

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 10:30 a.m. on March 17, 2004 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
Robert Waller, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Nicoletta Buonasera, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Bruce Kinsey, Revisor of Statute's Office
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Deb Miller, Secretary, Kansas Department of Transportation
Pat Hurley, Representing the Co-Chairs of Economic Lifelines
Ron Gaches, Representing the Kansas Society of Professional Engineers
Wendy Harms, Associate Director of the Kansas Aggregate Producers and the Kansas Ready Mixed Concrete Associations
Lew Ebert, President and CEO, Kansas Chamber of Commerce (written)
Scott Heidner, Executive Director, Kansas Consulting Engineers (written)
Randall Allen, Executive Director, Kansas Association of Counties

Others attending:

See Attached List.

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:

Juvenile Justice Authority (Attachment 1)
Atchison Juvenile Correctional Facility
Beloit Juvenile Correctional Facility
Kansas Juvenile Correctional Facility
Larned Juvenile Correctional Facility
Topeka Juvenile Correctional Facility

Subcommittee Chairman Jordan reported that the subcommittee on the Juvenile Justice Authority concurs with the Governor's recommendation in FY 2004 and concurs with the Governor's recommendation with adjustment and notation.

Subcommittee Chairman Jordan reported that the subcommittee on all of the Juvenile Correctional Facilities concurs with the Governor's recommendation in FY 2004 and FY 2005 with the exception of the Kansas Juvenile Correctional Facility in FY 2005 with notation.

Senator Jorday moved, with a second by Senator Helgerson, to adopt the subcommittee budget reports on the Juvenile Justice Authority, Atchison Juvenile Correctional Facility, Beloit Juvenile Correctional Facility, Kansas Juvenile Correctional Facility, Larned Juvenile Correctional Facility and the Topeka Juvenile Correctional Facility in FY 2004 and FY 2005. Motion carried on a voice vote.

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 10:30 a.m. on March 17, 2004 in Room 123-S of the Capitol.

Chairman Morris opened the public hearing on:

SB 515--Financing for comprehensive transportation program

Staff briefed the committee on the bill. It was noted that on page 3, line 7 of the bill, the year should be corrected to 2007. The following information was distributed:

- Letter to the committee regarding the Comprehensive Transportation Program (CTP) Financing, from Robert Waller, Senior Fiscal Analyst, Kansas Department of Legislative Research (Attachment 2)
- Comprehensive Transportation Program, Kansas Legislative Research Department (Attachment 3)

The Chairman welcomed the following conferees:

Deb Miller, Secretary, Kansas Department of Transportation, testified in support of **SB 515** (Attachment 4). Secretary Miller explained that **SB 515** is the Governor's proposal to restore the Comprehensive Transportation (CTP) to fiscal integrity. She addressed in her written testimony several issues that had been raised since the Governor's proposal was announced. Secretary Miller mentioned that the goal is to fund the program.

Pat Hurley presented a letter on behalf of Mary Turkington and Fred Berry, Co-Chairpersons of Economic Lifelines, in support of **SB 515** (Attachment 5).

Ron Gaches, Executive Director, Gaches, Braden, Barbee & Associates, testified in support of **SB 515** (Attachment 6). Mr. Gaches addressed two concerns regarding the future of the Comprehensive Transportation Plan (CTP) which are detailed in his written testimony.

Wendy Harms, Associate Director of the Kansas Aggregate Producers' Association and the Kansas Ready Mixed Concrete Association, testified in support of **SB 515** (Attachment 7). Ms. Harms urged the committee and the Legislature to provide the Comprehensive Transportation Program with 100 percent dedicated funding through a variety of mechanisms.

Written testimony in support of **SB 515** was submitted by:

- Scott Heidner, Executive Director, Kansas Consulting Engineers (Attachment 8).
- Lew Ebert, President and CEO, The Kansas Chamber (Attachment 9).
- Randall Allen, Executive Director, Kansas Association of Counties (Attachment 10).

There being no further conferees to come before the committee, the Chairman closed the public hearing on **SB 515**.

The meeting adjourned at 11:05 a.m. The next meeting is scheduled for March 17, 2004, which will be a joint meeting with the House Transportation Committee.

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE March 17, 2004

NAME	REPRESENTING
Jeff Anph	Budget
Julie Thomas	DOB
Ethel Ericsson	DOB
Tom Palace	FNCA OF KANSAS
Kurt M	HEIN LUM FIRM
Stuart Little	KS Community Corrections Assoc
Tom Whitaker	KCMOTOR CARRIERS ASSN
Ron GACHES	KS. Soc. of Professional Engineers

FY 2004 and FY 2005

Senate Subcommittee Report

Juvenile Justice Authority
Atchison Juvenile Correctional Facility
Beloit Juvenile Correctional Facility
Kansas Juvenile Correctional Complex
Larned Juvenile Correctional Facility
Topeka Juvenile Correctional Facility



Senator Nick Jordan, Chair



Senator Bill Bunten



Senator Henry M. Helgersen

House Budget Committee Report

Agency: Juvenile Justice Authority

Bill No. HB 2899

Bill Sec. 44

Analyst: Buonasera

Analysis Pg. No. Vol.2 - 865 **Budget Page No.** 261

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 29,585,265	\$ 28,491,940	\$ 0
Other Funds	23,498,208	23,645,712	0
Subtotal - Operating	<u>\$ 53,083,473</u>	<u>\$ 52,137,652</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	3,092,134	3,092,540	0
Subtotal - Capital Improvements	<u>\$ 3,092,134</u>	<u>\$ 3,092,540</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 56,175,607</u></u>	<u><u>\$ 55,230,192</u></u>	<u><u>\$ 0</u></u>
FTE Positions	42.0	41.0	0.0
Non FTE Uncl. Perm. Positions	15.8	15.8	0.0
TOTAL	<u><u>57.8</u></u>	<u><u>56.8</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The Juvenile Justice Authority estimates operating expenditures of \$53,083,473, a net reduction of \$3,746,604 from the approved budget. The agency estimates FY 2004 State General Fund expenditures of \$29,585,265, an increase of \$177,908 from the amount approved by the 2003 Legislature. The differences between the approved and the agency's revised estimate are:

State General Fund:

- There was a transfer of \$163,000 from the Beloit Juvenile Correctional Facility to JJA. The additional funding was for the Juvenile Corrections Officer Training Academy, certain central office operating expenses, a training director position and programming consultant position. The additional funds are necessary because of the declining Juvenile Accountability and Incentive Block Grant (JAIBG) awards and that the above functions are permanent and central JJA operations.
- Additional funding of \$14,908 under the Kansas Savings Incentive Program.

All Other Funds:

- Several funds adjustments have been made based on decreased estimates for Title XIX (Medicaid) and Title IV-E (Foster Care) claims, reduction in JAIBG funds, and other federal fund revisions.

FTE Positions:

- 3.0 FTE positions were transferred from the Beloit Juvenile Correctional Facility to JJA's central office for an application program analyst and two auditors. According to the agency, the additional funding for these positions were acquired through the agency's reorganization process.

The Governor recommends a current year budget of \$52,137,652 with \$28,491,940 from the State General Fund. The Governor recommends the following adjustments to the agency's estimate:

- **Eliminate the Human Resource Director Position - Reduce SGF by \$63,066.** The duties of this classified position has been assigned to a newly hired unclassified assistant commissioner for human resources. This will reduce the agency's FTE count to 41.0.
- **Adjust Salary and Wages Shrinkage Rate - Add \$61,722 (SGF).** In order to meet a 5.0 percent salary and wages shrinkage rate, the agency has held several positions open, including a deputy commissioner position. This position has been filled and the agency had planned to use the vacant HR position for shrinkage. The shrinkage rate of 3.0 percent is to compensate for the elimination of the HR position.
- **Reduce Medicaid State Match - Reduce SGF by \$944,527.** The Federal Medical Assistance Percentage (FMAP) rate was reduced for one fiscal year to 36.42 percent for FY 2004. The FMAP rate will convert to the original rate in FY 2005. This reduction adjusts the agency's estimate to reflect the lower FMAP rate.
- **Shift Children's Initiatives Fund (CIF) Prevention Reappropriation to Graduated Sanctions and reduce Graduate Sanctions Funding - Reduce SGF by \$147,504.** The Governor recommends that \$147,504 in reappropriated CIF funds be transferred to the CIF Graduated Sanction account, and the Graduated Sanctions SGF budget be reduced to \$147,504.
- **Transfer Out Community Planning Fund Balance - \$25,235.** The recommendation would transfer \$25,235 from the agency's Community Planning Fund to the State General Fund. There have been no expenditures from this account in several years.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Juvenile Justice Authority

Bill No. SB 536

Bill Sec. 44

Analyst: Buonasera

Analysis Pg. No. Vol.2-865 **Budget Page No.** 261

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- **Shift Children's Initiatives Fund (CIF) Prevention Reappropriation to Graduated Sanctions and reduce Graduate Sanctions Funding - Reduce SGF by \$147,504.** The Governor recommends that \$147,504 in reappropriated CIF funds be transferred to the CIF Graduated Sanction account, and the Graduated Sanctions SGF budget be reduced to \$147,504.
- **Transfer Out Community Planning Fund Balance - \$25,235.** The recommendation would transfer \$25,235 from the agency's Community Planning Fund to the State General Fund. There have been no expenditures from this account in several years.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Juvenile Justice Authority

Bill No. HB 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol.2 - 865 **Budget Page No.** 261

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 35,413,489	\$ 28,628,511	\$ 0
Other Funds	21,938,989	21,365,550	0
Subtotal - Operating	<u>\$ 57,352,478</u>	<u>\$ 49,994,061</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	4,057,783	3,324,908	0
Subtotal - Capital Improvements	<u>\$ 4,057,783</u>	<u>\$ 3,324,908</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 61,410,261</u></u>	<u><u>\$ 53,318,969</u></u>	<u><u>\$ 0</u></u>
FTE Positions	43.0	41.0	0.0
Non FTE Uncl. Perm. Positions	15.8	15.8	0.0
TOTAL	<u><u>58.8</u></u>	<u><u>56.8</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The Juvenile Justice Authority requests an FY 2005 operating budget of \$57,352,478, an increase of \$4,269,005 (8.0 percent) from the revised current year request. The following are highlights of the request:

- The request includes an enhancement package of \$6,362,194 (5,776,681 from the SGF) and 1.0 FTE position detailed below. **Absent that enhancement**, the agency's request would be a decrease \$2,067,189 (3.6 percent) from the current year estimate.
- The agency is requesting \$1,000,000 from the Juvenile Detention Facilities Fee Fund (JDFF) to finance Purchase of Service Payments and will require the inclusion of permissive proviso language in the appropriations bill to use JDFF monies for this purpose.
- The agency states that the reduction in contractual services is primarily the result of a reduction in fees for professional services for the maintenance of the Juvenile Justice Information System (JJIS). The maintenance responsibilities are

being transferred to in-house staff over the course of FY 2004 and should be completed by FY 2005.

