	\$ 0
Employee Positions*	12.0	12.0	0.0

*Staff of the Kansas Guardianship Program are not state employees but are listed for informational purposes.

Agency Estimate/Governor's Recommendation

The agency's current year estimate for operating expenditures of \$1,032,854 is consistent with the budget approved by the 2003 Legislature.

The Governor concurs with the agency's current year estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Kansas Guardianship Program **Bill No.** SB 536

Bill Sec. - -

Analyst: Calderwood

Analysis Pg. No. Vol. II - 1114 **Budget Page No.** 169

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ 1,032,854	\$ 1,032,854	\$ 0
Employee Positions*	12.0	12.0	0.0

* Staff of the Kansas Guardianship Program are not state employees but are listed for informational purposes.

Agency Estimate/Governor's Recommendation

The agency's current year estimate for operating expenditures of \$1,032,854 is consistent with the budget approved by the 2003 Legislature.

The Governor concurs with the agency's current year estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 2004.

House Budget Committee Report

Agency: Kansas Guardianship Program **Bill No.** HB 2900

Bill Sec. 33

Analyst: Calderwood

Analysis Pg. No. Vol. II - 1114 **Budget Page No.** 169

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
State General Fund:			
State Operations	\$ 1,069,800	\$ 1,027,513	\$ 0
Employee Positions*	12.0	12.0	0.0

*Staff of the Kansas Guardianship Program are not state employees but are listed for informational purposes.

Agency Request/Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$1,069,800, an increase of \$36,946 or 3.6 percent, from the current year estimate. The request includes \$535,739 for salaries and wages, \$521,213 for contractual services, and \$12,248 for commodities. The request includes an enhancement request of \$50,943 to restore full funding of volunteer stipends decreased by the agency reduced resources target of \$50,943.

The Governor recommends FY 2005 operating expenditures of \$1,027,513, which is a decrease of \$5,341 or 0.5 percent from the current year recommendation. The recommendation includes \$549,812 for salaries and wages, \$466,583 for contractual services, and \$11,118 for commodities. The Governor recommends the addition of \$14,073 for a 3.0 percent pay plan increase and the reduction of \$5,417 for BEST reductions in contractual services, commodities, and capital outlay. The Governor did not recommend the enhancement. The Governor did not recommend FY 2005 reduced resources for the agency.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$152,177 State General Fund.

House Budget Committee Recommendation

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

1. The Budget Committee expresses concern about the issue of liability protection for the agency's volunteers. The Budget Committee notes that liability issues may hinder the agency's volunteer recruitment efforts. The Budget Committee recommends the introduction of legislation to amend the Kansas Tort Claims Act (K.S.A. 75-6101 *et seq.*), to provide liability protection to the volunteers of the Kansas Guardianship Program.

The Budget Committee notes that during FY 2003, the Kansas Guardianship Program volunteers provided guardianship/conservatorship services to 1,617 wards and conservatees. As of June 30, 2003, approximately 825 volunteers were serving in the program and over the years approximately 3,276 Kansans have been recruited to serve in the program. The Budget Committee further notes that fifteen volunteers have served for 20 or more years as guardians and conservators in this program.

2. The Budget Committee notes the availability of a gift and donations fund, established by the 2003 Legislature, to supplement funding when state resources are reduced. The Budget Committee notes that the agency was unable to submit a capital outlay budget request due to its allocated funding. The Budget Committee encourages the program to explore fund raising opportunities and the availability of surplus equipment to address the agency's capital outlay requirements.
3. The Budget Committee recognizes that program volunteers, in their legal capacity as guardians and conservators, advocate for or take action on behalf of the ward or conservatee to access services that include care and treatment, monitor the quality of these supports and services, provide consents and maintain communications with service providers such as case managers and facility staff, and assume responsibility for the paperwork necessary to access benefits like Social Security. The Budget Committee cites agency testimony that indicated that 55 to 60 percent of wards and conservatees are served in a community/residential setting. The Budget Committee requests that the agency provide a report to the 2005 Legislature detailing the changing role of the guardian, from the institutional model of service to the community-based model of service. The Budget Committee requests that the agency provide information in the report regarding the impact of these changes on the program.

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Kansas Guardianship Program **Bill No.** SB 538

Bill Sec. 33

Analyst: Calderwood

Analysis Pg. No. Vol. II - 1114 **Budget Page No.** 169

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments**</u>
State General Fund:			
State Operations	\$ 1,069,800	\$ 1,027,513	\$ (8,656)
Employee Positions*	12.0	12.0	0.0

* Staff of the Kansas Guardianship Program are not state employees but are listed for informational purposes.

** Includes a reduction of \$14,073, including \$14,073 from the State General Fund for deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$1,069,800, an increase of \$36,946 or 3.6 percent, from the current year estimate. The request includes \$535,739 for salaries and wages, \$521,213 for contractual services, and \$12,248 for commodities. The request includes an enhancement request of \$50,943 to restore full funding of volunteer stipends decreased by the agency reduced resources target of \$50,943.

The Governor recommends FY 2005 operating expenditures of \$1,027,513, which is a decrease of \$5,341 or 0.5 percent from the current year recommendation. The recommendation includes \$549,812 for salaries and wages, \$466,583 for contractual services, and \$11,118 for commodities. The Governor recommends the addition of \$14,073 for a 3.0 percent pay plan increase and the reduction of \$5,417 for BEST reductions in contractual services, commodities, and capital outlay. The Governor did not recommend the enhancement. The Governor did not recommend FY 2005 reduced resources for the agency.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$152,177 State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment.** Delete \$14,073 from the State General Fund to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee recommends adding \$5,417 SGF to restore the agency's BEST reduction. The Subcommittee notes the inflexibility of the agency's OOE budget, specifically rent concerns and the computer and technology needs. The Subcommittee notes testimony from the agency about the FY 2004 rental concessions for both the Manhattan office, \$2,400 rent for one year and no custodial supports in FY 2003, FY 2004, and FY 2005; and the Wichita office, \$2,400 for one year, with \$1,200 for rent and \$1,200 for custodial. The agency testified that these rental concessions are for a one-year period only and that it has no assurances from either landlord that these concessions will be continued into FY 2005. The agency also noted that returning to either the FY 2003 base amount for rent or any additional increase in rent would require cuts in travel and subsistence and/or other operating expenditures. The Subcommittee notes testimony from the agency that it does not currently have any back-up computers or any capital outlay funds to purchase replacement equipment.
3. The Subcommittee notes the availability of a gift and donations fund, established by the 2003 Legislature, which allows the agency to utilize fund raising revenue to supplement funding when state resources are reduced. The Subcommittee encourages the agency to more actively seek gifts and donations through service organizations across the state and continue to explore the availability of federal moneys. Agency testimony indicated that the gifts and donations could be used to provide promotion and recognition for volunteers and support the agency's program operations.

The Subcommittee recognizes the agency's volunteer support and notes that during FY 2003, the Kansas Guardianship Program volunteers provided guardianship/conservatorship services to 1,617 wards and conservatees. As of June 30, 2003, approximately 825 volunteers were serving in the program and over the years approximately 3,276 Kansans have been recruited to serve in the program.

4. The Subcommittee expresses concern about the issue of liability protection for the agency's volunteers. The Subcommittee recognizes that liability issues may hinder the agency's volunteer recruitment efforts and notes HB 2902, which addresses liability protection for the volunteers of the Kansas Guardianship Program.