

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on February 21, 2005, in Room 514-S of the Capitol.

All members were present except:

Representative Newton- excused
Representative Sawyer- excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Amy VanHouse, Legislative Research Department
Reagan Cussimano, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Becky Krahl, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Richard Morrissey, Department of Health and Environment
Roger Werholtz, Secretary of Department of Corrections

Others attending:

See attached list.

- Attachment 1 Testimony on Federal Block Grants by Richard Morrissey, Department of Health and Environment
- Attachment 2 Budget Committee Reports on Department of Corrections, El Dorado Correctional Facility, Ellsworth Correctional Facility, Hutchinson Correctional Facility, Lansing Correctional Facility, Larned Correctional Mental Health Facility, Norton Correctional Facility, Topeka Correctional Facility, Winfield Correctional Facility
- Attachment 3 Information distributed by Representative Weber concerning the telephone contract and visitor centers for correctional facilities.
- Attachment 4 Retirement Subcommittee report on **HB 2105**
- Attachment 5 Presentation by Importation & Issues in International Drug Pricing & Drug Spending by Chris Ward, Ward Health Strategies Inc.

Hearing on Federal Block Grant Programs administered by the Department of Health and Environment.

Chair Neufeld opened the public hearing on the proposed use and distribution of funds required as a condition of receipt of funding for federal block grant programs administered by the following state agency: Department of Health and Environment.

Richard Morrissey, Department of Health and Environment, presented testimony on the Preventive Health and Health Services Block Grant and the Maternal and Child Health Services Block Grant (Attachment 1).

Chair Neufeld closed the public hearing on the proposed use and distribution of funds required as a condition of receipt of funding for federal block grant programs administered by the following state agency: Department of Health and Environment.

Representative Light, Chair of the Public Safety Budget Committee, presented the Budget Committee report on the Department of Corrections for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 2). The motion was seconded by Representative Sharp. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 21, 2005, in Room 514-S of the Capitol.

In response to a question from the Committee, Becky Krahl, Legislative Research Department, indicated that the reason for the State General Fund (SGF) decrease of \$1,218,689 in the FY 2005 budget is largely due to the move of federal surplus property program and staff from the Department of Corrections to the Department of Administration which resulted in a decrease of 20 FTE staff at the Department of Corrections.

Representative Light, Chair of the Public Safety Budget Committee, presented the Budget Committee report on the Department of Corrections for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 2). The motion was seconded by Representative Sharp. Motion carried.

Representative Weber presented information to the Committee concerning the telephone contract commission, visitors centers and the related issue of funding for the Beyond Bars Girls Scout program (Attachment 3).

Representative Weber moved to amend the Budget Committee report to recommend an Omnibus review of the \$2.75 million received from the telephone contract commission for possible use of these funds to the funding of visitor centers at the correctional facilities and the Beyond Bars Girls Scout program. The motion was seconded by Representative Landwehr. Motion failed.

The Budget Committee noted that, at the present time, the funds from the telephone contract are dedicated to funding inmate preventive treatment programs at the correctional facilities. It was indicated that 50 percent of the funds collected from the inmates use of the telephone under the contract are returned to the Department of Corrections.

Representative Weber moved to amend the Budget Committee report by recommending one-half of the \$2.75 million received from the telephone contract be set aside for an Omnibus review for possible diversion of these funds to the funding of visitor centers at the correctional facilities and the Beyond Bars Girls Scout program. The motion was seconded by Representative Hutchins. Motion failed.

The Budget Committee stated that no funding was proposed by the Budget Committee for the Beyond Bars Girls School program. Roger Werholtz, Secretary of the Department of Corrections, informed the Committee that the telephone contract is scheduled for renegotiation in mid-September. The Committee suggested that the subject of the prison telephone contract be reviewed during the interim by the Joint Committee on Corrections and Juvenile Justice.

Responding to a question from the Committee regarding a day-reporting center in Wyandotte County, Secretary Werholtz, indicated that the Department has worked extensively with Wyandotte County to determine that a re-entry program for inmates will work more effectively in that community than the day-reporting center. A re-entry program will give more flexibility in the service to inmates, is not confined to a single geographic area and networks with a variety of community organizations.

The Committee requested staff to research if a Kansas statute exists which requires a day-reporting center to be established in Wyandotte County.

Representative Pilcher-Cook, member of the Public Safety Budget Committee, presented the Budget Committee report on the El Dorado Correctional Facility for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 2). The motion was seconded by Representative Light. Motion carried.

Representative Pilcher-Cook, member of the Public Safety Budget Committee, presented the Budget Committee report on the El Dorado Correctional Facility for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 2). The motion was seconded by Representative Light. Motion carried.

Representative Pilcher-Cook, member of the Public Safety Budget Committee, presented the Budget Committee report on the Ellsworth Correctional Facility, Hutchinson Correctional Facility, Lansing Correctional Facility, Larned Correctional Mental Health Facility, Norton Correctional Facility, Topeka Correctional Facility and Winfield Correctional Facility for FY 2005 and FY 2006; and moved for the

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 21, 2005, in Room 514-S of the Capitol.


adoption of the Budget Committee recommendations for FY 2005 and FY 2006 (Attachment 2). The motion was seconded by Representative Light. Motion carried.

Representative Feuerborn, member of the Retirement Subcommittee, presented the Subcommittee Report on HB 2105 and moved to recommend HB 2105 favorable for passage (Attachment 4). The motion was seconded by Representative Gatewood. Motion carried.

The meeting was recessed at 10:30 a.m. and re-convened at 12:00 p.m.

Chris Ward, Ward Health Strategies, Inc. presented testimony on the importation and issues in international drug pricing and drug spending (Attachment 5). Mr. Ward's presentation mainly dealt with the sale of imported prescription drugs from Canada to private citizens in the United States.

The meeting was adjourned at 1:10 p.m. The next meeting will be held at 9:00 a.m. on February 22, 2005.



Melvin Neufeld, Chair

HOUSE APPROPRIATIONS COMMITTEE

February 21, 2005

9:00 A.M.

NAME	REPRESENTING
Wichita Lynn Helsel	Budget
JP Anon	Budget
Roger Haden	KDOC
Dennis Williams	KDOC
Dick Morrissey	KDHE
Susan Kang	KDHE
Linda Kenney	KDHE
JAMES A. GEORGE	INDEPENDENCE, KS
Dennis Phillips	KSCFF
Karl McNorton	KSFMO
JEREMY S BARCLAY	KDOC
Rick Shultz	SRS
Susan Libad	SRS
Jackson Ambruster	ABC
Paula Marmet	KDHE
Karry Moore	KDHE
Deb Williams	KDHE
Daved Owen	Homeless Come Home
Cash Burns	4-H
geena Martin	4-H
Rachelle Groth	4-H
Kylee Stuart	4-H Citizenship in Action

DeWayne Coagled
Christine McPheter
Layne Clawson
Adam Semisch
Brianna Bert

5 5 1 RSN/AG Ext
4-H Citizenship in Action KSCU
Meade County
Meade County
Pawnee County - 4-H Citizenship in Action



K A N S A S

RODERICK L. BREMBY, SECRETARY

DEPARTMENT OF HEALTH AND ENVIRONMENT

KATHLEEN SEBELIUS, GOVERNOR

**Testimony on
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT
to
House Appropriations Committee**

Presented by: Richard Morrissey

February 21, 2005

Chairperson Neufeld and members of the House Appropriations Committee, I am pleased to appear before you today to discuss the Preventive Health and Health Services Block Grant and the Maternal and Child Health Services Block Grant.

In the early 1980's, the federal block grant programs were initiated. Funding from a number of programs was consolidated into block grants to provide centralized administrative oversight. The Kansas Department of Health and Environment participates in two federal block grant programs, the Preventive Health and Health Services Block Grant (PHB) and the Maternal and Child Health Services Block Grant (MCH). By federal regulation, public hearings are required for both block grants. This hearing meets public review and comment requirements for these grant programs for public input into expenditure of block grant funds toward priority state health needs.

The Preventive Health and Health Services Block Grant

This block grant supports preventive health programs that address preventable risk factors that contribute to the leading causes of premature death and disability. Program objectives and activities must be consistent with the Year 2010 Health Objectives for the nation. A 1992 amendment to Title XIX, Part A,

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ATTACHMENT 1

of the PHS Act significantly changed the Block Grant application process and reporting rules, limiting previous state flexibility in spending from this grant and requiring linkage of program activities to the National Health Objectives. Beginning with the fiscal year 1993 application, KDHE responded to the new requirements by:

- a: Establishing a process to assess Kansas health status relative to the Healthy People objectives and targets;
- b: Using these data to establish a state implementation plan to respond to critical preventive health needs and provide support for priority activities not adequately supported from categorical funding sources;
3. Providing a description of the programs and projects that are funded with the PHB Block Grant and estimating the number of individuals to be served;
4. Establishing a state Preventive Health Block Advisory Committee, chaired by the state health officer, to make recommendations relative to the state plan, and holding public hearings on the state plan as stipulated by law;
5. Establishing an ongoing process for public review and comment; and
6. Measuring progress towards meeting preventive health objectives, including developing the necessary surveillance systems.

Current law stipulates that Preventive Health and Health Services Block Grant funds be used to supplement and increase the level of state, local and other non-federal funds; supplantation of non-federal funds is not allowed. State expenditures for the selected health activities are to be maintained at a level that is not less than the average level of the two years preceding the fiscal year for which federal funds to supplement that activity are requested.