- According to the agency, the increase in capital outlay expenditures is the result of increases in information technology spending. The agency increased IT expenditures in FY 2005 to a level comparable to FY 2003. The agency states that the funds will go toward hardware and software purchases that are being delayed during FY 2004 for the JJIS.

The Governor recommends an FY 2005 budget of \$49,994,061 with \$28,628,511 from the State General Fund. The recommendation includes the following adjustments:

- **Eliminate Human Resource Director Position - Reduce SGF by \$64,443.** This reduction is also included in the FY 2004 recommendation.
- **Adjust Salary and Wages Shrinkage Rate - Add \$64,308 SGF.** This will reduce the shrinkage rate from 5.0 percent to 3.0 percent.
- **Reduce Graduated Sanctions Funding - Reduce SGF by \$1.0 million.** There have been some counties that have been saving graduated sanctions funding for the last two years in anticipation of further budget cuts. However, the Governor believes that those counties were able to save funds and still deliver services suggests that they have been receiving more funding than needed.
- **Transfer from Juvenile Detention Facilities Fund to SGF - \$300,000.** This transfer will reduce the ending balance and will not require an adjustment to agency's expenditure request.
- **Pay Plan.** There was an increase of \$78,831, with \$66,757 from the State General Fund for the 3.0 percent pay plan.
- **BEST Team Operating Reduction -- \$74,419 SGF.** These reductions were made in other operating expenditures as recommended by the Budget Efficiency Savings Teams (BEST).

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 \$4,239,939 State General Fund.

House Budget Committee Recommendation

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

1. The House Budget Committee recognizes the low reimbursement rates for Level V residential community placements. JJA reimbursement rate is \$106 per day for a juvenile offender while Social Rehabilitation Services (SRS) reimbursement rate is \$160 per day for a child in need of care. This impacts the state's access to

level V community placements because few qualified Level V providers are willing to expand their services to include juvenile offenders. The impact includes longer stays in juvenile detention facilities which is costly to the state and local counties and in some parts of the state to avoid the expense the juvenile offender is sent back home to wait for the next available bed. The Budget Committee acknowledges this is a serious problem and is a risk to public safety and recommends that the Joint Committee on Corrections and Juvenile Justice Oversight review this topic during the 2004 interim.

2. The House Budget Committee encourages JJA to find more providers within the State of Kansas for level 5 and level 6 residential community placements. Currently, JJA contracts with two providers in Kansas City, Missouri to place juveniles when there are no level 5 or level 6 beds available within the state. Presently, there are 22 juveniles placed with these two providers, Marillac and Ozanam. It should be noted that Marillac is in the process of relocating to Overland Park, Kansas. The House Budget Committee commends JJA for placing juveniles with Kansas providers when beds are available.

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation with the following notation:

1. The House Committee requests that the House Budget Committee review, before Omnibus, the potential delay of mental health services for juvenile offenders and whether judges are assigning juvenile offenders as Children in Need of Care (CINC) as opposed to juvenile offenders in order to access the higher reimbursement rate paid for CINC.
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Senate Subcommittee Report

Agency: Juvenile Justice Authority

Bill No. SB 538

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol.2-865 **Budget Page No.** 261

<u>Expenditure Summary</u>	<u>Agency Request FY 2005</u>	<u>Governor's Recommendation FY 2005</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 35,413,489	\$ 28,628,511	\$ (66,757)
Other Funds	21,938,989	21,365,550	(12,074)
Subtotal - Operating	<u>\$ 57,352,478</u>	<u>\$ 49,994,061</u>	<u>\$ (78,831)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	4,057,783	3,324,908	0
Subtotal - Capital Improvements	<u>\$ 4,057,783</u>	<u>\$ 3,324,908</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 61,410,261</u></u>	<u><u>\$ 53,318,969</u></u>	<u><u>\$ (78,831)</u></u>
FTE Positions	43.0	41.0	0.0
Non FTE Uncl. Perm. Positions	15.8	15.8	0.0
TOTAL	<u><u>58.8</u></u>	<u><u>56.8</u></u>	<u><u>0.0</u></u>

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

Agency Request/Governor's Recommendation

The Juvenile Justice Authority requests an FY 2005 operating budget of \$57,352,478, an increase of \$4,269,005 (8.0 percent) from the revised current year request. The following are highlights of the request:

- The request includes an enhancement package of \$6,362,194 (5,776,681 from the SGF) and 1.0 FTE position detailed below. **Absent that enhancement**, the agency's request would be a decrease \$2,067,189 (3.6 percent) from the current year estimate.
- The agency is requesting \$1,000,000 from the Juvenile Detention Facilities Fee Fund (JDFF) to finance Purchase of Service Payments and will require the inclusion of permissive proviso language in the appropriations bill to use JDFF monies for this purpose.

- The agency states that the reduction in contractual services is primarily the result of a reduction in fees for professional services for the maintenance of the Juvenile Justice Information System (JJIS). The maintenance responsibilities are being transferred to in-house staff over the course of FY 2004 and should be completed by FY 2005.
- According to the agency, the increase in capital outlay expenditures is the result of increases in information technology spending. The agency increased IT expenditures in FY 2005 to a level comparable to FY 2003. The agency states that the funds will go toward hardware and software purchases that are being delayed during FY 2004 for the JJIS.

The Governor recommends an FY 2005 budget of \$49,994,061 with \$28,628,511 from the State General Fund. The recommendation includes the following adjustments:

- **Eliminate Human Resource Director Position - Reduce SGF by \$64,443.** This reduction is also included in the FY 2004 recommendation.
- **Adjust Salary and Wages Shrinkage Rate - Add \$64,308 SGF.** This will reduce the shrinkage rate from 5.0 percent to 3.0 percent.
- **Reduce Graduated Sanctions Funding - Reduce SGF by \$1.0 million.** There have been some counties that have been saving graduated sanctions funding for the last two years in anticipation of further budget cuts. However, the Governor believes that those counties were able to save funds and still deliver services suggests that they have been receiving more funding than needed.
- **Transfer from Juvenile Detention Facilities Fund to SGF - \$300,000.** This transfer will reduce the ending balance and will not require an adjustment to agency's expenditure request.
- **Pay Plan.** There was an increase of \$78,831, with \$66,757 from the State General Fund for the 3.0 percent pay plan.
- **BEST Team Operating Reduction -- \$74,419 SGF.** These reductions were made in other operating expenditures as recommended by the Budget Efficiency Savings Teams (BEST).

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 \$4,239,939 State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$78,831 including \$66,757 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 Senate Subcommittee recognizes that the funding for graduated sanctions will be reduced by \$1.0 million in FY 2005. JJA testified that in past years, some districts have had rather significant balances of graduated sanctions funding carried forward for the new year. However, these balances have declined. The Senate Subcommittee acknowledges to prepare for future reductions in funding that some districts have been conservative with funds to avoid the elimination of entire programs and/or across the board budget cuts. It should also be noted that some districts were also hesitant to expand programs and hire new staff with the uncertainty of future funding. The Senate Subcommittee is comfortable with the current funding for community programs but notes that it is difficult to predict the impact that the reduced funding will have on core programming.
3. The Senate Subcommittee recommends that the Joint Committee on Corrections and Juvenile Justice Oversight review during the 2004 interim the lack of available Level 5 or Level 6 residential community placements for juveniles and the rate structure for Social Rehabilitation Services (SRS) and the Juvenile Justice Authority (JJA).

House Budget Committee Report

Agency: Atchison Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 884 **Budget Page No.** 61

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 5,988,759	\$ 5,988,759	\$ 0
Other Funds	210,419	210,419	0
Subtotal - Operating	\$ 6,199,178	\$ 6,199,178	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	79,405	79,405	0
Subtotal - Capital Improvements	\$ 79,405	\$ 79,405	\$ 0
TOTAL	\$ 6,278,583	\$ 6,278,583	\$ 0
FTE Positions	119.0	119.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	119.0	119.0	0.0

Agency Request/Governor's Recommendation

Atchison Juvenile Correctional Facility estimates operating expenditures of \$6,199,178, an increase of \$62,381 (1.0 percent) from the approved amount. The agency estimates FY 2004 State General Fund expenditures of \$5,988,759, an increase of \$100,060 (1.7 percent) from the amount approved by the 2003 Legislature. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- There was a transfer of \$100,000 by the Juvenile Justice Authority from the Beloit Juvenile Correctional Facility budget. The additional funds are to fill vacant Juvenile Correctional Officer positions at AJCF.
- Additional funding of \$60 under the **Kansas Savings Incentive Program**.

All Other Funds

- There was a decrease in the AJCF's Fee fund expenditures and the elimination of Federal Byrne Grant funding. The agency intended to use the Byrne Grant for information technology upgrades accordance with the agency's IT plan. However, the agency states it was forced to use the money originally dedicated to a required 25.0 percent match to meet other funding priorities.

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Atchison Juvenile Correctional Facility **Bill No. --** **Bill Sec. --**

Analyst: Buonasera **Analysis Pg. No.** Vol. 2-884 **Budget Page No.** 61

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2004</u>	<u>Governor's Recommendation FY 2004</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 5,988,759	\$ 5,988,759	\$ 0
Other Funds	210,419	210,419	0
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State General Fund

- There was a transfer of \$100,000 by the Juvenile Justice Authority from the Beloit Juvenile Correctional Facility budget. The additional funds are to fill vacant Juvenile Correctional Officer positions at AJCF.
- Additional funding of \$60 under the **Kansas Savings Incentive Program**.

All Other Funds

- There was a decrease in the AJCF's Fee fund expenditures and the elimination of Federal Byrne Grant funding. The agency intended to use the Byrne Grant for information technology upgrades accordance with the agency's IT plan. However, the agency states it was forced to use the money originally dedicated to a required 25.0 percent match to meet other funding priorities.

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Atchison Juvenile Correctional Facility **Bill No.** HB 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 884 **Budget Page No.** 61

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,583,313	\$ 5,855,242	\$ 0
Other Funds	203,525	203,409	0
TOTAL - Operating	\$ 6,786,838	\$ 6,058,651	\$ 0
FTE Positions	119.0	119.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	119.0	119.0	0.0

Agency Request/Governor's Recommendation

Atchison Juvenile Correctional Facility requests an FY 2005 operating budget of \$6,786,838, an increase of \$587,660 (9.5 percent) from the revised current year estimate. The agency states that the population projections for FY 2005 indicate an increase in juvenile offenders that will require the Redwood Living Unit to re-open. Included in the request is an enhancement package of \$450,527 from the State General Fund. Absent that **enhancement**, the agency's request is an increase of \$137,133 (0.2 percent) from the current year estimate. In addition, there was an increase of \$41,768 (SGF) in the school contract from FY 2004. The increase is due to the contracting school district's decision to increase school staff salaries by 5.0 percent.