Section 1904 of the governing law stipulates that Preventive Health Block Grant funds may be used for the following:

- a. Activities consistent with making progress toward achieving the National Health Objectives for the health status of the population;
- b. Preventive health service programs for the control of rodents and for community and school based fluoridation programs;
- c. Feasibility studies and planning for emergency medical services systems and the establishment, expansion, and improvement of such systems;
- d. Providing services to victims of sex offenses and for prevention of sex offenses; and
- e. Program activities related to planning, administration and education, including evaluation of the Year 2010 Health Objectives addressed in the state plan.

A state may not use the Block Grant funds to:

- a. Provide inpatient services;
- b. Make cash payments to intended recipients of health services;
- c. Purchase or improve land, purchase, construct, or permanently improve any building or other facility, or purchase major medical equipment;
- d. Satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds; or,
- e. Provide financial assistance to any entity other than a public or non-profit private entity.

The Maternal and Child Health (MCH) Services Block Grant

The Maternal and Child Health Services Block Grant is authorized under Title V of the Social Security Act. It is intended to support activities to promote and improve the health of all Kansas mothers and children. As the recipient agency for these funds, KDHE's role is to provide leadership and to work in partnership with communities, public-private partners, and families to strengthen the maternal and child health (MCH) infrastructure, assure the availability and use of "medical homes", and build knowledge and human resources in order to assure continued improvement in the health, safety, and well-being of the maternal and child health population. The MCH population includes all Kansas women of reproductive age, infants, children, adolescents, and their families including fathers. Programs for children with special health care needs are specifically identified as part of the MCH block grant scope. Funds are allocated to Kansas through the national MCH block grant formula. In recent years, enhanced planning and reporting requirements have been implemented in order to improve accountability for these funds. As part of that accountability, state grants and plans are posted to the federal website: <https://performance.hrsa.gov/mchb/mchreports/tvisreports.asp>.

MCH block grant rules require that every five years each recipient State must conduct an assessment of State maternal and child health needs. There are detailed requirements concerning the conduct of the state needs assessment. Based on this detailed review of data from multiple sources, the State must specify between 7 and 10 priority needs. In 2004, a panel of experts from around the state was convened on three separate occasions to determine based on detailed data, the MCH priorities for 2005-2010. The draft of MCH 2010 is available on the website and public comment is welcomed. (www.kdhe.state.ks.us/bcyf). For the period 2005-2010, the priority Kansas maternal and child health (MCH) needs are:

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Pregnant Women and Infants

1. Increase early and comprehensive health care before, during, and after pregnancy
2. Reduce premature births and low birth weight
3. Increase breastfeeding

Children and Adolescents

4. Improve behavioral/mental health
5. Reduce overweight
6. Reduce injury and death

Children with Special Health Care Needs (CSHCN)

7. Increase care within a medical home
8. Improve transitional service systems
9. Decrease financial impact on families

In addition, through 2010, teen pregnancy, oral health, and asthma rated as continued focal areas. Through 2005, allocation of resources from the Kansas MCH block grant must reflect these priorities. To facilitate a better response, KDHE has reduced categorical barriers to use of available resources through consolidation of a number of funding streams into local MCH Block Grants to local agencies. Local agencies utilize state needs assessment data and other data to prioritize their own needs. Funds may be spent for local priority maternal and child health needs. Reporting is structured to retain accountability while providing flexibility for communities.

Description of Services Funded in SFY 2005

A. Aid to Local Agencies

MCH and PHB - *Maternal and Child Health Grants* - All 105 Kansas counties provide maternal and child health services to optimize the health of Kansas families, in particular for uninsured families and those with limited access to care. Counties must provide comprehensive services by coordinating with all available community resources. Based on a community health assessment, counties provide services, including prenatal care coordination, home visits, child health services, and others. Up to 30 percent of the funding can be used flexibly to address state and locally identified MCH priorities through appropriate interventions.

PHB - *Chronic Disease Risk Reduction (CDRR) Grants*- These grants are awarded to support development and implementation of community-based programs to decrease premature death and disability due to cardiovascular disease and cancer, the two leading causes of death in Kansas. Program interventions are designed to decrease the leading modifiable risk factors for cardiovascular disease and

cancer, including tobacco use, physical inactivity, and poor nutrition. Currently, PHB funds support CDRR activities in 29 counties. Interventions are delivered through schools, work sites, churches, community organizations and other community settings.

MCH - *School Health Services Grants* - These funds partially support five local projects that provide health services including preventive and primary care in the school setting. These funds are awarded on a competitive basis after review of responses to a formal Request for Proposals.

MCH - *Disparities Initiative* - Funds are used for two projects (Sedgwick and Ford Counties) with the goal of reducing disparities in health status for racial and ethnic groups through community-based interventions.

PHB - *Special Health Promotion Grants* - Health Promotion projects fund specific services based on identified need. Funds are awarded to Pittsburgh State University for facilitation of a statewide initiative to promote physical activity among children and to the Center for Health and Wellness to coordinate the Black Churches Hypertension/Cholesterol reduction project in Sedgwick County.

MCH - *School Health Assessments* - Full or partial reimbursement to local health departments and community health centers for school entry assessments.

MCH - *Immunization* - Supplements local health department funding for immunization initiatives.

B. Transfers of Funding to Other State Agencies

PHB - *Rape and Sexual Offenses Prevention Education* - A specified amount of PHB funding awarded to Kansas is designated, per federal mandate, for sexual offenses programming. To avoid duplication and inefficiency KDHE transfers the funds to the Governor's Office to be used for local programs.

C. State Operations

MCH - *Center for Health and Environmental Statistics* - Data support to the MCH programs per memorandum of agreement.

MCH and PHB - *Division of Health* - Offsets costs for program and fiscal support to MCH and PHB programs.

MCH - *Oral Health Initiative* - Dental hygienist coordinates open mouth survey of Kansas children,

sealant project, and other maternal and child health education and interventions.

MCH and PHB - *Local Health Department Support Services* - Support services for local health departments including, but not limited to, consultation, education and technical assistance provided by community nurse/public health specialists for maternal and child health and risk reduction/health promotion activities.

PHB - *Immunization Program* - Portion of operating expenses for the Bureau of Epidemiology and Disease Prevention to provide epidemiologic support.

MCH - *Child Care Regulation* - support for a portion of operating expenses for the Child Care Facilities Licensing and Registration program.

MCH - *Children with Special Health Care Needs* - Salaries and operating expenses to assure care coordination and reimbursement to health care providers for medical specialty services and supplies.

MCH - *Nutrition* - Nutrition consultation to MCH programs.

MCH - *Newborn Screening* - Case management for newborns with out-of-range screens

MCH - *Compliance Monitoring* - Portion of salaries and operating expenses to provide clinical and administrative oversight of local agency contractual compliance in providing maternal and child health services.

PHB - *Chronic Disease and Injury Prevention/Health Promotion* - Portion of salaries and operating expenses for Office of Health Promotion (OHP). OHP staff play a key role in assessing the current chronic disease burden and in facilitating consensus development of statewide goals and strategies to alleviate that burden in Kansas. Staff facilitated a series of workgroup meetings involving more than 65 partners to develop a Comprehensive Cancer Control Plan and to identify strategies for implementation of consensus recommendations. Staff facilitate activities of the SAFE KIDS Coalition, a private/public partnership that provides leadership for decreasing unintentional injuries (number one cause of death) in the 0-14 age group. Activities include facilitating the BUCKLE UP program and the Mobile Child Safety Seat Check Up Van which provide safety seats to low income families and provide checks of installation of seats (finding a misuse rate of 86%), and the CYCLE SMART program which has provided low-cost bicycle helmets to more than 45,000 Kansans. Similarly, the Block Grant represents the only source of funds dedicated to prevention of cardiovascular disease, the number one over all cause of death among Kansans. Activities include promotion of proper nutrition and increased physical activity.

Thank you for the opportunity to appear before the House Appropriations Committee. With the assistance of my staff, I will be happy to respond to any questions you may have on these matters.

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House Public Safety Budget Committee

**Department of Corrections
El Dorado Correctional Facility
Ellsworth Correctional Facility
Hutchinson Correctional Facility
Lansing Correctional Facility
Larned Correctional Mental Health Facility
Norton Correctional Facility
Topeka Correctional Facility
Winfield Correctional Facility**



Representative Bill Light, Chairman



Representative Joann Flower



Representative Mitch Holmes



Representative Melvin Neufeld



Representative Mary Pilcher-Cook



Representative Bonnie Sharp



Representative Josh Svaty

HOUSE APPROPRIATIONS

DATE 2-21-2005
ATTACHMENT 2

House Budget Committee Report

Agency: Department of Corrections

Bill No. HB 2480

Bill Sec. 34

Analyst: Krahl

Analysis Pg. No. Vol. 1, 391

Budget Page No. 123

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 81,425,955	\$ 79,325,355	\$ 0
Aid to Local Units	17,751,212	17,751,212	0
Subtotal - Operating	\$ 99,177,167	\$ 97,076,567	\$ 0
Capital Improvements	11,573,278	10,517,408	0
TOTAL	\$ 110,750,445	\$ 107,593,975	\$ 0
State General Fund:			
State Operations	\$ 61,706,704	\$ 59,932,956	\$ 0
Aid to Local Units	17,751,212	17,751,212	0
Subtotal - Operating	\$ 79,457,916	\$ 77,684,168	\$ 0
Capital Improvements	6,055,303	6,055,303	0
TOTAL	\$ 85,513,219	\$ 83,739,471	\$ 0
FTE Positions	302.2	302.2	0.0
Non FTE Uncl. Perm. Pos.	27.0	27.0	0.0
TOTAL	329.2	329.2	0.0

Agency Estimate/Governor's Recommendation

The Department of Corrections estimates FY 2005 operating expenditures of \$99,177,167, a decrease of \$1,001,315 (1.0 percent) below the FY 2005 approved amount. The revised estimate includes State General Fund expenditures of \$79,457,916, an increase of \$555,059 (0.7 percent) above the approved amount. The 2005 revised estimate includes supplemental requests totaling \$615,818 from the State General Fund.