The Governor recommends an FY 2005 operating budget of \$6,058,651 with \$5,855,242 from the State General Fund. The recommendation is a decrease of \$140,527 (2.3 percent) from the current year recommendation. The Governor recommends that one of the two 17-bed living units (Sycamore or Cottonwood) be closed as a result of the continued decrease in the facility's population. The Juvenile Justice Authority Central Office estimates that the facility's average population will be 80, rather than the 100 AJCF has estimated. The closed beds would eliminate funding for 9.0 FTE positions for a savings of \$309,459, all from the State General Fund. The recommendation also includes adjustments for a 3.0 percent pay plan increase of \$86,495 and reductions in other operating expenditures as recommended by the Budget Efficiency Teams (BEST) of \$23,686. Also included in the recommendation is a reduction of \$19,710 as part of the moratorium on motor vehicle purchases. The Governor does not recommend the enhancement package.

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 \$867,173 State General Fund.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Atchison Juvenile Correctional Facility **Bill No.** SB 538 **Bill Sec.** 51

Analyst: Buonasera **Analysis Pg. No.** Vol. 2-884 **Budget Page No.** 61

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 6,583,313	\$ 5,855,242	\$ (86,495)
Other Funds	203,525	203,409	0
TOTAL - Operating	<u>\$ 6,786,838</u>	<u>\$ 6,058,651</u>	<u>\$ (86,495)</u>
FTE Positions	119.0	119.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>119.0</u>	<u>119.0</u>	<u>0.0</u>

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

Agency Request/Governor's Recommendation

Atchison Juvenile Correctional Facility requests an FY 2005 operating budget of \$6,786,838, an increase of \$587,660 (9.5 percent) from the revised current year estimate. The agency states that the population projections for FY 2005 indicate an increase in juvenile offenders that will require the Redwood Living Unit to re-open. Included in the request is an enhancement package of \$450,527 from the State General Fund. Absent that **enhancement**, the agency's request is an increase of \$137,133 (0.2 percent) from the current year estimate. In addition, there

was an increase of \$41,768 (SGF) in the school contract from FY 2004. The increase is due to the contracting school district's decision to increase school staff salaries by 5.0 percent.

The Governor recommends an FY 2005 operating budget of \$6,058,651 with \$5,855,242 from the State General Fund. The recommendation is a decrease of \$140,527 (2.3 percent) from the current year recommendation. The Governor recommends that one of the two 17-bed living units (Sycamore or Cottonwood) be closed as a result of the continued decrease in the facility's population. The Juvenile Justice Authority Central Office estimates that the facility's average population will be 80, rather than the 100 AJCF has estimated. The closed beds would eliminate funding for 9.0 FTE positions for a savings of \$309,459, all from the State General Fund. The recommendation also includes adjustments for a 3.0 percent pay plan increase of \$86,495 and reductions in other operating expenditures as recommended by the Budget Efficiency Teams (BEST) of \$23,686. Also included in the recommendation is a reduction of \$19,710 as part of the moratorium on motor vehicle purchases. The Governor does not recommend the enhancement package.

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 \$867,173 State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$86,495 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.

House Budget Committee Report

Agency: Beloit Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 899 **Budget Page No.** 81

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2004</u>	<u>Governor's Recommendation FY 2004</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 4,755,986	\$ 4,755,986	\$ 0
Other Funds	212,196	212,196	0
TOTAL - Operating	<u>\$ 4,968,182</u>	<u>\$ 4,968,182</u>	<u>\$ 0</u>
FTE Positions	100.0	100.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	<u>100.0</u>	<u>100.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

Beloit Juvenile Correctional Facility estimates FY 2004 expenditures of \$4,968,182 which is a decrease of \$167,838 (3.3 percent) from the amount approved by the 2003 Legislature. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- The request includes an unlimited reappropriation of FY 2003 State General Fund savings which exceeded the anticipated reappropriation by \$280,133.
- There was a transfer of \$420,000 from the State General Fund to Atchison Juvenile Correctional Facility, Topeka Juvenile Correctional Facility and the Juvenile Justice Authority's Central Office.

All Other Funds

- The decrease in all other funds is attributed to an increase of \$109,755 in federal funds and a decrease of \$138,926 in the Beloit Juvenile Facility Fee Fund.

FTE Positions

- 3.0 FTE positions were transferred to the Juvenile Justice Authority's Central Office, reducing the facility's FTE count to 100.0.

(Staff note: The Commissioner of the Juvenile Justice Authority has the authority to shift funds between the juvenile correctional facilities at her discretion as long as the total appropriation is not exceeded. In addition, the Commissioner also has the discretion to transfer FTE positions between the facilities.)

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Beloit Juvenile Correctional Facility **Bill No.** - -

Bill Sec. - -

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 899 **Budget Page No.** 81

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,755,986	\$ 4,755,986	\$ 0
Other Funds	212,196	212,196	0
TOTAL - Operating	<u>\$ 4,968,182</u>	<u>\$ 4,968,182</u>	<u>\$ 0</u>
FTE Positions	100.0	100.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	<u>100.0</u>	<u>100.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

Beloit Juvenile Correctional Facility estimates FY 2004 expenditures of \$4,968,182 which is a decrease of \$167,838 (3.3 percent) from the amount approved by the 2003 Legislature. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- The request includes an unlimited reappropriation of FY 2003 State General Fund savings which exceeded the anticipated reappropriation by \$280,133.
- There was a transfer of \$420,000 from the State General Fund to Atchison Juvenile Correctional Facility, Topeka Juvenile Correctional Facility and the Juvenile Justice Authority's Central Office.

All Other Funds

- The decrease in all other funds is attributed to an increase of \$109,755 in federal funds and a decrease of \$138,926 in the Beloit Juvenile Facility Fee Fund.

FTE Positions

- 3.0 FTE positions were transferred to the Juvenile Justice Authority's Central Office, reducing the facility's FTE count to 100.0.

(**Staff note:** The Commissioner of the Juvenile Justice Authority has the authority to shift funds between the juvenile correctional facilities at her discretion as long as the total appropriation is not exceeded. In addition, the Commissioner also has the discretion to transfer FTE positions between the facilities.)

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Beloit Juvenile Correctional Facility **Bill No.** HB 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 899 **Budget Page No.** 81

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,735,503	\$ 4,688,537	\$ 0
Other Funds	207,587	208,733	0
TOTAL - Operating	\$ 4,943,090	\$ 4,897,270	\$ 0
FTE Positions	100.0	100.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	100.0	100.0	0.0

Agency Request/Governor's Recommendation

Beloit Juvenile Correctional Facility requests an FY 2005 operating budget of \$4,943,090, a decrease of \$25,092 (0.5 percent) from the revised current year request. As part of the Juvenile Justice Authority systemwide reduction package, this agency did not submit a reduction package. The agency expects an increase in staff vacancies compared to FY 2004 which will cause a decline in salaries and wages of \$124,292. The increase in vacancies is necessary for the facility to meet the assigned shrinkage rate of 3.0 percent. The request includes an enhancement package totaling \$90,623 from the State General Fund. **Absent that enhancement**, the agency's request would be a decrease of \$115,715 or 2.3 percent from the current year estimate. The request includes a capital outlay request of \$16,000 compared to \$56,450 in FY 2004 and \$41,500 in FY 2003. The request is a decline of \$40,450 (71.7 percent) in capital outlay from the FY 2004 revised request.

The Governor recommends a FY 2005 operating budget of \$4,897,270 with \$4,688,537 from the State General Fund. The recommendation is a decrease of \$70,912 (1.4 percent) from the current year recommendation. The recommendation includes adjustments for a 3.0 percent pay plan increase of \$79,383 and reductions in other operating expenditures as recommended by the Budget Efficiency Teams (BEST) of \$34,534.

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 \$694,382 State General Fund.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Beloit Juvenile Correctional Facility **Bill No.** SB 538

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 899 **Budget Page No.** 81

<u>Expenditure Summary</u>	<u>Agency Request FY 2005</u>	<u>Governor's Recommendation FY 2005</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 4,735,503	\$ 4,688,537	\$ (78,191)
Other Funds	207,587	208,733	(1,192)
TOTAL - Operating	<u>\$ 4,943,090</u>	<u>\$ 4,897,270</u>	<u>\$ (79,383)</u>
FTE Positions	100.0	100.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	<u>100.0</u>	<u>100.0</u>	<u>0.0</u>

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

Agency Request/Governor's Recommendation

Beloit Juvenile Correctional Facility requests an FY 2005 operating budget of \$4,943,090, a decrease of \$25,092 (0.5 percent) from the revised current year request. As part of the Juvenile Justice Authority systemwide reduction package, this agency did not submit a reduction package. The agency expects an increase in staff vacancies compared to FY 2004 which will cause a decline in salaries and wages of \$124,292. The increase in vacancies is necessary for the facility to meet the assigned shrinkage rate of 3.0 percent. The request includes an enhancement package totaling \$90,623 from the State General Fund. **Absent that enhancement**, the agency's request would be a decrease of \$115,715 or 2.3 percent from the current year estimate. The request includes a capital outlay request of \$16,000 compared to \$56,450 in FY 2004 and \$41,500 in FY 2003. The request is a decline of \$40,450 (71.7 percent) in capital outlay from the FY 2004 revised request.

The Governor recommends a FY 2005 operating budget of \$4,897,270 with \$4,688,537 from the State General Fund. The recommendation is a decrease of \$70,912 (1.4 percent) from the current year recommendation. The recommendation includes adjustments for a 3.0 percent pay plan increase of \$79,383 including \$78,191 from the State General Fund and reductions in other operating expenditures as recommended by the Budget Efficiency Teams (BEST) of \$34,534.

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 \$694,382 State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$79,383, including \$78,191 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.

House Budget Committee Report

Agency: Kansas Juvenile Correctional Complex **Bill No.** HB 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 912 **Budget Page No.** 259

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 12,204,342	\$ 430,000	\$ 0
Other Funds	300,000	0	0
TOTAL - Operating	\$ 12,504,342	\$ 430,000	\$ 0
FTE Positions	223.0	0.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	223.0	0.0	0.0

FY 2004 Information

KJCC was listed as a program under the TJCF FY 2004 budget with funding of \$1,325,000. The opening of the facility was delayed from April 2004 to July 2004 to generate a savings of \$2.0 million in the State General Fund. This was the first budget submission for KJCC. Since the Governor recommended that KJCC not be opened in FY 2005, \$1,178,375 was reduced from the TJCF FY 2004 budget for the start-up costs associated with KJCC. The recommendation for the current year operating budget is \$155,000 for utilities, all within the TJCF budget.

Agency Request/Governor's Recommendation

Kansas Juvenile Correctional Complex requests an FY 2005 operating budget of \$12,504,342. The request includes an enhancement package of \$293,503 from the State General Fund to open the Maximum Security Transition Unit. Also included in the request, is a reduced resource package totaling \$3,030,936 that would delay the opening of the KJCC for four months, until November 1, 2004.

The Governor recommends that KJCC not be opened in FY 2005. Delaying the facility will generate a savings of \$11,780,839, with \$11,480,839 from the State General Fund. The recommendation for FY 2005 operating budget is \$430,000 for utilities.

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 \$63,684 State General Fund.

House Budget Committee Recommendation

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

1. After reviewing several options presented by JJA, the House Budget Committee encourages the Governor to review the option of phasing in 40 Reception and Diagnostics Unit (RDU) Beds and 90 Maximum Security beds (detailed below). The estimated cost of this option is \$7,190,066 from the State General Fund.

Option to phase in Reception and Diagnostic Unit (RDU) and Maximum Security beds

- Open 40 out of 60 beds in the RDU Unit
 - August 15, 2004 - open 20 RDU Unit beds
 - November 15, 2004 - open 20 RDU Unit beds
- Open 90 maximum Security beds
 - August 15, 2004 - open 30 Maximum Security beds
 - November 15, 2004 - open 30 Maximum Security beds
 - February 15, 2005 - open 30 Maximum Security beds
- Open Infirmarary beds (Health Services)
- Food Services (supports KJCC and TJCF)
- Open Education Services
- Administration, security, maintenance, and other staff to support the opening of beds

The House Budget Committee encourages this option for several reasons:

- a. The House Budget Committee has concerns regarding the overcrowding at the Topeka Juvenile Correctional Facility (TJCF). JJA and Juvenile Correctional Officers from TJCF testified that under staffing and excessive overtime have been an issue for some time at the facility. The overtime budget at TJCF was expended by October 2003, forcing the facility to begin awarding compensatory time in lieu of overtime pay. The under staffing issue has lowered morale among juvenile correctional officers, thus contributing to excessive turnover. JJA also testified that TJCF is projecting an average population of 239 offenders in the facility for FY 2004. The Juvenile Correctional Services Department has 143 Juvenile Correctional Officers to cover 12 living units , as well as perimeter security and control access to the facility and transport offenders. Eight living units which are continuously full are hardened with concrete pads for beds so they have no flexibility for adding additional beds. Three living units are the older, large dormitory-style buildings designed to house 18-24 offenders. JJA stated currently these units are housing from 30-45 depending on the population of the facility. There is a staff of 2 or 3 Juvenile Correctional Officers to control 30 to 45

offenders. JJA stated this is a security concern for the safety of the officers and juvenile offenders.

- b. In addition, JJA testified that warranties on security equipment expires December 2004 and since the facility is not scheduled to open in FY 2005, JJA will not be able to fully test all equipment. JJA commented that when the new Larned Juvenile Correctional Facility (LJCF) opened in July 2003, there were numerous problems concerning the security equipment that were not realized until Juvenile Offenders were moved into the facility. For example, regarding the security system and camera system, there were 12 times when the technician from Amarillo Texas had to report to the facility for warranty work. LJCF noted that these problems did not occur until the building was occupied. In addition, LJCF had numerous lock failures in the first 6 months of operation. JJA estimated that it would cost \$4.0 million to purchase extended warranties on equipment in KJCC.
- c. The American Correctional Association (ACA) conducted an audit of TJCF on October 6-8, 2003. At the time of the audit the population was 265 juvenile offenders with a rated bed capacity of 219. A standard of ACA states that the number of juveniles should not exceed the facility's rated bed capacity. In addition, the audit noted that TJCF was out of compliance in regards to living units with some of the standards set by ACA. ACA states that multiple occupancy sleeping rooms should not exceed 20 percent of the bed capacity of the facility, at TJCF multiple occupancy beds make up 48.4 percent of the bed capacity at the facility. ACA states that the following minimums per person should be provided: bed, plumbing fixtures (if inside the cell/room), locker and chair or stool. The facility does not have the required furnishings, i.e. chairs, and desks, and lockers in the room. Another standard of ACA is that each sleeping room should have access to a wash basin with hot and cold running water 24-hours a day without staff assistance, currently each sleeping room does have a wash basin with hot and cold running water. The audit did note that the opening of the new maximum facility would alleviate the concerns mentioned above.
- d. JJA is required by State regulations to have a reception and diagnostic system in the juvenile justice system. The Reception and Diagnostic Unit in the Kansas Juvenile Correctional Complex would satisfy this requirement. However, JJA will continue to be out of compliance with State regulations with the delayed opening of KJCC. The diagnostics and classification center program in KJCC will house all juvenile offenders entering the State Juvenile Corrections System for their first 21 days. During this period, each offender will undergo extensive assessment, evaluation, counseling, and testing. Upon completion of this 21-day process, a complete evaluation report and program will be generated for each juvenile offender. This report will provide a profile of each juvenile in terms of; type of housing required; educational, vocational, and recreational needs; medical needs, and other special needs, such as: specific programming for drug and alcohol abusers, sexual victims/offenders, emotionally disturbed, and/or mentally retarded persons. Currently the classification of juvenile offenders entering the system is based on age, sex and the nature of the crime (violent vs. nonviolent).

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Kansas Juvenile Correctional Complex **Bill No.** SB 538

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 912 **Budget Page No.** 259

<u>Expenditure Summary</u>	<u>Agency Request FY 2005</u>	<u>Governor's Recommendation FY 2005</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures::			
State General Fund	\$ 12,204,342	\$ 430,000	\$ 0
Other Funds	300,000	0	0
TOTAL - Operating	<u>\$ 12,504,342</u>	<u>\$ 430,000</u>	<u>\$ 0</u>
FTE Positions	223.0	0.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	<u>223.0</u>	<u>0.0</u>	<u>0.0</u>

FY 2004 Information

KJCC was listed as a program under the TJCF FY 2004 budget with funding of \$1,325,000. The opening of the facility was delayed from April 2004 to July 2004 to generate a savings of \$2.0 million in the State General Fund. This was the first budget submission for KJCC. Since the Governor recommended that KJCC not be opened in FY 2005, \$1,178,375 was reduced from the TJCF FY 2004 budget for the start-up costs associated with KJCC. The recommendation for the current year operating budget is \$155,000 for utilities, all within the TJCF budget.

Agency Request/Governor's Recommendation

Kansas Juvenile Correctional Complex requests an FY 2005 operating budget of \$12,504,342. The request includes an enhancement package of \$293,503 from the State General Fund to open the Maximum Security Transition Unit. Also included in the request, is a reduced resource package totaling \$3,030,936 that would delay the opening of the KJCC for four months, until November 1, 2004.

The Governor recommends that KJCC not be opened in FY 2005. Delaying the facility will generate a savings of \$11,780,839, with \$11,480,839 from the State General Fund. The recommendation for FY 2005 operating budget is \$430,000 for utilities.

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 \$63,684 State General Fund.

Senate Subcommittee Recommendation

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

1. The Juvenile Justice Authority (JJA) testified with the following concerns regarding the delayed opening of the KJCC:
 - a. There are concerns regarding the overcrowding at the Topeka Juvenile Correctional Facility (TJCF). JJA testified that under staffing and excessive overtime have been a issue for some time at the facility. The overtime budget at TJCF was expended by October 2003, forcing the facility to begin awarding compensatory time in lieu of overtime pay. The under staffing issue has lowered morale among juvenile correctional officers, thus contributing to excessive turnover. JJA also testified that TJCF is projecting an average population of 239 offenders in the facility for FY 2004. The Juvenile Correctional Services Department has 143 Juvenile Correctional Officers to cover 12 living units , as well as perimeter security and control access to the facility and transport offenders. Eight living units which are continuously full have concrete pads for beds so they have no flexibility for adding additional beds. Three living units are the older, large dormitory-style buildings designed to house 18-24 offenders. JJA stated currently these units are housing from 30-45 depending on the population of the facility. There is a staff of 2 or 3 Juvenile Correctional Officers to control 30 or 40 offenders. JJA stated this is a security concern for the safety of the officers and juvenile offenders.
 - b. In addition, JJA testified that warranties on security equipment expires December 2004 and since the facility is not scheduled to open in FY 2005, JJA will not be able to fully test all equipment. JJA commented that when the new Larned Juvenile Correctional Facility opened in July 2003, there were numerous problems concerning the security equipment that were not realized until Juvenile Offenders were moved into the facility. JJA estimated that it would cost \$4.0 million to purchase extended warranties on equipment in KJCC. The Subcommittee recognizes that a letter is being drafted by the Governor to the Contractor regarding the extension of warranties to alleviate this concern.
 - c. The American Correctional Association (ACA) conducted an audit of TJCF on October 6-8, 2003. At the time of the audit the population was 265 juvenile offenders with a rated bed capacity of 219. A standard of ACA states that the number of juveniles should not exceed the facility's rated bed capacity. In addition, the audit noted that TJCF was out of compliance in regards to living units with some of the standards set by ACA. ACA states that multiple occupancy sleeping rooms should not exceed 20 percent of the bed capacity of the facility, at TJCF multiple occupancy beds make up 48.4 percent of the bed capacity at the facility. ACA states that the following minimums per

person should be provided: bed, plumbing fixtures (if inside the cell/room), locker and chair or stool. The facility does not have the required furnishings, i.e. chairs, and desks, and lockers in the room. Another standard of ACA is that each sleeping room should have access to a wash basin with hot and cold running water 24-hours a day without staff assistance, currently each sleeping room does have a wash basin with hot and cold running water. The audit did note that the opening of the new maximum facility would alleviate the concerns mentioned above.

- d. JJA is required by State regulations to have a reception and diagnostic system in the juvenile justice system. The Reception and Diagnostic Unit in the Kansas Juvenile Correctional Complex would satisfy this requirement. However, JJA will continue to be out of compliance with State regulations with the delayed opening of KJCC. The diagnostics and classification center program in KJCC will house all juvenile offenders entering the State Juvenile Corrections System for their first 21 days. During this period, each offender will undergo extensive assessment, evaluation, counseling, and testing. Upon completion of this 21-day process, a complete evaluation report and program will be generated for each juvenile offender. This report will provide a profile of each juvenile in terms of; type of housing required; educational, vocational, and recreational needs; medical needs, and other special needs, such as: specific programming for drug and alcohol abusers, sexual victims/offenders, emotionally disturbed, and/or mentally retarded persons. Currently the classification of juvenile offenders entering the system is based on age, sex and the nature of the crime (violent vs. nonviolent).
2. The Juvenile Justice Authority testified on the following options to open KJCC in FY 2005. The Subcommittee acknowledges that the option of phasing in 40 Reception and Diagnostics Unit (RDU) Beds and 90 Maximum Security beds (detailed below) is the most desirable. The estimated cost of this option is \$7,190,066 from the State General Fund.