The Governor recommends FY 2005 operating expenditures of \$97,076,567, a decrease of \$3,101,915 (3.1 percent) below the FY 2005 approved amount and a decrease of \$2,100,600 (2.1 percent) below the agency estimate. The recommendation includes State General Fund expenditures of \$77,684,168, a decrease of \$1,218,689 (1.5 percent) below the approved amount and a decrease of \$1,773,748 (2.2 percent) below the agency estimate. The recommendation includes partial funding (\$415,818 SGF) of the supplemental requests, a reduction of \$114,353 SGF to increase the salaries and wages shrinkage rate and a reduction of \$1,460,000 SGF to eliminate the bed space contract trigger.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund decrease of \$1,218,689 or 1.4 percent below the FY 2005 State General Fund amount approved by the 2004 Legislature.

House Budget Committee Report

Agency: Department of Corrections

Bill No. HB 2482

Bill Sec. 72

Analyst: Krahl

Analysis Pg. No. Vol. 1, 391

Budget Page No. 123

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 98,788,461	\$ 96,470,811	\$ (1,490,000)
Aid to Local Units	17,751,212	17,751,212	0
Subtotal - Operating	\$ 116,539,673	\$ 114,222,023	\$ (1,490,000)
Capital Improvements	10,526,697	8,780,867	0
TOTAL	\$ 127,066,370	\$ 123,002,890	\$ (1,490,000)
State General Fund:			
State Operations	\$ 83,270,619	\$ 80,498,291	\$ (1,460,000)
Aid to Local Units	17,751,212	17,751,212	0
Subtotal - Operating	\$ 101,021,831	\$ 98,249,503	\$ (1,460,000)
Capital Improvements	5,034,697	3,345,000	0
TOTAL	\$ 106,056,528	\$ 101,594,503	\$ (1,460,000)
FTE Positions	302.2	302.2	0.0
Non FTE Uncl. Perm. Pos.	19.0	19.0	0.0
TOTAL	321.2	321.2	0.0

Agency Request/Governor's Recommendation

The Department of Corrections requests FY 2006 operating expenditures of \$116,539,673, an increase of \$17,362,506 (17.5 percent) above the FY 2005 revised estimate. The request includes State General Fund (SGF) expenditures of \$101,021,831, an increase of \$21,563,915 (27.1 percent) above the FY 2005 revised estimate. The FY 2006 request includes enhancement packages totaling \$18,386,701 (\$18,369,335 State General Fund), including \$12,400,000 SGF for additional funding for the new health care contract.

The Governor recommends FY 2006 operating expenditures of \$114,222,023, an increase of \$17,145,456 (17.7 percent) above the FY 2005 recommendation and a decrease of \$2,317,650 (2.0 percent) below the agency request. The recommendation includes State General Fund operating expenditures of \$98,249,503, an increase of \$20,565,335 (26.5 percent) above the FY 2005 recommendation and a decrease of \$2,772,328 (2.7 percent) below the agency request. The recommendation includes partial funding of the enhancement requests including \$14,442,207 SGF for the new health care contract. The Governor also recommends the bonding authority to construct a 100-bed housing unit at Ellsworth Correctional Facility to address the projected increase in inmate population.

Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$9,071,697.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$101,594,503, an increase of \$16,636,343 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$283,955), the 27th payroll period (\$421,403), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$37,743), the recommendation is an increase of \$15,893,242 or 18.7 percent above the approved amount.
2. Delete \$1,460,000 State General Fund from the bed space contract and review at Omnibus. The \$1,460,000 was appropriated for the lease of 100 beds at \$40 per day, and is to be used only if and when the maximum and medium custody male inmate population reaches a capacity of 6,061. The Budget Committee wishes to review at Omnibus if the funds for the bed space contract will be necessary as the current inmate population has declined in recent months. The Budget Committee notes, however, that this may only be a short term decline in inmate population.
3. Delete \$30,000 in Supervision Fee Funds recommended for the purchase of two vehicles recommended for the parole and post-release supervision and review at Omnibus the need for the two vehicles.
4. The Budget Committee wishes to review at Omnibus the *Beyond Bars* Girls Scout program for inmates at the Topeka Correctional Facility and its current funding status. Currently 110 girls and 71 incarcerated mothers from all across Kansas participate in the program designed to soften the trauma of parental separation. The program provides the girls a bi-weekly opportunity to visit their incarcerated mothers and take part in a mother/daughter Girl Scout meeting. For the first time, families are on a waiting list to join the program. The program is facing a \$90,000 shortfall and is expecting decreased funding from the United Way.
5. The Budget Committee wishes to review at Omnibus if the available beds in Larned State Hospital's new Isaac Ray building can serve the Department of Corrections inmates who need inpatient mental health services and the additional costs to expand the State Security Program (SSP) to serve those inmates. The cost of expanding services to Department of Corrections inmates for one 30-bed unit for one calendar quarter in FY 2006 totals \$537,637. The estimated full year cost of operating one 30-bed unit is \$2,150,548.

6. The Budget Committee wishes to review at Omnibus the possibility of a inmate re-entry program in Wyandotte County. The Wyandotte County re-entry program would serve approximately 150 moderate to high-risk offenders. There would be 14.0 FTE including a supervisor, case managers, housing and workforce specialists, facility specialists and a re-entry police officer. The annual budget would total \$938,525.
7. The Budget Committee wishes to review at Omnibus the Governor's recommendation for bonding authority for the Department of Corrections to construct a 100-bed housing unit at Ellsworth Correctional Facility and examine the current inmate population and status of the Department of Corrections reclassification program to determine the impending situation for the future need of inmate bed space.
8. The Budget Committee recommends an interim study by the Corrections and Juvenile Justice Oversight Interim Committee to review the funding of Community Corrections Adult Residential Centers in Johnson and Sedgwick counties. The centers have experienced higher incidence of serious mental illnesses and substance abuse as well as waiting lists in the recent past. However, the program's funding has remained fairly consistent, increasing from \$2,003,818 in FY 1998 to \$2,068,020 for the past four fiscal years (FY 2001 to FY 2005).

House Budget Committee Report

Agency: El Dorado Correctional Facility

Bill No. HB 2480

Bill Sec. 34

Analyst: Krahl

Analysis Pg. No. Vol. 1, 421

Budget Page No. 157

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 21,237,972	\$ 21,237,972	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 21,237,972	\$ 21,237,972	\$ 0
Capital Improvements	133,993	129,548	0
TOTAL	\$ 21,371,965	\$ 21,367,520	\$ 0
State General Fund:			
State Operations	\$ 21,101,492	\$ 21,101,492	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 21,101,492	\$ 21,101,492	\$ 0
Capital Improvements	62,310	62,310	0
TOTAL	\$ 21,163,802	\$ 21,163,802	\$ 0
FTE Positions	466.0	466.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	467.0	467.0	0.0

Agency Estimate/Governor's Recommendation

El Dorado Correctional Facility estimates FY 2005 operating expenditures of \$21,237,972 a decrease of \$62,310 (0.3 percent) below the 2005 approved amount. The estimate includes State General Fund expenditures of \$21,101,492, a decrease of \$62,310 (0.3 percent) below the approved amount. The decrease is due to a shift of funds from operating expenditures to capital improvements for debt service principal. The estimate includes funding for 466.0 FTE positions and includes a 5.8 percent salaries and wages shrinkage rate. The average daily inmate population is estimated at 1,370 for FY 2005.

The Governor recommends FY 2005 operating expenditures of \$21,367,972 and concurs with the agency's estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

- Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 recommendation is the FY 2005 State General Fund amount approved by the 2004 Legislature.

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House Budget Committee Report

Agency: El Dorado Correctional Facility

Bill No. HB 2482

Bill Sec. 72

Analyst: Krahl

Analysis Pg. No. Vol. 1, pg. 421 **Budget Page No.** 157

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 21,355,606	\$ 22,160,949	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 21,355,606	\$ 22,160,949	\$ 0
Capital Improvements	171,431	171,431	0
TOTAL	\$ 21,527,037	\$ 22,332,380	\$ 0
State General Fund:			
State Operations	\$ 21,233,340	\$ 22,038,378	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 21,233,340	\$ 22,038,378	\$ 0
Capital Improvements	171,431	171,431	0
TOTAL	\$ 21,404,771	\$ 22,209,809	\$ 0
FTE Positions	466.0	466.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	467.0	467.0	0.0

Agency Request/Governor's Recommendation

El Dorado Correctional Facility requests FY 2006 operating expenditures of \$21,355,606, an increase of \$117,634 (0.6 percent) above the FY 2005 estimate. The request includes State General Fund expenditures of \$21,233,340, an increase of \$131,848 (0.6 percent) above the FY 2005 estimate. The request includes funding for 466.0 FTE positions and includes a 6.1 percent salaries and wages shrinkage rate. The request includes enhancement requests of \$234,585 SGF. Without the enhancement request, the facility's request would be \$21,121,021, a decrease of \$116,951 (0.5 percent) below the FY 2005 estimate. The average daily inmate population is estimated at 1,390 for FY 2006.

The Governor recommends FY 2006 operating expenditures of \$22,160,949, an increase of \$922,977 (4.3 percent) above the FY 2005 estimate and an increase of \$805,343 (3.8 percent) above the facility's request. The recommendation includes State General Fund expenditures of \$22,038,378, an increase of \$936,886 (4.4 percent) above the FY 2005 estimate. The recommendation includes an increase of \$1,039,928 State General Fund, for a KPERS death and disability rate increase, the 27th payroll period and a 2.5 percent base salary increase.

Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$1,983,185.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$22,209,809 an increase of \$1,046,007 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$400,801), the 27th payroll period (\$593,709), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$45,113), the recommendation is an increase of \$6,384, above the approved amount.

House Budget Committee Report

Agency: Ellsworth Correctional Facility

Bill No. HB 2480

Bill Sec. 34

Analyst: Krahl

Analysis Pg. No. Vol. 1, 439

Budget Page No. 159

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 10,849,786	\$ 10,849,786	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 10,849,786	\$ 10,849,786	\$ 0
Capital Improvements	24,784	24,784	0
TOTAL	\$ 10,874,570	\$ 10,874,570	\$ 0
State General Fund:			
State Operations	\$ 10,791,955	\$ 10,791,955	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 10,791,955	\$ 10,791,955	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 10,791,955	\$ 10,791,955	\$ 0
FTE Positions	223.0	223.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	224.0	224.0	0.0

Agency Estimate/Governor's Recommendation

Ellsworth Correctional Facility estimates FY 2005 operating expenditures of \$10,849,786 an increase of \$4,079 (0.0 percent) above the approved amount. The estimate includes State General Fund expenditures of \$10,791,955, an increase of \$5,616 (0.1 percent) above the approved amount. This increase is due to Kansas Savings Incentive Program (KSIP) expenditures. The decrease of \$1,537 in all other funds is due to revised General Fee Fund expenditures. The estimate includes funding for 223.0 FTE positions. The average daily population is estimated to be 830 inmates for FY 2005.

The Governor recommends FY 2005 operating expenditures of \$10,849,786 and concurs with the agency's estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

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1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund increase of \$5,616 or 0.1 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature.

House Budget Committee Report

Agency: Ellsworth Correctional Facility

Bill No. HB 2482

Bill Sec. 72

Analyst: Krahl

Analysis Pg. No. Vol. 1, 439

Budget Page No. 159

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 11,069,868	\$ 11,387,824	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 11,069,868	\$ 11,387,824	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 11,069,868	\$ 11,387,824	\$ 0
State General Fund:			
State Operations	\$ 11,031,925	\$ 11,349,758	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 11,031,925	\$ 11,349,758	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 11,031,925	\$ 11,349,758	\$ 0
FTE Positions	223.0	223.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	224.0	224.0	0.0

Agency Request/Governor's Recommendation

Ellsworth Correctional Facility requests FY 2006 operating expenditures of \$11,069,868, an increase of \$220,082 (2.0 percent) above the FY 2005 estimate. The request includes State General Fund expenditures of \$11,031,925, an increase of \$239,970 (2.2 percent) above the FY 2005 estimate. The request includes three enhancement requests totaling \$221,871 State General Fund. The request includes funding for 223.0 FTE positions. The average daily population is estimated to be 830 inmates for FY 2006.

The Governor recommends FY 2006 operating expenditures of \$11,387,824, an increase of \$538,038 (5.0 percent) above the FY 2005 revised estimate. The Governor's recommendation is an increase of \$317,956 (2.9 percent) above the facility's request. The recommendation includes State General Fund expenditures of \$11,349,758, an increase of \$557,803 (5.2 percent) above the FY 2005 revised estimate and an increase of \$317,833 (2.9 percent) above the facility's request. The recommendation includes adjustments of \$539,827 (\$539,704 SGF) for the KPERS death and disability rate increase, the 27th payroll period, and a 2.5 percent base salary increase. The Governor does not recommend the facility's enhancement requests. The Governor also recommends the bonding authority to construct a 100-bed housing unit at Ellsworth Correctional Facility to address the projected population increases. The estimated cost of this construction project is \$3,505,800, including \$311,000 for one-time start-up costs.

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Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$1,013,456.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$11,349,758, an increase of \$563,419 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$205,593), the 27th payroll period (\$304,519), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$29,592), the recommendation is an increase of \$23,715 or 0.2 percent above the approved amount.

House Budget Committee Report

Agency: Hutchinson Correctional Facility

Bill No. HB 2480

Bill Sec. 34

Analyst: Krahl

Analysis Pg. No. Vol. 1, 454

Budget Page No. 205

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 25,023,992	\$ 25,023,992	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 25,023,992	\$ 25,023,992	\$ 0
Capital Improvements	489,330	1,164,055	0
TOTAL	\$ 25,513,322	\$ 26,188,047	\$ 0
State General Fund:			
State Operations	\$ 24,761,274	\$ 24,761,274	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 24,761,274	\$ 24,761,274	\$ 0
Capital Improvements	227,874	227,874	0
TOTAL	\$ 24,989,148	\$ 24,989,148	\$ 0
FTE Positions	513.0	513.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	513.0	513.0	0.0

Agency Estimate/Governor's Recommendation

Hutchinson Correctional Facility estimates FY 2005 operating expenditures of \$25,023,992, a decrease of \$61,669 (0.2 percent) below the 2005 approved amount. The estimate includes State General Fund expenditures of \$24,761,274, a decrease of \$5,184 (0.02 percent) below the approved amount. The revised estimate provides funding for 513.0 FTE positions. The average daily inmate population is estimated to be 1,835.

The Governor recommends FY 2005 operating expenditures of \$25,023,992 and concurs with the agency's estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund increase of \$4,308 or 0.0 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature.

House Budget Committee Report

Agency: Hutchinson Correctional Facility **Bill No.** HB 2482

Bill Sec. 72

Analyst: Krahl

Analysis Pg. No. Vol 1. 454

Budget Page No. 205

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 25,253,067	\$ 26,272,299	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 25,253,067	\$ 26,272,299	\$ 0
Capital Improvements	237,777	237,777	0
TOTAL	\$ 25,490,844	\$ 26,510,076	\$ 0
State General Fund:			
State Operations	\$ 24,990,349	\$ 25,994,276	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 24,990,349	\$ 25,994,276	\$ 0
Capital Improvements	237,777	237,777	0
TOTAL	\$ 25,228,126	\$ 26,232,053	\$ 0
FTE Positions	513.0	513.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	513.0	513.0	0.0

Agency Request/Governor's Recommendation

Hutchinson Correctional Facility requests FY 2006 operating expenditures of \$25,253,067, an increase of \$229,075 (0.9 percent) above the FY 2005 estimate. The estimate includes State General Fund expenditures of \$24,990,349, an increase of \$229,075 (0.9 percent) above the FY 2005 estimate and includes three enhancement requests totaling \$233,846. Without the enhancement requests, the facility's request would be \$25,019,221, a decrease of \$4,771 (0.02 percent) below the FY 2005 estimate. The FY 2006 request will provide funding for 513.0 FTE positions and an average daily inmate population estimated to be 1,840, an increase of 5.0 inmates above FY 2005.

The Governor recommends FY 2006 operating expenditures of \$26,272,299, an increase of \$1,248,307 (5.0 percent) above the FY 2005 recommendation and an increase of \$1,019,232 (4.0 percent) above the facility's request. The recommendation includes State General Fund expenditures of \$25,994,276, an increase of \$1,233,002 (5.0 percent) above the FY 2005 recommendation and an increase of \$1,003,927 (4.0 percent) above the facility's request. The recommendation includes \$1,253,078 (\$1,252,773 SGF) for a KPERS death and disability rate increase, the 27th payroll period and a 2.5 percent base salary increase. The recommendation does not include the enhancement requests. The Governor concurs with the facility's amount for average daily inmate population of 1,840.

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Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$2,342,343.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$26,232,053, an increase of \$1,247,213 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$477,219), the 27th payroll period (\$706,843), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$68,711), the recommendation is a decrease of \$5,560 below the approved amount.

House Budget Committee Report

Agency: Lansing Correctional Facility

Bill No. HB 2480

Bill Sec. 34

Analyst: Krahl

Analysis Pg. No. Vol. 1, 470

Budget Page No. 297

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 32,767,925	\$ 32,699,457	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 32,767,925	\$ 32,699,457	\$ 0
Capital Improvements	1,691,524	1,696,911	0
TOTAL	\$ 34,459,449	\$ 34,396,368	\$ 0
State General Fund:			
State Operations	\$ 32,607,925	\$ 32,539,457	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 32,607,925	\$ 32,539,457	\$ 0
Capital Improvements	306,253	306,253	0
TOTAL	\$ 32,914,178	\$ 32,845,170	\$ 0
FTE Positions	699.0	699.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	700.0	700.0	0.0

Agency Estimate/Governor's Recommendation

Lansing Correctional Facility estimates FY 2005 operating expenditures of \$32,767,925, a decrease of \$266,781 (0.8 percent) below the approved amount. The FY 2005 estimate provided funding for 699.0 FTE positions. The estimate includes State General Fund (SGF) expenditures of \$32,607,925 a decrease of \$304,752 (0.9 percent) below the approved amount. The revised estimate includes a shift of \$306,253 SGF from operating expenditures to capital improvements for debt service principal, a KSIP expenditure of \$1,501 SGF and \$37,971 of additional General Fees Funds. The average daily inmate population is estimated at 2,484 for FY 2005.

The Governor recommends FY 2005 operating expenditures of \$32,699,457 a decrease of \$335,249 (1.0 percent) below the approved amount. The recommendation includes State General Fund expenditures of \$32,539,457, a decrease of \$373,200 (1.1 percent) below the approved amount. The recommendation includes a shift of \$306,253 SGF from operating expenditures to capital improvements, an increase of \$1,501 SGF for KSIP expenditures and a lapse of \$68,468 SGF in salary savings.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund decrease of \$66,967 or 0.2 percent below the FY 2005 State General Fund amount approved by the 2004 Legislature.