Option to phase in Reception and Diagnostic Unit (RDU) and Maximum Security beds

- Open 40 out of 60 beds in the RDU Unit
 - August 15, 2004 - open 20 RDU Unit beds
 - November 15, 2004 - open 20 RDU Unit beds
- Open 90 maximum Security beds
 - August 15, 2004 - open 30 Maximum Security beds
 - November 15, 2004 - open 30 Maximum Security beds
 - February 15, 2004 - open 30 Maximum Security beds
- Open Infirmary beds (Health Services)
- Food Services (supports KJCC and TJCF)
- Open Education Services
- Administration, security, maintenance, and other staff to support the opening of beds

The JJA testified on the option of opening all 60 beds of the Reception and Diagnostics Unit (RDU). The estimated cost of this option is \$7,071,597 with \$6,796,597 from the State General Fund.

Option to open the Reception and Diagnostic Unit (RDU) in the start of FY 2005

- Open 60 beds in the RDU Unit
- Infirmary (Health Services)
- Food Services (supports KJCC and TJCF)
- Education to support the RDU Unit
- Administration, security, maintenance and other staff to support RDU

The last option was the opening of the complete facility in January 2005 (six months later than planned). The estimated cost of this option is \$5,054,520 with \$4,985,770 from the State General Fund.

Option of opening the complete facility in January 2005

- Open Max Living Units A and B (30 beds)
 - August 2005 (FY 2006)
 - Open Max Living Units C and D (30 beds)
 - November 2005 (FY 2006)
 - Open Max Living Units E and F (30 beds)
 - February 2006 (FY 2006)
 - Food Services (supports KJCC and TJCF)
 - Open Education Services
 - Administration, security, maintenance, and other staff
3. The Subcommittee recognizes that JJA is currently working with the Governor's office to locate other options to open the new facility in FY 2005. The Subcommittee flags the opening of KJCC for Omnibus.

House Budget Committee Report

Agency: Larned Juvenile Correctional Facility **Bill No.** HB 2899

Bill Sec. 44

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 922 **Budget Page No.** 305

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 7,262,224	\$ 7,227,634	\$ 0
Other Funds	488,175	488,175	0
TOTAL - Operating	\$ 7,750,399	\$ 7,715,809	\$ 0
FTE Positions	148.0	148.0	0.0
Non FTE Uncl. Perm. Positions	15.0	15.0	0.0
TOTAL	163.0	163.0	0.0

Agency Request/Governor's Recommendation

Larned Juvenile Correctional Facility estimates expenditures of \$7,750,399, an increase of \$18,775 (0.2 percent) from the approved amount. The increase is due to additional funds allocated to LJCF from the Juvenile Justice Federal Fund. The federal funds are for their independent Living Skills program and the Addiction and Preventive Services program. The request includes partial funding for 17.0 FTE positions and 2.0 non-FTE positions. These positions will staff the final 30-bed pod that opened in January 2004, the pod was delayed as part of the facility's FY 2004 budget reduction.

The Governor recommends an FY 2004 operating budget of \$7,715,809 with \$7,227,634 from the State General Fund. The recommendation is a reduction of \$34,590 (0.5 percent) from the agency's request. The reduction is in the school contract to reflect the revised estimate provided by the school after the facility submitted its budget. The Governor's FY 2004 recommendation is a reduction of \$15,815 or 0.2 percent below the approved amount.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Larned Juvenile Correctional Facility **Bill No.** SB 536

Bill Sec. 44

Analyst: Buonasera

Analysis Pg. No. Vol. 2-911 **Budget Page No.** 305

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	Senate Subcommittee Adjustments
Operating Expenditures:			
State General fund	\$ 7,262,224	\$ 7,227,634	\$ 0
Other Funds	488,175	488,175	0
TOTAL - Operating	\$ 7,750,399	\$ 7,715,809	\$ 0
FTE Positions	148.0	148.0	0.0
Non FTE Uncl. Perm. Positions	15.0	15.0	0.0
TOTAL	163.0	163.0	0.0

Agency Request/Governor's Recommendation

Larned Juvenile Correctional Facility estimates expenditures of \$7,750,399, an increase of \$18,775 (0.2 percent) from the approved amount. The increase is due to additional funds allocated to LJCF from the Juvenile Justice Federal Fund. The federal funds are for their independent Living Skills program and the Addiction and Preventive Services program. The request includes partial funding for 17.0 FTE positions and 2.0 non-FTE positions. These positions will staff the final 30-bed pod that opened in January 2004, the pod was delayed as part of the facility's FY 2004 budget reduction.

The Governor recommends an FY 2004 operating budget of \$7,715,809 with \$7,227,634 from the State General Fund. The recommendation is a reduction of \$34,590 (0.5 percent) from the agency's request. The reduction is in the school contract to reflect the revised estimate provided by the school after the facility submitted its budget. The Governor's FY 2004 recommendation is a reduction of \$15,815 or 0.2 percent below the approved amount.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Larned Juvenile Correctional Facility **Bill No.** HB 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 922 **Budget Page No.** 305

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 8,053,842	\$ 7,870,781	\$ 0
Other Funds	471,135	482,623	0
TOTAL - Operating	\$ 8,254,977	\$ 8,353,404	\$ 0
FTE Positions	155.0	148.0	0.0
Non FTE Uncl. Perm. Positions	15.0	15.0	0.0
TOTAL	170.0	163.0	0.0

Agency Request/Governor's Recommendation

Larned Juvenile Correctional Facility requests an FY 2005 operating budget of \$8,524,977, an increase of \$774,578 (10.0 percent) from the revised current year estimate. This is the first full fiscal year that all 152 beds of the new facility are opened and operational. The request includes an entire year of funding for 17.0 FTE positions added during FY2003. There was a delay in hiring these FTE positions for the first 13 pay periods (one-half of the fiscal year) of FY 2004. These positions will staff the final 30-bed pod that opened in January 2004, the pod was delayed as part of the facility's FY 2004 budget reduction. The positions included in the request are one Juvenile Correctional Supervisor, nine Juvenile Correction Officers I, three Correction Officers III, three Registered Nurses III, and one Ground Maintenance Repair. Also, included in the request is an enhancement package of \$292,759 from the State General Fund and 7.0 FTE positions summarized in a table below. **Absent that enhancement**, the agency's request would be an increase of \$481,819 or 6.2 percent from the current year estimate.

The Governor recommends an FY 2005 operating budget of \$8,353,404 with \$7,870,781 from the State General Fund. The recommendation is an increase of \$643,147 (8.9 percent) from the current year recommendation. The Governor recommends a reduction of \$22,994 as part of the moratorium on motor vehicle purchases. The recommendation includes adjustments for a 3.0 percent pay plan increase of \$155,376 and reductions in other operating expenditures as recommended by the Budget Efficiency Teams (BEST) of \$11,196. The Governor does not recommend that enhancement package.

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 \$1,165,678 State General Fund.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Larned Juvenile Correctional Facility **Bill No.** SB 538

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol. 2-922 **Budget Page No.** 305

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 8,053,842	\$ 7,870,781	\$ (143,888)
Other Funds	471,135	482,623	(11,488)
TOTAL - Operating	<u>\$ 8,254,977</u>	<u>\$ 8,353,404</u>	<u>\$ (155,376)</u>
FTE Positions	155.0	148.0	0.0
Non FTE Uncl. Perm. Positions	15.0	15.0	0.0
TOTAL	<u>170.0</u>	<u>163.0</u>	<u>0.0</u>

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

Agency Request/Governor's Recommendation

Larned Juvenile Correctional Facility requests an FY 2005 operating budget of \$8,524,977, an increase of \$774,578 (10.0 percent) from the revised current year estimate. This is the first full fiscal year that all 152 beds of the new facility are opened and operational. The request includes an entire year of funding for 17.0 FTE positions added during FY2003. There was a delay in hiring these FTE positions for the first 13 pay periods (one-half of the fiscal year) of FY 2004. These positions will staff the final 30-bed pod that opened in January 2004, the pod was delayed as part of the facility's FY 2004 budget reduction. The positions included in the request are one Juvenile Correctional Supervisor, nine Juvenile Correction Officers I, three Correction Officers III, three Registered Nurses III, and one Ground Maintenance Repair. Also, included in the request is an enhancement package of \$292,759 from the State General Fund and 7.0 FTE positions summarized in a table below. **Absent that enhancement**, the agency's request would be an increase of \$481,819 or 6.2 percent from the current year estimate.

The Governor recommends an FY 2005 operating budget of \$8,353,404 with \$7,870,781 from the State General Fund. The recommendation is an increase of \$643,147 (8.9 percent) from the current year recommendation. The Governor recommends a reduction of \$22,994 as part of the moratorium on motor vehicle purchases. The recommendation includes adjustments for a 3.0 percent pay plan increase of \$155,376 including \$143,888 from the State General Fund and reductions in other operating expenditures as recommended by the Budget Efficiency Teams (BEST) of \$11,196. The Governor does not recommend that enhancement package.

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 \$1,165,678 State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$155,376, including \$143,888 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.

House Budget Committee Report

Agency: Topeka Juvenile Correctional Facility **Bill No.** HB 2899

Bill Sec. 44

Analyst: Buonasera

Analysis Pg. No. Vol.2 - 936 **Budget Page No.** 407

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 13,387,574	\$ 12,209,199	\$ 0
Other Funds	689,720	689,720	0
Subtotal - Operating	\$ 14,077,294	\$ 12,898,919	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	81,221	81,221	0
Subtotal - Capital Improvements	\$ 81,221	\$ 81,221	\$ 0
TOTAL	\$ 14,158,515	\$ 12,980,140	\$ 0
FTE Positions	367.0	227.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	367.0	227.0	0.0

Agency Request/Governor's Recommendation

Topeka Juvenile Correctional Facility estimates operating expenditures of \$14,077,294, an increase of \$173,404 from the approved budget. The agency estimates FY 2004 State General Fund expenditures of \$13,387,574, or \$158,728 (1.2 percent) above the amount approved by the 2003 Legislature. A 4.9 percent salary and wage shrinkage rate has been included in the estimate. The estimate includes \$1,333,375 million for the operation of the new KJCC facility to be completed in April 2004. Even though KJCC is a separate Juvenile Justice Authority agency it was listed as a program under the TJCF in FY 2004. KJCC is expected to open in July 2004. The FY 2005 request is included in a separate budget analysis for KJCC. The difference between the approved amount and the agency's revised estimates are:

State General Fund:

- The estimate includes a \$157,000 transfer by the Juvenile Justice Authority Act from the Beloit Juvenile Correctional Facility to fund an unclassified attorney position for TJCF, to fill the vacant Psychologist II position, and to purchase offender drug test materials. The FTE position for the attorney was transferred to TJCF from KJCC.

- Additional funds of \$1,728 under the **Kansas Savings Incentive Program.**

All Other Funds:

- There was an increase of \$14,676 from a combination of the Elementary and Secondary Education Federal Fund and the Juvenile Justice Federal Fund.

FTE Positions:

- The 2003 Legislature concurred with the Governor to delay the opening of KJCC from April 2004 to July 2004 to generate \$2.0 million in the State General Fund, therefore the agency did not include 27.0 additional FTE positions approved by the 2003 Legislature in the revised FY 2004 request.

The Governor recommends a current year operating budget of \$12,898,919 with \$12,209,199 from the State General Fund. The Governor's all funds recommendation is a decrease of \$1,004,971 (7.2 percent) from the amount approved by the 2003 Legislature. The Governor recommends that KJCC not open in FY 2005, therefore, \$1,178,375 from the State General Fund was reduced from TJCF's revised FY 2004 request for start-up costs and a reduction of 167.0 FTE positions associated with KJCC.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Topeka Juvenile Correctional Facility **Bill No.** SB 536

Bill Sec. 44

Analyst: Buonasera

Analysis Pg. No. Vol.2 -936

Budget Page No. 407

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2004</u>	<u>Governor's Recommendation FY 2004</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 13,387,574	\$ 12,209,199	\$ 0
Other Funds	689,720	689,720	0
Subtotal - Operating	<u>\$ 14,077,294</u>	<u>\$ 12,898,919</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	81,221	81,221	0
Subtotal - Capital Improvements	<u>\$ 81,221</u>	<u>\$ 81,221</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 14,158,515</u></u>	<u><u>\$ 12,980,140</u></u>	<u><u>\$ 0</u></u>
FTE Positions	367.0	227.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	<u><u>367.0</u></u>	<u><u>227.0</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

Topeka Juvenile Correctional Facility estimates operating expenditures of \$14,077,294, an increase of \$173,404 from the approved budget. The agency estimates FY 2004 State General Fund expenditures of \$13,387,574, or \$158,728 (1.2 percent) above the amount approved by the 2003 Legislature. A 4.9 percent salary and wage shrinkage rate has been included in the estimate. The estimate includes \$1,333,375 million for the operation of the new KJCC facility to be completed in April 2004. Even though KJCC is a separate Juvenile Justice Authority agency it was listed as a program under the TJCF in FY 2004. KJCC is expected to open in July 2004. The FY 2005 request is included in a separate budget analysis for KJCC. The difference between the approved amount and the agency's revised estimates are:

State General Fund:

- The estimate includes a \$157,000 transfer by the Juvenile Justice Authority Act from the Beloit Juvenile Correctional Facility to fund an unclassified attorney position for TJCF, to fill the vacant Psychologist II position, and to purchase

offender drug test materials. The FTE position for the attorney was transferred to TJCF from KJCC.

- Additional funds of \$1,728 under the **Kansas Savings Incentive Program**.

All Other Funds:

- There was an increase of \$14,676 from a combination of the Elementary and Secondary Education Federal Fund and the Juvenile Justice Federal Fund.

FTE Positions:

- The 2003 Legislature concurred with the Governor to delay the opening of KJCC from April 2004 to July 2004 to generate \$2.0 million in the State General Fund, therefore the agency did not include 27.0 additional FTE positions approved by the 2003 Legislature in the revised FY 2004 request.

The Governor recommends a current year operating budget of \$12,898,919 with \$12,209,199 from the State General Fund. The Governor's all funds recommendation is a decrease of \$1,004,971 (7.2 percent) from the amount approved by the 2003 Legislature. The Governor recommends that KJCC not open in FY 2005, therefore, \$1,178,375 from the State General Fund was reduced from TJCF's revised FY 2004 request for start-up costs and a reduction of 167.0 FTE positions associated with KJCC.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Topeka Juvenile Correctional Facility **Bill No.** HB 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol.2 - 936 **Budget Page No.** 407

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 13,026,453	\$ 12,506,462	\$ 0
Other Funds	170,044	170,044	0
TOTAL - Operating	\$ 13,196,497	\$ 12,676,506	\$ 0
FTE Positions	244.0	228.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	244.0	228.0	0.0

Agency Request/Governor's Recommendation

Topeka Juvenile Correctional Facility requests an FY 2005 operating budget of \$13,196,497, a decrease of \$880,797 (6.3 percent) from the revised current year request. The request includes an enhancement package of \$582,800 from the State General Fund and 15.0 FTE Juvenile Correctional Officer positions detailed below. **Absent that enhancement**, the agency's request would be a decrease of \$1,463,597 (11.0 percent) from the current year estimate. Staff occupying positions that will provide shared services for TJCF and KJCC will be reclassified to accurately reflect actual duties performed. Medical service positions for TJCF will be reclassified to Juvenile Corrections Officer positions, providing program support for the facility. The TJCF Business Administrator, Human Resource Director, Employee Relations Director, and Maintenance Division Chief will provide shared services in their roles for the TJCF and KJCC. The request does not include federal funding for the School Lunch Program. The opening of the Kansas Juvenile Correctional Complex (KJCC) will impact TJCF's receipt of these funds. KJCC will provide food service to TJCF in FY 2005, if the new facility is opened as scheduled.

The Governor recommends an FY 2005 operating budget of \$12,676,506 with \$12,506,462 from the State General Fund. The recommendation is a decrease of \$222,413 (1.7 percent) from the current year recommendation. The Governor recommends that KJCC not open in FY 2005. The decision to delay the opening of KJCC will shift responsibility for the food, medical, and drug contracts back to TJCF. No additional funding was included in the recommendation, as the contract funding was included in the agency's FY 2005 allocation and shifted to other expenditures categories within the request. The Governor does not recommend the enhancement package. The recommendation includes adjustments for a 3.0 percent pay plan increase of \$220,105 and reductions in other operating expenditures as recommended by the Budget Efficiency Savings Teams (BEST) of \$94,262. The Governor recommends a reduction of \$8,912 as part of the moratorium on motor vehicle purchases.

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 \$1,852,232 State General Fund.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

Senate Subcommittee Report

Agency: Topeka Juvenile Correctional Facility **Bill No.** SB 538

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol.2 - 936 **Budget Page No.** 407

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 13,026,453	\$ 12,506,462	\$ (220,105)
Other Funds	170,044	170,044	0
TOTAL - Operating	<u>\$ 13,196,497</u>	<u>\$ 12,676,506</u>	<u>\$ (220,105)</u>
FTE Positions	244.0	228.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	<u>244.0</u>	<u>228.0</u>	<u>0.0</u>

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

Agency Request/Governor's Recommendation

Topeka Juvenile Correctional Facility requests an FY 2005 operating budget of \$13,196,497, a decrease of \$880,797 (6.3 percent) from the revised current year request. The request includes an enhancement package of \$582,800 from the State General Fund and 15.0 FTE Juvenile Correctional Officer positions detailed below. **Absent that enhancement**, the agency's request would be a decrease of \$1,463,597 (11.0 percent) from the current year estimate. Staff occupying positions that will provide shared services for TJCF and KJCC will be reclassified to accurately reflect actual duties performed. Medical service positions for TJCF will be reclassified to Juvenile Corrections Officer positions, providing program support for the facility. The TJCF Business

Administrator, Human Resource Director, Employee Relations Director, and Maintenance Division Chief will provide shared services in their roles for the TJCF and KJCC. The request does not include federal funding for the School Lunch Program. The opening of the Kansas Juvenile Correctional Complex (KJCC) will impact TJCF's receipt of these funds. KJCC will provide food service to TJCF in FY 2005, if the new facility is opened as scheduled.

The Governor recommends an FY 2005 operating budget of \$12,676,506 with \$12,506,462 from the State General Fund. The recommendation is a decrease of \$222,413 (1.7 percent) from the current year recommendation. The Governor recommends that KJCC not open in FY 2005. The decision to delay the opening of KJCC will shift responsibility for the food, medical, and drug contracts back to TJCF. No additional funding was included in the recommendation, as the contract funding was included in the agency's FY 2005 allocation and shifted to other expenditures categories within the request. The Governor does not recommend the enhancement package. The recommendation includes adjustments for a 3.0 percent pay plan increase of \$220,105 and reductions in other operating expenditures as recommended by the Budget Efficiency Savings Teams (BEST) of \$94,262. The Governor recommends a reduction of \$8,912 as part of the moratorium on motor vehicle purchases.

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 \$1,852,232 State General Fund.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment** - Delete \$220,105 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.

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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March 16, 2004

To: Senate Ways and Means
From: Robert Waller, Senior Fiscal Analyst
Re: Comprehensive Transportation Program (CTP) Financing

Within the *Governor's Budget Report*, to maintain the integrity of announced projects outlined by the passage of 1999 HB 2071, the Governor recommends a series of funding maneuvers to provide the necessary financing to continue the program. Within the recommendation is the issuance of \$465 million in bonds to "make up" for the deletion of the demand transfer from FY 2003 to FY 2006. The Governor's recommendation and the debt service schedule is outlined below.

The Governor's FY 2005 revenue package includes the following:

- Eliminates the demand transfer in FY 2005 (\$180.1 million) and FY 2006 (\$187 million estimate);
- Eliminates the current transfer rate for the demand transfer (from the current 12.0 percent in FY 2005 and beyond) to 3.0 percent in FY 2007 and 6.0 percent in FY 2008 and FY 2009; and
- Issues \$465 million in bonds backed and financed by the State General Fund and the proceeds deposited into the State Highway Fund.

<u>Fiscal Year</u>	<u>Bond Sales</u>	<u>Debt Service</u>
2006	\$ 100,000,000	\$ 0
2007	150,000,000	7,500,000
2008	215,000,000	22,781,250
2009 through 2028	--	34,750,000
TOTAL	<u>\$ 465,000,000</u>	<u>\$ 696,693,750</u>

If you have any questions, please call (785) 296-3181.

COMPREHENSIVE TRANSPORTATION PROGRAM

Note: All Cash Flow amounts reflect dollars figures for a specific period of time. Therefore, cash flow figures will change as Legislation is enacted or new estimates made.