House Budget Committee Report

Agency: Lansing Correctional Facility

Bill No. HB 2482

Bill Sec. 72

Analyst: Krahl

Analysis Pg. No. Vol. 1, 470

Budget Page No. 297

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 32,924,045	\$ 34,454,714	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 32,924,045	\$ 34,454,714	\$ 0
Capital Improvements	317,348	317,348	0
TOTAL	\$ 33,241,393	\$ 34,772,062	\$ 0
State General Fund:			
State Operations	\$ 32,764,045	\$ 34,294,714	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 32,764,045	\$ 34,294,714	\$ 0
Capital Improvements	317,348	317,348	0
TOTAL	\$ 33,081,393	\$ 34,612,062	\$ 0
FTE Positions	699.0	699.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	700.0	700.0	0.0

Agency Request/Governor Recommendation

Lansing Correctional Facility requests FY 2006 operating expenditures of \$32,924,045, an increase of \$156,120 (0.5 percent), all State General Fund, above the FY 2005 estimate. The request includes funding for 699.0 FTE positions with a salaries and wages shrinkage rate of 6.0 percent. The facility requests two enhancements totaling \$159,463 State General Fund. The average daily inmate population is estimated at 2,489 for FY 2006, an increase of 5.0 inmates above FY 2005.

The Governor recommends FY 2006 operating expenditures of \$34,454,714, an increase of \$1,755,257 (5.4 percent) above the FY 2005 recommendation and an increase of \$1,530,669 (4.6 percent) above the facility's request. The recommendation includes State General Fund expenditures of \$34,294,714, an increase of \$1,755,257 (5.4 percent) above the FY 2005 recommendation. The recommendation includes \$1,690,132 SGF for the KPERS death and disability rate increase, the 27th payroll period and a 2.5 percent base salary increase.

Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately

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approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$3,090,621.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$34,612,062, an increase of \$1,699,385 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$643,623), the 27th payroll period (\$953,307), and the Kansas Public Employees Retirement System (KPERS) death and disability increase (\$93,202), the recommendation is an increase of \$9,253 above the approved amount.

House Budget Committee Report

Agency: Larned Correctional Mental Health Facility **Bill No.** HB 2480

Bill Sec. 34

Analyst: Krahl

Analysis Pg. No. Vol. 1, 487

Budget Page No. 299

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 8,308,828	\$ 8,308,828	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 8,308,828	\$ 8,308,828	\$ 0
Capital Improvements	38,000	53,500	0
TOTAL	\$ 8,346,828	\$ 8,362,328	\$ 0
State General Fund:			
State Operations	\$ 8,308,828	\$ 8,308,828	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 8,308,828	\$ 8,308,828	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 8,308,828	\$ 8,308,828	\$ 0
FTE Positions	186.0	186.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	186.0	186.0	0.0

Agency Estimate/Governor's Recommendation

Larned Correctional Mental Health Facility estimates FY 2005 operating expenditures of \$8,308,828, a decrease of \$3,807 (0.0 percent) below the FY 2005 Legislative approved amount. The reduction is due to revised General Fee Fund expenditures. State General Fund estimates of \$8,308,828 are the same as the approved amount. The estimate includes funding for 186.0 FTE positions. The average daily population is estimated to be 350 inmates for FY 2005.

The Governor recommends FY 2005 operating expenditures of \$8,308,828 and concurs with the agency's estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

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1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is the FY 2005 State General Fund amount approved by the 2004 Legislature.

House Budget Committee Report

Agency: Larned Correctional Mental Health Facility **Bill No.** HB 2482

Bill Sec. 72

Analyst: Krahl

Analysis Pg. No. Vol. 1, 487

Budget Page No. 299

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 8,427,790	\$ 8,757,419	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 8,427,790	\$ 8,757,419	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 8,427,790	\$ 8,757,419	\$ 0
State General Fund:			
State Operations	\$ 8,423,290	\$ 8,752,919	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 8,423,290	\$ 8,752,919	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 8,423,290	\$ 8,752,919	\$ 0
FTE Positions	186.0	186.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	186.0	186.0	0.0

Agency Request/Governor's Recommendation

Larned Correctional Mental Health Facility requests FY 2006 operating expenditures of \$8,427,790, an increase of \$118,962 (1.4 percent) above the FY 2005 estimate. The request includes funding for 186.0 FTE positions and State General Fund expenditures of \$8,423,290, an increase of \$114,462 (1.4 percent) above the FY 2005 estimate. The FY 2006 request includes three enhancement requests totaling \$111,043 State General Fund. The average daily population is 360 inmates for FY 2006.

The Governor recommends FY 2006 operating expenditures of \$8,757,419, an increase of \$448,591 (5.4 percent) above the FY 2005 recommendation and an increase of \$329,629 (3.9 percent) above the facility's request. The recommendation does not include the facility's enhancement requests. The State General Fund recommendation totals \$8,752,919, an increase of \$444,091 (5.3 percent) above the FY 2005 recommendation and an increase of \$329,629 (3.9 percent) above the facility's request. The FY 2006 recommendation includes \$440,672 SGF for a KPERS death and disability rate increase, the 27th payroll period and a 2.5 percent base salary increase.

Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$781,576.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$8,752,919, an increase of \$444,091 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$167,884), the 27th payroll period (\$248,668), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$24,120), the recommendation is an increase of \$3,419 above the approved amount.

House Budget Committee Report

Agency: Norton Correctional Facility

Bill No. HB 2480

Bill Sec. 34

Analyst: Krahl

Analysis Pg. No. Vol. 1, 502

Budget Page No. 319

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 12,603,052	\$ 12,603,052	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 12,603,052	\$ 12,603,052	\$ 0
Capital Improvements	320,304	304,575	0
TOTAL	\$ 12,923,356	\$ 12,907,627	\$ 0
State General Fund:			
State Operations	\$ 12,439,501	\$ 12,407,501	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 12,439,501	\$ 12,407,501	\$ 0
Capital Improvements	138,039	138,039	0
TOTAL	\$ 12,577,540	\$ 12,545,540	\$ 0
FTE Positions	265.0	265.0	0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	267.0	267.0	0.0

Agency Estimate/Governor's Recommendation

Norton Correctional Facility estimates FY 2005 operating expenditures of \$12,603,052, a decrease of \$73,624 (0.6 percent) below the approved amount. State General Fund expenditures total \$12,439,501, is a decrease of \$73,624 (0.6 percent) below the approved amount. The net decrease includes a KSIP expenditure of \$64,415 and a shift of \$138,039 from operating expenditures to capital improvements. The FY 2005 estimate funds 233.0 FTE positions at Norton Correctional Facility and 33.0 FTE positions at Stockton Correctional Facility with a salaries and wages shrinkage rate of 6.0 percent. The average daily inmate population is estimated to be 815 for FY 2005 an increase of 22.0 inmates above FY 2004.

The Governor recommends for FY 2005 operating expenditures of \$12,603,052, a decrease of \$73,624 (0.6 percent) below the approved amount. The recommendation includes State General Fund expenditures of \$12,407,501, a decrease of \$105,624 (0.8 percent) below the approved amount. The net decrease includes a KSIP expenditure of \$64,415; a shift of \$138,039 from operating expenditures to capital improvements, and a reduction of \$32,000 for the utilization of General Fee Funds instead of State General Funds.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund increase of \$32,415 or 0.3 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature.

House Budget Committee Report

Agency: Norton Correctional Facility

Bill No. 2482

Bill Sec. 72

Analyst: Krahl

Analysis Pg. No. Vol. 1, 502

Budget Page No. 319

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 12,686,617	\$ 13,192,932	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 12,686,617	\$ 13,192,932	\$ 0
Capital Improvements	143,672	143,672	0
TOTAL	\$ 12,830,289	\$ 13,336,604	\$ 0
State General Fund:			
State Operations	\$ 12,505,941	\$ 13,011,850	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 12,505,941	\$ 13,011,850	\$ 0
Capital Improvements	143,672	143,672	0
TOTAL	\$ 12,649,613	\$ 13,155,522	\$ 0
FTE Positions	265.0	265.0	0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	267.0	267.0	0.0

Agency Request/Governor's Recommendation

Norton Correctional Facility requests for FY 2006 operating expenditures of \$12,686,617, an increase of \$83,565 (0.7 percent) above the FY 2005 estimate. The request includes State General Fund expenditures of \$12,505,941, an increase of \$66,440 (0.5 percent) above the FY 2005 estimate. The FY 2006 request includes three enhancement requests totaling \$132,259 State General Fund. The request includes funding for 233.0 FTE positions at the Norton Correctional Facility and 33.0 FTE positions at Stockton Correctional Facility with a salaries and wages shrinkage rate of 6.0 percent. The average daily inmate population is estimated to be 835 for FY 2006 an increase of 20.0 inmates above FY 2005.

The Governor recommends for FY 2006 operating expenditures of \$13,192,932, an increase of \$589,880 (4.7 percent) above the FY 2005 recommendation and an increase of \$506,315 (4.0 percent) above the facility's request. The recommendation includes State General Fund expenditures of \$13,011,850, an increase of \$604,349 (4.9 percent) above the FY 2005 recommendation and an increase of \$505,909 (4.0 percent) above the facility's request. The recommendation does not include the facility's enhancement requests. The recommendation does include \$638,574 (\$638,168 SGF) for a KPERS death and disability rate increase, a 27th payroll period in FY 2006 and a 2.5 percent base salary increase.

2-27

Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$1,174,698.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$13,155,522, an increase of \$642,397 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$243,225), the 27th payroll period (\$359,911), and the Kansas Public Employees Retirement System (KPERS) death and disability increase (\$35,032), the recommendation is an increase of \$4,229 above the approved amount.