	Original Estimate 1999 HB 2071	November Estimates (CY Nov 2003)	Dollar Change from HB 2071	Percent Change HB 2071	Governor's FY 2005 Recommendation	Dollar Change from HB 2071	Percent Change HB 2071	2004 Legislature HB 2692	Dollar Change from HB 2071	Percent Change HB 2071	2004 Legislature HB 2645	Dollar Change from HB 2071	Percent Change HB 2071
	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009
BEGINNING BALANCE	475,189	559,875	84,686	17.8%	559,875	84,686	17.8%	559,875	84,686	17.8%	559,875	84,686	17.8%
RESOURCES													
Motor Fuel Taxes	3,930,400	4,235,530	305,130	7.8%	4,235,530	305,130	7.8%	4,235,530	305,130	7.8%	4,235,530	305,130	7.8%
SGF (Sales Tax) Transfer	1,830,010	1,047,418	(782,592)	(42.8%)	472,526	(1,357,484)	(74.2%)	621,544	(1,208,466)	(66.0%)	671,431	(1,158,579)	(63.3%)
Bonding Authority Reduction	0	(80,000)	(80,000)	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%
Sales & Compensating Tax	1,071,513	957,690	(113,823)	(10.6%)	957,690	(113,823)	(10.6%)	957,691	(113,822)	(10.6%)	957,691	(113,822)	(10.6%)
Registration Fees	1,315,000	1,541,627	226,627	17.2%	1,541,627	226,627	17.2%	1,541,627	226,627	17.2%	1,541,627	226,627	17.2%
Other Revenues	98,579	334,278	235,699	239.1%	340,145	241,566	245.0%	325,676	227,097	230.4%	326,562	227,983	231.3%
Transfers	156,762	123,698	(33,064)	(21.1%)	588,698	431,936	275.5%	123,698	(33,064)	(21.1%)	123,698	(33,064)	(21.1%)
Total State Revenues	8,402,264	8,160,241	(242,023)	(2.9%)	8,136,216	(266,048)	(3.2%)	7,805,766	(596,498)	(7.1%)	7,856,539	(545,725)	(6.5%)
Federal and Local Construction Reimbursement	3,012,953	3,475,436	462,483	15.3%	3,475,436	462,483	15.3%	3,475,436	462,483	15.3%	3,475,436	462,483	15.3%
Bond Sales (net)	980,075	1,282,055	301,980	30.8%	1,282,055	301,980	30.8%	1,282,055	301,980	30.8%	1,282,055	301,980	30.8%
Net TRF Loan Transactions	0	5,085	5,085	0.0%	5,085	5,085	0.0%	5,085	5,085	0.0%	5,085	5,085	0.0%
TOTAL RESOURCES	12,870,481	13,482,692	612,211	4.8%	13,458,667	588,186	4.6%	13,128,217	257,736	2.0%	13,178,990	308,509	2.4%
EXPENDITURES													
Maintenance	3,287,880	3,048,880	(239,000)	(7.3%)	3,001,251	(47,629)	(1.4%)	3,001,251	(47,629)	(1.4%)	3,001,251	(47,629)	(1.4%)
Construction	4,301,451	5,024,003	722,552	16.8%	4,834,282	(467,169)	(10.8%)	4,834,282	(467,169)	(10.8%)	4,834,282	(467,169)	(10.8%)
Modes	178,233	177,676	(557)	(0.3%)	177,676	(557)	(0.3%)	177,676	(557)	(0.3%)	177,676	(557)	(0.3%)
Local Support	2,675,288	2,662,150	(13,138)	(0.5%)	2,662,508	(12,780)	(0.5%)	2,662,508	(12,780)	(0.5%)	2,662,508	(12,780)	(0.5%)
Management	729,604	646,389	(83,215)	(11.4%)	649,079	(80,525)	(11.0%)	649,079	(80,525)	(11.0%)	649,079	(80,525)	(11.0%)
Transfers Out	489,312	621,262	131,950	27.0%	777,304	287,992	58.9%	777,304	287,992	58.9%	777,304	287,992	58.9%
Debt Service	1,198,035	1,152,628	(45,407)	(3.8%)	1,152,628	(45,407)	(3.8%)	1,152,628	(45,407)	(3.8%)	1,152,628	(45,407)	(3.8%)
TOTAL EXPENDITURES	12,859,803	13,332,988	473,185	3.7%	13,254,728	394,925	3.1%	13,254,728	394,925	3.1%	13,254,728	394,925	3.1%
ENDING BALANCE	281,607	149,704	(131,903)	(46.8%)	203,939	(77,668)	(27.6%)	(126,511)	(408,118)	(144.9%)	(75,738)	(357,345)	(126.9%)
Minimum Ending Balance Requirement	220,237	200,019	(20,218)	(9.2%)	200,019	(20,218)	(9.2%)	200,019	(20,218)	(9.2%)	200,019	(20,218)	(9.2%)
AVAILABLE ENDING BALANCE	61,370	(50,315)	(111,685)	(182.0%)	3,920	(57,450)	(93.6%)	(326,530)	(387,900)	(632.1%)	(275,757)	(337,127)	(549.3%)

- Based on November 2003 Estimating Group, Included is the repayment of the \$29 million (to KHP) and \$94.6 million in FY 2007 (over 4 years), FY 2005 sales tax transfer is zero, restructuring of existing debt, \$40 million reduction in set asides in FY 2008 & 2009
- Based on Governor's FY 2005 recommendation, eliminates demand transfer in FY 2005 and FY 2005, percentages of 3.0 in FY 2007 and 6.0 in FY 2008-9, finance KHP operations from SHF, included is \$465 in bonds backed by SGF, the repayment of the \$29 million for KHP, and sales tax transfers of 3% (07) and 6% in 08 and 09, reduction of \$250 in set aside program
- Based on 2004 HB 2692, Included is the repayment of the \$29 million (to KHP) and \$94.6 million in FY 2007 (over 4 years), FY 2005 sales tax transfer is zero, FY 2006 20% of tax on new and used vehicles, 07 is 40%, 08 is 60%, 09 is 80% and 100% thereafter, restructuring of existing debt, \$40 million reduction in set asides in FY 2008 & 2009, reduction of \$250 in set aside program, and KHP expenditures
- Based on 2004 HB 2645, Included is the repayment of the \$29 million (to KHP) and \$94.6 million in FY 2007 (over 4 years), FY 2005 sales tax transfer is zero, FY 2006 25% of tax on new and used vehicles, 07 is 50%, 08 and after is 75%, restructuring of existing debt, \$40 million reduction in set asides in FY 2008 & 2009, reduction of \$250 in set aside program, and KHP expenditures

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KANSAS

DEPARTMENT OF TRANSPORTATION
DEB MILLER, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

TESTIMONY BEFORE THE SENATE WAYS & MEANS COMMITTEE

REGARDING SENATE BILL 515 THE COMPREHENSIVE TRANSPORTATION PROGRAM

MARCH 17, 2004

Mr. Chairman and members of the committee:

Thank you for this opportunity to speak regarding SB 515, the Governor's proposal to restore the Comprehensive Transportation Program (CTP) to fiscal integrity. Last year in presentations before legislative committees, I affirmed this Administration's commitment to preserving the core of the CTP. I indicated that doing so in the face of the cuts that had been made to the program up to that point was a challenge, but a challenge which I believed could be met. However, I made it clear that preserving the CTP in the face of additional cuts would simply not be possible, and that's where we are today.

The Governor has proposed an approach that will allow the State to keep its commitment to the CTP by completing all of the announced projects and does so without raising taxes or devastating the State's future ability to fund other major programs, such as economic development, higher education, K-12, and social services.

Since the Governor's proposal was announced, a number of issues have been raised, and I'd like to address those.

One issue is the low ending balance at the end of FY 2009. The projected ending balance of \$4 million is after reserving \$200 million for the Special City and County Highway Fund, the required debt service reserve, and other funds restricted by statute or covenant. Even when the CTP was passed in 1999, the ending balance was projected to be negative by FY 2013. A larger ending balance is more comfortable, but we are trying to complete this program under difficult circumstances and without raising taxes.

Another issue that has been raised is that by issuing the \$465 million in bonds, the future highway program will be impaired. It is for exactly this reason that the proposed bonds are to be issued from the State General Fund (SGF) and not the State Highway Fund (SHF) preserving options for the future. Additionally, concern has been raised that the

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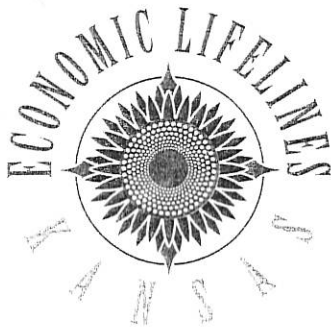
debt service on the proposed bonds is too burdensome. However, the debt service on the proposed bonds would be less than one percent of the SGF in FY 2010 and less than ½ of one percent by FY 2019. This debt service would be very manageable for the SGF, and placing the debt in the SGF keeps future options open for the SHF.

Questions have also been raised about the department's decision to refinance and restructure the existing SHF debt. The restructuring reduced the overall nominal and present value cost to the State for the existing debt. The restructuring did not extend any of the existing debt beyond the original 20-year life and made \$161 million available within the program period for completion of the CTP projects. If the restructuring had not been done, we would be looking for an additional \$161 million to complete the CTP.

Finally, I have heard that the Governor's proposal will make it impossible to get a program in the future. I strongly disagree. By not using a tax increase, that option remains open for the future, issuing the debt from the SGF keeps the option for issuing future program debt also open. The first priority is to complete the current CTP program. Not completing this program for the sake of holding open all options for the future makes no sense. Our neighbor to the east should remind us of the damage that failing to fulfill our promises can cause.

Some have suggested that we can find a solution in the new federal highway bill. I want to remind the committee that the federal bill has not yet passed and the situation is very fluid. Today it appears that the size of the federal program may be lower than it appeared just two weeks ago. Again not to pick on our neighbor, but one of the key mistakes that they made 12 years ago was to assume a larger federal bill than actually materialized.

As a final note, I want to remind the Committee that the Agency has not been passive in seeking a solution to this problem; we have made significant adjustments in order to be in a position so that we can save this program.



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March 17, 2004

To the Members of the Senate Ways and Means Committee:

Although we, as co-chairmen of Economic Lifelines, are not available to appear to present testimony today, we are pleased to provide these written comments on behalf of Economic Lifelines and its members, regarding the financing of the 1999 Comprehensive Transportation Program.

Economic Lifelines' position regarding the 1999 Comprehensive Transportation Program has always been based upon the following standards:

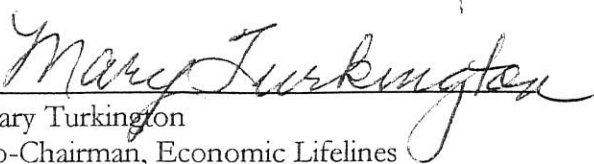
- Economic Lifelines believes that the Kansas Legislature and the State of Kansas should fully meet its commitment to the 1999 Comprehensive Transportation Program;
- Economic Lifelines has always opposed any reduction in funding, which would result in the elimination of projects or funding in any mode of transportation;
- Economic Lifelines has always supported the restoration of any funding reduced from the Program;
- Economic Lifelines firmly believes that action needs to be taken this year to place the Program permanently on sound financial footing; and
- Economic Lifelines believes that all of us working together need to fulfill the commitment to transportation and communities contained in the 1999 program.

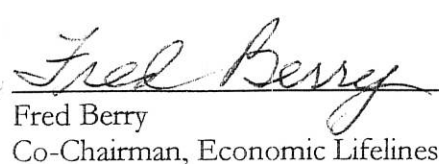
It was these standards that the Board of Economic Lifelines applied to the Governor's proposal in endorsing it and it will be these same standards that our Board will apply to the proposal just released by the Republican leadership of the Senate and the House.

In order to do so, we have called a special meeting of the Board of Directors of Economic Lifelines for this Friday.

We look forward to that opportunity and urge that Economic Lifelines remain a part of the process of providing the full funding for this program, which is critically important to the citizens of Kansas and their communities.

Respectfully,


Mary Turkington
Co-Chairman, Economic Lifelines


Fred Berry
Co-Chairman, Economic Lifelines

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Gaches, Braden, Barbee & Associates

Governmental Affairs & Association Management

300 SW EIGHTH • THIRD FLOOR • TOPEKA, KANSAS 66603-3912 • 785-233-4512 • FAX 785-233-2206

**Senate Ways & Means Committee
Testimony of Kansas Society of Professional Engineers
Regarding SB 515: CTP Funding
Submitted by Ron Gaches, Executive Director
Wednesday, March 17, 2004**

Thank you Chairman Morris and members of the Committee for this opportunity to comment on SB 515, the proposal by Governor Sebelius to fund the Comprehensive Transportation Plan (CTP).

Our first choice for funding of the CTP is to enact the financing formula as it was originally envisioned by the legislature when the CTP was passed in 1999. It's not often that the Legislature makes a long-term commitment to constituents with a multi-year funding formula, as they have with the CTP. Fulfilling that commitment should be a high priority for the current and future legislatures. Doing so not only completes a comprehensive transportation plan that provides benefits across the State, but will also enhance the credibility of the legislature in making long term commitments.

KSPE provides our support for enactment of the funding plan embodied in SB 515. We recognize the difficulty past legislatures have had in fulfilling the financial commitments made to support the CTP. We support the intent of the additional bonding authority and partial return of the sales tax demand transfer contained in the bill.

However, we wish to express two concerns about the future of the CTP under this or any other funding plan. First, we are concerned that savings drawn from various parts of the program will result in reduced funding for the important maintenance expenditures in the CTP. System enhancements are not the only important part of the CTP. In many respects, the funding for system maintenance is every bit as important, if not more important, than completing system enhancements on the current schedule. Differing maintenance investments will allow our state highway system to quickly decline in quality, putting lives at risk and costing taxpayers more money in the long-term.

Second, we are concerned about the adequacy of cash flow at the end of the program and the long-term impacts of greater reliance on bonding. SB 515 shifts forward in time the burden for paying for the CTP. We are concerned that shift might reduce voter support for completing the current plan and make it more difficult to build consensus for funding future transportation funding plans. The CTP was designed to be primarily a pay-as-you-go plan. To the extent we defer payment for the plan we create some disconnect between the eventual taxpayer and the benefits of the program.

We understand that the legislature and Sebelius Administration both are considering these issues. Notwithstanding these concerns, we support enactment of SB 515 and other reasonable plans that fulfill the funding commitments of the Comprehensive Transportation Plan.

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KRMCA

Kansas Ready Mixed
Concrete Association

KAPA

Kansas Aggregate
Producers' Association

TESTIMONY

By the
Kansas Aggregate Producers' Association
&
Kansas Ready Mixed Concrete Association

Before the
Senate Ways & Means Committee

Regarding SB 515

March 17, 2004

Mr. Chairman, members of the committee my name Wendy Harms, Associate Director of the Kansas Aggregate Producers' Association and the Kansas Ready Mixed Concrete Association. The Kansas Aggregate Producers' Association (KAPA) and The Kansas Ready Mixed Concrete Association (KRMCA) is a statewide trade association comprised of over 250 members, and one of the few industries to be represented in every county of this state.

I am before you today to express our support fully funding the transportation program, which was implemented in 1999. Further we wish to express an even stronger opposition to any reduction in funding to the Comprehensive Transportation Program, which would result in the elimination of any projects, announced or unannounced associated with this program. We urge this committee and legislature to provide the Comprehensive Transportation Program with 100% dedicated funding through a variety of mechanisms.

It is important that you keep in mind that the Legislature's passage of the program by over seventy percent of each chamber was not just a response to constituents, but a commitment by the Legislature that all of the projects would be completed within the ten-year program just as was done in the 1989 Highway Program. That also reflects the unanimous expressions of the Governor's Transportation 2000 Study at twelve weeks of hearings in 1998, which lead to the passage of this program and four weeks of hearings this fall where over 800 citizens expressed their continued support for completion of the program. Right now this program is threatened as never before due to the downturn of the state's economy. Last year the Legislature took the entire demand transfer of one

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hundred forty seven million dollars and in an unprecedented step borrowed another ninety-five million dollars from the Highway Fund. To date over \$500 million has been removed from the CTP, with an additional \$175 million being proposed for FY05.

This failure to spend the projected money has already led to unannounced projects being cut. These cuts have been particularly painful to our industry and are already considered by our members as a failure of the Executive and Legislative branches to honor its past commitments.

While we recognize the States dire economic condition and its general fund in particular, it is vitally important that you keep in mind that the 1999 program, just as the 1989 program, is the single largest economic development program occurring in the state of Kansas at this time. An economic study from Kansas State University and Kansas University indicate extraordinarily positive benefits to the state's economy if this program is completed as scheduled and conversely the severely detrimental impact it would have on the state's economy and the ability to recover as quickly as possible if funding for the program continues to be diminished.

We thank you for the opportunity to appear before you today to express our support of SB 515, commonly known as the Governor's Transportation Proposal. While the Governor's proposal will not replace funds that have already been lost, it would provide for the orderly completion of the 1999 CTP through FY '09. While many of our members have expressed concern, regarding the bonding components in SB 515, we are supportive of any creditable proposal, which would secure the completion of the Comprehensive Transportation Program.

Thank you for hearing our concerns. At this time, I would be happy to answer any questions you may have.



Affiliated with:

American Council of Engineering Companies
Kansas Society of Professional Engineers
National Society of Professional Engineers
Professional Engineers in Private Practice

TESTIMONY ON SB 515
SENATE WAYS AND MEANS COMMITTEE
MARCH 17, 2004

Mr. Chairman and members of the House Transportation Committee, thank you for the opportunity to appear before you today. My name is Scott Heidner, I am the Executive Director of the Kansas Consulting Engineers. KCE is an organization of private engineering companies in the state of Kansas. We have approximately 60 member companies, with several thousand employees in Kansas.

I appear before you on behalf of KCE today as a proponent of Senate Bill 515. This is the only plan currently before the Legislature that we are aware of that would fully fund the Comprehensive Transportation Program, or CTP. The full funding of that program is a top priority for KCE, which is why we are here as a proponent. We are aware that there are other plans being formulated, and we look forward to the opportunity to review any other proposals that fully fund the CTP in a responsible manner.

I know you have probably heard the various arguments in support of transportation funding, but it bears hitting on a few of the highlights. Studies have shown that for every dollar the state spends, it receives three dollars in economic impact. Businesses view a sound transportation structure as a must before investing in an area. And of course, we have an example just a short distance to the east of what happens when transportation funding and infrastructure maintenance is deferred.

Thank you for your time, and I would stand for any questions.

Scott Heidner, Executive Director

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Legislative Testimony

SB 515

March 17, 2004

Testimony before the Kansas Senate Ways and Means Committee
By Lew Ebert, President and CEO

Mr. Chairman and members of the committee:

I am Lew Ebert from The Kansas Chamber of Commerce. Thank you for the opportunity to speak to you today. The Kansas Chamber is here today to urge your support for SB 515 regarding the full funding of the state's Comprehensive Transportation Program.

The board of The Kansas Chamber met in December and reaffirmed its long-standing position in support of a strong system of roads throughout the state. In general, The Chamber supports a viable transportation infrastructure, and in particular The Chamber continues to urge your support for the completion of the 1999 Comprehensive Transportation Plan.

The Kansas Chamber is a proud member of Economic Lifelines and The Chamber recognizes that an adequate state system of highways across Kansas enhances the state's long-term economic well-being.

Thank you and I am available for any questions.

The Kansas Chamber is the statewide business advocacy group, with headquarters in Topeka. It is working to make Kansas more attractive to employers by reducing the costs of doing business in Kansas. The Kansas Chamber and its affiliate organization, The Kansas Chamber Federation, have nearly 7,500 member businesses, including local and regional chambers of commerce and trade organizations. The Chamber represents small, large and medium sized employers all across Kansas.

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The Force for Business

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KANSAS
ASSOCIATION OF
COUNTIES

WRITTEN TESTIMONY

SB 515

concerning funding for the 1999
Comprehensive Transportation Program
Presented by Randall Allen, Executive Director
Kansas Association of Counties
March 17, 2004

Chairman Morris and members of the committee, thank you for the opportunity to submit written testimony in support of SB 515, the Governor's proposal for funding the 1999 Comprehensive Transportation Program.

As you know, counties were very vocal in our support of the Legislature in passage of the 1989 Comprehensive Highway Program and the 1999 Comprehensive Transportation Program, as we sought (like you) to preserve and enhance the entire transportation system in Kansas, including the state highway system and the system of local roads. The working relationship counties enjoy with KDOT is excellent, and the condition of our transportation system reflects the partnership that has developed over many years.

With respect to your consideration of funding to underwrite the 1999 Comprehensive Transportation Program, we urge the committee to remember that **the Special City-County Highway Fund (SCCHF) is absolutely vital for counties.** The Fund, which distributes about \$160 million annually to cities and counties, is derived primarily from a portion of the motor fuels tax revenues (94%) and supplemented to a lesser extent from the motor carrier property tax revenues (6%). Of the approximate \$160 million distributed annually, about \$73 million goes to county governments to maintain county roads and bridges. Given that counties have jurisdiction over 110,065 or 81.7% of the 134,582 public road miles in Kansas, and jurisdiction over 19,624 or 75.7% of the 25,918 public bridges in Kansas, the Special City-County Highway Fund is vital to keeping the system in good repair. In 2002, the Special City-County Highway Fund monies represented 29% of the monies budgeted in counties' Road and Bridge Fund budgets. SCCHF monies represent from between 9% and 55% of the revenues to counties' road and bridge fund budgets. These funds are vital to counties and must be preserved.

We support SB 515 because it appears to offer the best hope of preserving the CTP while leaving the Special City-County Highway Fund intact. We are skeptical of any plan which would dedicate an extraordinarily large share of future sales tax revenue from the State General Fund (SGF) for highway or transportation purposes. Counties' recent experience with demand transfers has not alleviated our fears about the state's ability to meet its intention of transferring SGF dollars for any dedicated purpose, whether it be transportation or local government. If slippage in the SGF occurred, as it has in the past few years, we would be nervous that motor fuels tax monies (comprising the majority of the Special City-County Highway Fund) would become a possible target should SGF revenues be needed for other purposes (e.g. K-12 education, prisons, social services, *et. al.*).

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We know these are tough times for everyone. In tough times, the partnership between the State and counties is more important than ever. We know that various components of SB 515, particularly its plans for bonding, are troubling to some persons. However, we are fortunate that interest rates are extremely low at this time. The 1999 CTP is an investment in our future and county leaders want to support you in your efforts to keep it on track and delivered as promised to Kansans and all those who live, work, or do business in our State.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randall Allen or Judy Moler by calling (785) 272-2585.