House Budget Committee Report

Agency: Topeka Correctional Facility

Bill No. HB 2480

Bill Sec. 34

Analyst: Krahl

Analysis Pg. No. Vol. 1, 518

Budget Page No. 401

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 11,740,111	\$ 11,740,111	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 11,740,111	\$ 11,740,111	\$ 0
Capital Improvements	37,780	181,058	0
TOTAL	\$ 11,777,891	\$ 11,921,169	\$ 0
State General Fund:			
State Operations	\$ 10,345,727	\$ 10,345,727	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 10,345,727	\$ 10,345,727	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 10,345,727	\$ 10,345,727	\$ 0
FTE Positions	248.0	248.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	251.0	251.0	0.0

Agency Estimate/Governor's Recommendation

Topeka Correctional Facility estimates FY 2005 operating expenditures of \$11,740,111, a decrease of \$34,202 (0.3 percent) below the 2005 approved amount. This funds 248.0 FTE positions with a salaries and wages shrinkage rate of 6.0 percent and 18.0 FTE positions are funded by the federal grant money received from the housing of federal inmates. The estimate includes State General Fund expenditures of \$10,345,727, an increase of \$56,880 (0.6 percent) above the 2005 approved amount. The State General Fund increase is due to KSIP expenditures. The average daily inmate population is estimated to be 670 for FY 2005, an increase of 34 inmates above FY 2004.

The Governor recommends FY 2005 operating expenditures of \$11,740,111 and concurs with the agency's request.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund increase of \$56,880 or 0.6 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature.

House Budget Committee Report

Agency: Topeka Correctional Facility

Bill No. HB 2482

Bill Sec. 72

Analyst: Krahl

Analysis Pg. No. Vol. 1, 518

Budget Page No. 401

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 11,778,791	\$ 12,295,513	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 11,778,791	\$ 12,295,513	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 11,778,791	\$ 12,955,513	\$ 0
State General Fund:			
State Operations	\$ 10,643,298	\$ 11,160,020	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 10,643,298	\$ 11,160,020	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 10,643,298	\$ 11,160,020	\$ 0
FTE Positions	248.0	248.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	251.0	251.0	0.0

Agency Request/Governor's Recommendation

Topeka Correctional Facility requests FY 2006 operating expenditures of \$11,778,791, an increase of \$38,680 (0.3 percent) above the FY 2005 estimate. The request funds 248.0 FTE positions with a salaries and wages shrinkage rate for of 6.0 percent and 18.0 FTE positions are funded with federal grant money. Requested State General Fund expenditures total \$10,643,298, an increase of \$297,571 (2.9 percent) above the FY 2005 estimate. The request includes enhancement packages of \$79,260 SGF. The average daily inmate population is estimated to be 680 for FY 2006, an increase of 10.0 inmates above FY 2005.

The Governor recommends FY 2006 operating expenditures of \$12,295,513, an increase of \$555,402 (4.7 percent) above the FY 2005 recommendation and an increase of \$516,722 (4.4 percent) above the facility's request. The recommendation includes State General Fund expenditures of \$11,160,020, an increase of \$814,293 (7.9 percent) above the FY 2005 recommendation. The recommendation does not include the facility's enhancement requests. The recommendation does include \$595,982 SGF for the KPERS death and disability rate increase, the 27th payroll period and a 2.5 percent base salary.

Statutory Budget Submission

2-31

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires an 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$996,514.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$11,160,020, an increase of \$871,173 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$227,642), the 27th payroll period (\$335,543), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$32,797), the recommendation is an increase of \$275,191, or 2.7 percent above the approved amount.

House Budget Committee Report

Agency: Winfield Correctional Facility

Bill No. HB 2480

Bill Sec. 34

Analyst: Krahl

Analysis Pg. No. Vol. 1, 532

Budget Page No. 463

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 10,475,113	\$ 10,393,890	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 10,475,113	\$ 10,393,890	\$ 0
Capital Improvements	207,715	445,215	0
TOTAL	\$ 10,682,828	\$ 10,839,105	\$ 0
State General Fund:			
State Operations	\$ 10,267,338	\$ 10,157,115	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 10,267,338	\$ 10,157,115	\$ 0
Capital Improvements	115,576	115,576	0
TOTAL	\$ 10,382,914	\$ 10,272,691	\$ 0
FTE Positions	201.0	201.0	0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	203.0	203.0	0.0

Agency Estimate/Governor's Recommendation

Winfield Correctional Facility estimates FY 2005 operating expenditures of \$10,475,113, an increase of \$200,870 (2.0 percent) above the approved amount and funds 201.0 FTE positions. The revised estimate includes State General Fund expenditures of \$10,267,338, an increase of \$195,197 (1.9 percent) above the approved amount. The revised estimate includes supplement requests of \$210,691 State General Fund and an \$82 KSIP expenditure. The average daily inmate population is estimated at 795.

The Governor recommends FY 2005 operating expenditures of \$10,393,890, an increase of \$119,647 (1.2 percent) above the approved amount. The recommendation includes State General Fund expenditures of \$10,157,115, an increase of \$84,974 (0.8 percent) above the approved amount. The recommendation includes a portion of the supplemental request. The recommendation includes \$100,468 SGF in supplemental appropriations, a \$100,000 SGF operating transfer from the Department of Corrections, and \$29,000 in increased utilization of General Fee Funds.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund increase of \$200,550 or 2.0 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature.

House Budget Committee Report

Agency: Winfield Correctional Facility

Bill No. HB 2482

Bill Sec. 72

Analyst: Krahl

Analysis Pg. No. Vol. 1, 532

Budget Page No. 463

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 10,645,265	\$ 10,789,985	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 10,645,265	\$ 10,789,985	\$ 0
Capital Improvements	120,293	120,293	0
TOTAL	\$ 10,765,558	\$ 10,910,278	\$ 0
State General Fund:			
State Operations	\$ 10,436,684	\$ 10,581,404	\$ 0
Aid to Local Units	0	0	0
Subtotal - Operating	\$ 10,436,684	\$ 10,581,404	\$ 0
Capital Improvements	120,293	120,293	0
TOTAL	\$ 10,556,977	\$ 10,701,697	\$ 0
FTE Positions	201.0	201.0	0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	203.0	203.0	0.0

Agency Request/Governor's Recommendation

Winfield Correctional Facility requests FY 2006 operating expenditures of \$10,645,265, an increase of \$170,152 (1.6 percent) above the FY 2005 revised amount and funds 201.0 FTE positions. The request includes State General Fund expenditures of \$10,436,684, an increase of \$169,346 (1.6 percent) above the FY 2005 revised amount. The FY 2006 request includes enhancement requests of \$354,195 State General Fund. The average daily FY 2006 inmate population is estimated at 800, an increase of 5.0 above the current year.

The Governor recommends FY 2006 operating expenditures of \$10,789,985, an increase of \$396,095 (3.8 percent) above the FY 2005 recommendation and an increase of \$144,720 (1.4 percent) above the facility's request. The recommendation includes State General Fund expenditures of \$10,581,404, an increase of \$424,289 (4.2 percent) above the FY 2005 recommendation and an increase of \$144,720 (1.4 percent) above the facility's request. The recommendation does not include the enhancement requests. The recommendation includes \$498,915 SGF for the KPERS death and disability rate increase, the 27th payroll period and a 2.5 percent base salary increase.

2-35

Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$955,589.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$10,701,697, an increase of \$629,556 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$190,407), the 27th payroll period (\$281,816), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$26,692), the recommendation is an increase of \$130,641 or 1.3 percent above the approved amount.

**Kansas Department of Corrections
Telephone Commissions
And
Visitor Centers Funding
FY 1997 to Estimated FY 2005 and FY 2006**

	Telephone Commissions	Visitor Center Funding
FY 1997	\$2,210,100	\$213,000
FY 1998	\$3,515,200	\$213,100
FY 1999	\$2,550,800	\$223,700
FY 2000	\$2,769,200	\$241,000
FY 2001	\$2,800,200	\$250,300
FY 2002	\$2,462,700	\$255,000
FY 2003*	\$2,750,000	\$188,400**
FY 2004	\$2,750,000	\$240,000
FY 2005	\$2,750,000	\$0***
FY 2006	\$2,750,000	\$0

*During FY 2003, the Department of Corrections (DOC) entered into a new telephone contract in which DOC was guaranteed at least \$2,750,000 and no less.

** Due to allotments made during FY 2003, the Visitor Centers were closed mid-year and then reopened in FY 2004.

*** DOC requested \$225,000 for FY2005 for the Visitor Centers. The Governor recommended no funding for the Visitor Centers. The House Budget Committee recommended reviewing at Omnibus the possible funding for the Visitor Centers. The Senate Committee added \$200,000 in the Mega bill from the Inmate Benefit Fund. The Conference Committee decided to not add the \$200,000 from the Inmate Benefit Fund for the Visitor Centers and to review the issue at Omnibus. The Omnibus bill added \$125,000 from the Inmate Benefit Fund to fund the four Visitor Centers at Ellsworth, Hutchinson, Lansing, and Norton Correctional Facilities, with \$25,000 to be appropriated on July 1, 2004 and the remaining \$100,000 subject to a dollar-for-dollar match of federal, local or in-kind donations. The Governor vetoed this funding for the Visitor Centers.

100 Percent of the telephone commission goes into the Inmate Benefit Fund.

Does DOC have to give inmates telephone privileges? Yes - Supreme Court interpretation of the First Amendment. Corrections can decide how often and how much inmates can use the phone.

Kansas Legislative Research Department

February 3, 2005

HOUSE APPROPRIATIONS

DATE 2-21-2005
ATTACHMENT 3

Proposed Amendment to the Department of Corrections Subcommittee Report:

Review at Omnibus the \$2,750,000 in funds from the telephone contract commissions for the possibility to fund visitor centers at the correctional facilities. There is currently one visitor center at Ellsworth Correctional Facility for which the Department of Corrections has allocated \$5,000 from the Inmate Benefit Fund. The remaining \$21,500 to operate the visitor center has been provided by the City of Ellsworth, community donations and donations from the overnight stays at the center.

During the 2004 Legislative session, the Department of Corrections requested for FY 2005 \$225,000 to fund the four Visitor Centers at Ellsworth, Hutchinson, Norton and Lansing Correctional Facilities which the Governor did not recommend. In the 2004 Omnibus Bill, \$125,000 was added from the Inmate Benefit Fund to fund the four Visitor Centers with \$25,000 appropriated on July 1, 2004 and the remaining \$100,000 subject to a dollar-for-dollar match of federal, local, or in-kind donations. The Governor vetoed this funding for the Visitor Centers.

The correctional facilities in which there is currently no visitor center include:

- El Dorado Correctional Facility
- El Dorado Correctional Facility East Unit (Toronto)
- Hutchinson Correctional Facility
- Lansing Correctional Facility
- Osawatomie Correctional Facility
- Larned Correctional Mental Health Facility
- Norton Correctional Facility
- Stockton Correctional Facility
- Topeka Correctional Facility
- Winfield Correctional Facility
- Wichita Work Release Facility


Commissions from the telephone contract are placed in the Inmate Benefit Fund. Historically, the Department of Corrections has used the Inmate Benefit Fund money for offender programs, victim notification staff, and visitor centers. Starting in FY 2004, the most significant amount of these resources have been utilized to finance a portion of the food service contract. For FY 2006, the Department of Corrections proposed that the Inmate Benefit Fund be utilized to finance offender programs instead of the food service contract.

HOUSE APPROPRIATIONS RETIREMENT SUBCOMMITTEE

Recommendation and Report on HB 2105

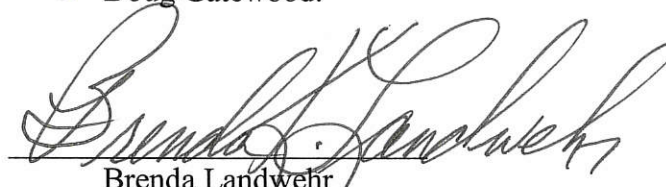
February 16, 2005

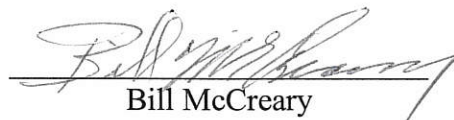
The Subcommittee recommends this bill favorable for passage by the House Committee on Appropriations in order to allow employees of the State Fire Marshal's Office with law enforcement certification to elect membership in the Kansas Police and Firemen's (KP&F) Retirement System.


Melvin Neufeld, Chairperson

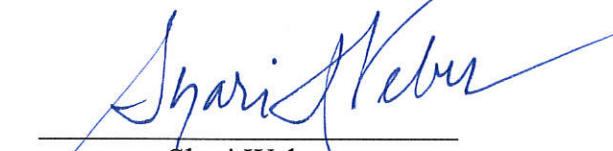

Bill Feuerborn


Doug Gatewood.


Brenda Landwehr


Bill McCreary


Sharon Schwartz


Shari Weber

HOUSE APPROPRIATIONS

DATE 2-21-2005

ATTACHMENT 4

February 16, 2005

House Appropriations Retirement Subcommittee

Recommendation on House Bill No. 2105

Brief

HB 2105 would allow certain employees of the State Fire Marshal's Office to join the Kansas Police and Firemen's (KP&F) Retirement System. Those current employees who are certified law enforcement officers would be eligible to elect either KP&F or KPERs (their present retirement plan). Future employees with law enforcement certification would be covered by KP&F.

Background

Currently, certified law enforcement employees of the Kansas Highway Patrol, the Kansas Bureau of Investigation, and the campus police at Regents institutions have KP&F membership. No other state agencies with certified law enforcement employees have KP&F available. The State Fire Marshal, an investigator in the Fire Marshal's Office, and representatives of the Kansas State Council of Fire Fighters and Kansas Association of Public Employees spoke in favor of the legislation. Enhanced benefits under KP&F would allow members to retire with a multiplier of 2.5 for years of service and as early as age 50 with 20 years of service credit; to receive disability benefits with no distinction between service connected and non-service connected causes; and to have death benefits that include both a lump sum payment and a pension for a surviving spouse, plus benefits for dependent children for service connected death.

Fiscal Note

KPERs estimates the costs of increased employer and employee contributions in FY 2006 if all eligible employees choose KP&F membership would be less than \$50,000. The actual costs would depend upon how many eligible employees elect to change from KPERs to KP&F and the determination of a contribution rate for a new participating employer which is estimated at approximately 12.0 percent. The employee contribution rate would increase from 4.0 to 7.0 percent in order to help pay for enhanced retirement, disability, and death benefits under KP&F.

Importation & Issues in International Drug
Pricing & Drug Spending
March 2005

Chris Ward

Ward Health
Strategies Inc

Importation

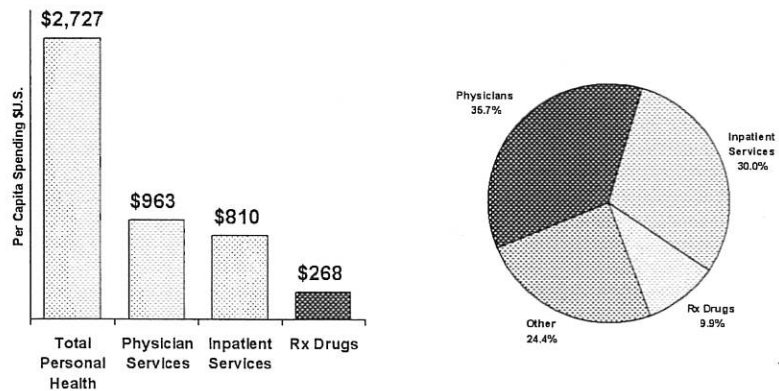
- Puts consumers at risk by evading supply chain safeguards
- Requires Americans to waive their rights to protection of U.S. law
- Violates international trade laws and NAFTA
- Provides no certainty of supply
- Avoids dealing with the fundamental issue of providing adequate benefits to seniors & other vulnerable populations
- Destroys the incentive to search for new medicines that save lives and reduce the financial burden of illness and disease

Ward Health
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HOUSE APPROPRIATIONS

DATE 2-21-2005
ATTACHMENT 5

Canada U.S. Health Spending Gap 2002



O.E.C.D. Health Data 2004

Ward Health
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Why Health Services & Supplies Cost More in the U.S. than in Canada

Macro Economic Differences

Differences in Liability Costs

Price Controls

Ward Health
Strategies Inc

Why Health Services & Supplies Cost More in the U.S. than in Canada: Price Controls

Selling drugs at lower prices in Canada is not a matter of choice for manufacturers.

The government sets manufacturer's price for all patented drugs in Canada.

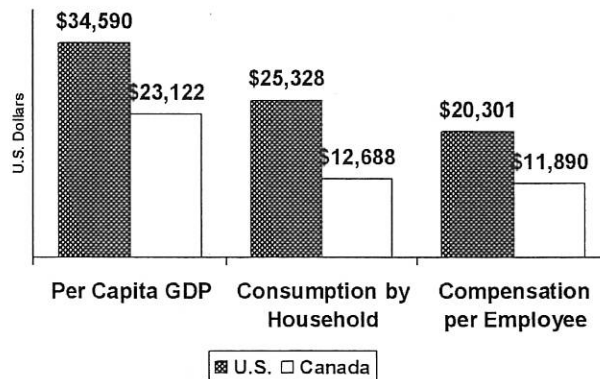
Canadian drug prices are not a matter of choice nor are they freely negotiated by pharmaceutical companies

A breakthrough drug in Canada can be sold for no more than existing drugs in the same therapeutic class or the median price of the same drug in 7 other countries (U.S., U.K., Switzerland, Sweden, France , Germany, and Italy).

If a company refuses to market a drug in Canada the patent can be taken away through a compulsory license.

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Strategies Inc

Economic Differences Canada U.S. 2000

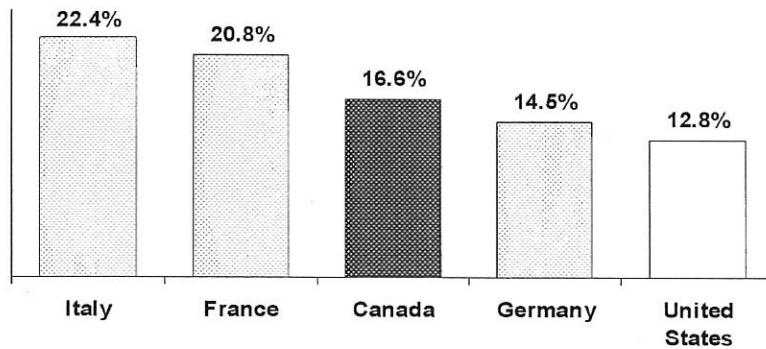


OECD Health Data 2004

Ward Health
Strategies Inc

Comparing Drug Spending Among Developed Countries 2002

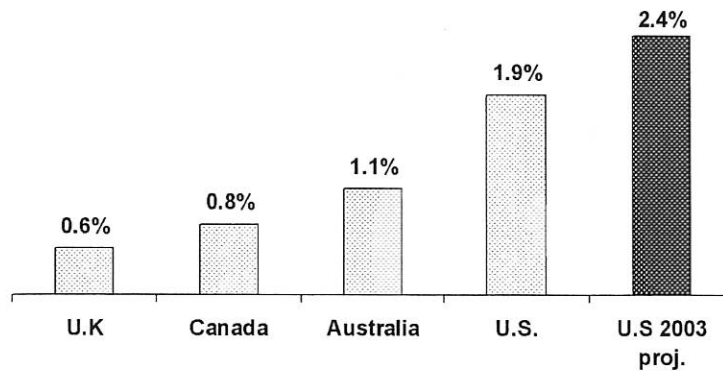
Drugs and other non-durables as a percent of total health spending



OECD Health Data, 2003

Ward Health Strategies Inc

Tort Costs as a percent of GDP Selected Countries 1998

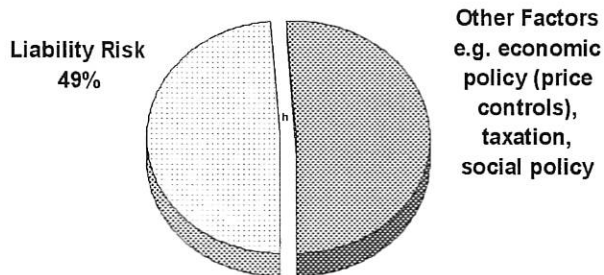


Tillinghast- Towers Perrin

Ward Health Strategies Inc

Liability Risk Accounts for Most of the Difference in U.S. Drug Prices

Drug Price Difference Between Canada and the U.S.
Attributable to Liability Risk



R.L. Manning, Journal of Economics and Law

Ward Health
Strategies Inc

Safeguards that Ensure the Safety & Efficacy of the Drug Supply Chain

- The submission review process for individual products
- Establishment licenses for legal importers
- Record retention and recall mechanisms
- Mutual recognition agreements for pharmaceutical GMP requirements
- Packaging and labeling requirements.

Ward Health
Strategies Inc

Personally Imported Drugs are of Unknown Quality



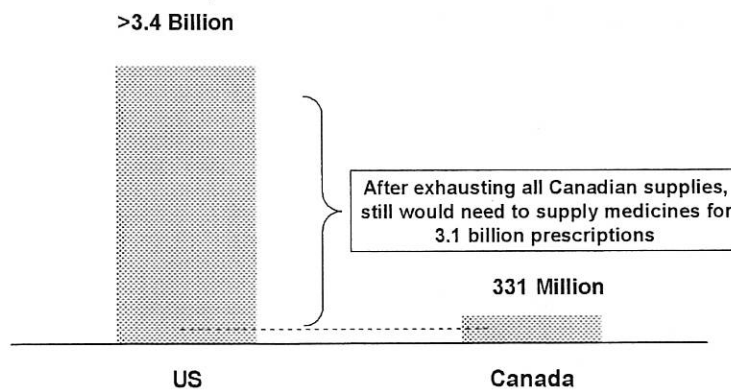
Importation of Human Use Drugs for Personal Use Enforcement Directive

The personal use exemption unfortunately provides an opportunity for these suppliers to conduct commercial activities, and to evade the submission review process for individual products, and/or the Establishment Licence requirements for importers, by supplying their drug products primarily through the mail to individual Canadians. These activities at times may include violative marketing and advertising activities by means such as the Internet. This has ramifications related to safety because large quantities of products, which have not been reviewed for safety and/or efficacy, and which are of unknown quality, can enter the country and be distributed. The lack of an importer also means no person is responsible for meeting GMP requirements such as appropriate record retention or recall mechanisms.

Ward Health
Strategies Inc

Canadian Drug Supply Too Small to Have a Real Impact in the US

Total Prescriptions Filled in US vs Canada, in Millions - 2002



Source: IMS Health.

Ward Health
Strategies Inc

The Trans - Shipment of Pharmaceutical Imports

Imports of Pharmaceuticals & Medicine from Selected Countries
January to July 2004

COUNTRY	IMPORTS
China	\$44.7 million + 8%
India	\$25.6 million +16%
Mexico	\$24.6 million +13%
Argentina	\$2.6 million +208%
Indonesia	\$.37 million +1307%
Thailand	\$1.6 million +55%
Columbia	\$.48 million + 3036%

Industry Canada, Trade Data Online, www.strategis.ic.gc.ca, accessed Oct 7, 2004
Ward Health
Strategies Inc

Drugs Exported to U.S. May Not be Subject to Health Canada Oversight

37. (1) This Act does not apply to any packaged food, drug, cosmetic or device, not manufactured for consumption in Canada and not sold for consumption in Canada, if the package is marked in distinct overprinting with the word "Export" or "Exportation" and a certificate that the package and its contents do not contravene any known requirement of the law of the country to which it is or is about to be consigned has been issued in respect of the package and its contents in prescribed form and manner.

Canada's Food & Drug Act

"In documents filed in Federal Court late last month, CanadaRX Corp. has asked a judge to prevent Health Canada inspectors from visiting its facility, calling the proposed inspection "invalid and unlawful" and a violation of the company's charter rights."

Michelle MacAffee, Canadian Press, March 3, 2004

Ward Health
Strategies Inc

Importation & Liability

Mail order importers require patients to waive their rights of protection under US law before filling a prescription.

Before a prescription can be filled in Canada it must be signed by a Canadian doctor. Canadian doctors have been told by the agency that insures them that they have no liability coverage for prescriptions they write for US patients receiving imported drugs.

Pharmaceutical companies have no way of tracking drugs illegally exported to the United States, therefore they have no means to issue warnings or recalls should post-marketing safety issues arise.

Ward Health
Strategies Inc

Importation: Waiving Consumers' Rights of Protection Under U.S. Law

- "I hereby release and save GP and its employees and contractors... harmless from any and all acts, liabilities, damages (etc.) of any kind or nature... from any side effects... their manner of prescribing generic drugs and non-child-protective packaging."
- "This agreement along with any disputes that may arise....will be governed and construed in accordance with the laws of Canada."
- "The State of Minnesota makes no warranty express or implied... and accepts no legal liability with respect to any product offered or pharmaceutical care provided."

Seniorcarerx.net

Ward Health
Strategies Inc

The Political Environment in Canada Protecting Canadian Consumers

January 31, 2005:

"I want to make sure that we protect ordinary Canadians, that we protect the supply, that we protect the pricing regime." Hon. U. Dosanjh, Minister of Health, Canada

- Prohibit Canadian doctors from co-signing prescriptions for U.S. patients they haven't seen.
- Prohibit prescriptions for foreigners who are not present in Canada.
- Create a list of widely used drugs that could not be exported from Canada

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Key Findings of HHS Study

- There are significant risks with the way people are currently importing drugs. "extraordinarily difficult and costly" for personal importation to be implemented in a way that ensures the safety and effectiveness of imported drugs
- Legalized importation will likely adversely affect the future development of new drugs for consumers.
- Legalized importation raises liability concerns for consumers, manufacturers, distributors, pharmacies and other entities. Consumers harmed by imported drugs may not have legal recourse against foreign pharmacies, distributors or other suppliers.

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Net druggists want lower ethics: Dosanjh

Industry proposals fail to address troubling activities, minister says

Friday, February 18th, 2005

By Paul Samyn

OTTAWA -- Health Minister Ujjal Dosanjh fired back at the country's Internet druggists yesterday by accusing them of wanting to lower ethical standards with solutions they put forth to save their industry.

"I've yet to see any evidence on the part of that industry to deal with the unethical conduct that they engage in," said Dosanjh, who is preparing a crackdown on the industry.

"I and many of the colleges of physicians and surgeons and many medical associations including pharmacists have said that the conduct that they engage in is unethical. And one doesn't deal with the issues around ethics by lowering ethical standards, either by ignoring them or eliminating them."

Dosanjh's undiplomatic dismissing of solutions that online pharmacists put forward Wednesday before the Commons health committee underscores Ottawa's resolve to get tough with the industry that employs 4,000 across the country, including 2,500 in Manitoba.

One senior federal source said while the \$1-billion industry won't be wiped out by Dosanjh's coming remedy, there is no doubt that its workforce will be dramatically downsized.

Dosanjh's refusal to back away from his hard line didn't come as any surprise to the Canadian International Pharmacy Association (CIPA), which represents 35 Internet and mail-order pharmacies across the country.

"He is on a political agenda, it is clear he is not dealing in good faith," said David MacKay, executive director of the Winnipeg-based CIPA.

"Every single answer uses the word unethical. But just because he says that doesn't mean that is the case."

The latest round in the ongoing war of words between Dosanjh and MacKay was centered around CIPA's proposal to replace the industry practice of Canadian doctors co-signing prescriptions for American patients by formally recognizing U.S. doctors as an "acceptable prescriber" north of the border.

"We cannot be the drugstore for the United States of America based on a pricing regime that controls those prices for domestic consumption for the benefit of you and I," said Dosanjh.

Dosanjh also dumped on CIPA's suggestion that the country's price controls and drug supply can be protected by a ban on bulk exports to the United States.

"You can't say to the United States of America, you can't say to Canadians we are controlling these prices for domestic consumption and we want to now build an export trade based on prices that are controlled for domestic consumption."

Dosanjh also wrapped himself in the flag, saying his fight with the industry is based on his desire to protect Canada's affordable drug supply from being swamped by states that are looking to Canada for the bulk purchase of pharmaceuticals that are considerably cheaper here.

"We've had a pricing regime in this country that's the envy of the rest of the world," Dosanjh said.

"It provides a supply of drugs for Canadians and we as Canadians save billions of dollars a year."

Dosanjh said his department is still studying options, which include forbidding Canadian doctors from co-signing prescriptions for U.S. patients they have not seen or requiring foreigners to show up in person to fill a prescription in Canada. Dosanjh is also considering creating a list of drugs that could not be exported out of Canada if shortages were imminent.

As well, he suggested yesterday that if Canadian doctors want to write prescriptions for Americans they should use tele-health to consult with their patients.

Tele-health refers to the use of telecommunications to deliver medical care over long distances. It involves everything from telephones to sophisticated computer stations that allow the doctor to see the patient and record vital signs.

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