

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on February 14, 2006 in Room 514-S of the Capitol.

All members were present.

## Committee staff present:

Alan Conroy, Legislative Research Department  
 J. G. Scott, Legislative Research Department  
 Becky Krahl, Legislative Research Department  
 Matt Spurgin, Legislative Research Department  
 Susan Kannarr, Legislative Research Department  
 Carolyn Rampey, Legislative Research Department  
 Leah Robinson, Legislative Research Department  
 Jim Wilson, Revisor of Statutes  
 Mike Corrigan, Revisor of Statutes  
 Nikki Feuerborn, Administrative Assistant  
 Shirley Jepson, Committee Secretary

## Conferees appearing before the committee:

## Others attending:

See attached list.

- Attachment 1 Budget Committee Report on Kansas Insurance Department, Office of the Governor, Lieutenant Governor, Secretary of State,
- Attachment 2 Amendment, FY 2007 Office of the Governor
- Attachment 3 Budget Committee Report on the Health Care Stabilization Fund Board of Governors
- Attachment 4 Budget Committee Report on the Attorney General
- Attachment 5 Budget Committee Report on the State Treasurer
- Attachment 6 Budget Committee Report on the Board of Tax Appeals

Representative Feuerborn moved to introduce legislation concerning exemption from certain fire protection statutes for the agriculture exhibit buildings on the property of the Kansas State Fair. The motion was seconded by Representative Bethell. Motion carried.

Chairman Neufeld moved to introduce legislation for the establishment of the Kansas Cancer Center. The motion was seconded by Representative Pottorff. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Kansas Insurance Department for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 1). The motion was seconded by Representative Lane.

Some members of the Committee expressed dissatisfaction with the transfer of fee funds to the State General Fund (SGF).

Representative McLeland moved to amend the Budget Committee report on the Kansas Insurance Department for FY 2006 by deleting the transfer of \$500,000 from the Insurance Department Service Regulation Fund to the State General Fund (SGF). The motion was seconded by Representative Hutchins. Motion carried.

The Committee requested that the General Government and Commerce Budget Committee research and provide additional information on the amount of special revenue funds that have been transferred from the Insurance Department Service Regulation Fund to the State General Fund during the past.

## CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 14, 2006 in Room 514-S of the Capitol.

Representative Pottorff moved to adopt the Budget Committee report on the Kansas Insurance Department for FY 2006 as amended. The motion was seconded by Representative Yoder. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Kansas Insurance Department for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 1). The motion was seconded by Representative Lane.

Representative McLeland moved to amend the Budget Committee report on the Kansas Insurance Department for FY 2007 by deleting the transfer of \$1 million from the Insurance Department Service Regulation Fund to the State General Fund (SGF). The motion was seconded by Representative Hutchins. Motion carried.

Representative Pottorff moved to adopt the Budget Committee on the Kansas Insurance Department for FY 2007 as amended. The motion was seconded by Representative Yoder. Motion carried.

Representative Lane, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Office of the Governor for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 1). The motion was seconded by Representative Pottorff. Motion carried.

Representative Lane, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Office of the Governor for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 1). The motion was seconded by Representative Pottorff.

Representative Landwehr moved to amend the Budget Committee report on the Office of the Governor for FY 2007 by adding \$7,483,333, including \$1,583,333 from the State General Fund (SGF) for domestic violence prevention grants (Attachment 2). The motion was seconded by Representative Bethell. Motion carried.

Representative Landwehr explained that through an error in the Governor's Budget Report, approximately \$5.9 million in federal grant funding was placed in the budget of the Kansas Department of Health and Environment budget rather than the Governor's Office budget. This amendment will put the matching funds for the grant program in the same budget as the grant funds.

Representative Lane moved to adopt the Budget Committee report on the Office of the Governor for FY 2007 as amended. The motion was seconded by Representative Pottorff. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Lieutenant Governor for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 1). The motion was seconded by Representative Lane. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Lieutenant Governor for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 1). The motion was seconded by Representative Lane. Motion carried.

Representative Yoder, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Secretary of State for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 1). The motion was seconded by Representative Pottorff. Motion carried.

Representative Yoder, member of the General Government and Commerce Budget Committee,



## CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 14, 2006 in Room 514-S of the Capitol.

presented the Budget Committee report on the Governor's recommendation for the Secretary of State for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 1). The motion was seconded by Representative Pottorff. Motion carried.

Representative Lane, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Health Care Stabilization Fund Board of Governors for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 3). The motion was seconded by Representative Yoder. Motion carried.

Representative Lane, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Health Care Stabilization Fund Board of Governors for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 3). The motion was seconded by Representative Pottorff. Motion carried.

Representative Yoder, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Attorney General for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 4). The motion was seconded by Representative Lane. Motion carried.

Representative Yoder, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Attorney General for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007(Attachment 4). The motion was seconded by Representative Lane.

Representative Gatewood moved to amend the Budget Committee report on the Attorney General for FY 2007 by adding language for a review of **HB 2797** at Omnibus. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Sharp moved to amend the Budget Committee report on the Attorney General for FY 2007 by adding language to Item No. 3 specifying that if the Byrne Grant funds are awarded, the \$76,692 will be returned to the State General Fund (SGF). The motion was seconded by Representative Lane. Motion carried.

The Chair explained that Byrne Grants are federal dollars awarded to the states to establish new programs, fully funded the first year with a gradual decrease in federal dollars until the 4<sup>th</sup> year when the program is sustained with SGF dollars. The Budget Committee noted that FY 2006 is the second year for the Attorney General's program and FY 2007 will be the third year. Kevin Graham, Attorney General's office, indicated that the Byrne Grant funds are awarded in June of each fiscal year.

Representative Schwartz moved to amend the Budget Committee report on the Attorney General for FY 2007 by adding language to ensure that \$560,000 is appropriated for water litigation from a special revenue fund. The motion was seconded by Representative Powell. Motion carried.

Representative Yoder moved to adopt the Budget Committee report on the Attorney General for FY 2007 as amended. The motion was seconded by Representative Pottorff. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the State Treasurer for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 5). The motion was seconded by Representative Yoder. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's recommendation for the State Treasurer for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 5). The motion was seconded by Representative Yoder. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 14, 2006 in Room 514-S of the Capitol.

Representative McCreary, Chair of the Revenue, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Board of Tax Appeals for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 6). The motion was seconded by Representative Gatewood. Motion carried.

Representative McCreary, Chair of the Revenue, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's recommendation for the Board of Tax Appeals for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 6). The motion was seconded by Representative Weber. Motion carried.

The following bills were referred:

**HB 2863** to Education Budget Committee.

**HB 2880** to Revenue, Judicial, Transportation and Retirement Budget Committee.

**HB 2897** to State Pay Plan Sub Committee.

The meeting was adjourned at 10:10 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 15, 2006.



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Melvin Neufeld, Chairman



# HOUSE APPROPRIATIONS COMMITTEE

February 14, 2006

9:00 a.m.

NAME	REPRESENTING
Jimmy Salisbury Dickmann Kelsa	Budget
Bob [unclear]	HCJF
Gary [unclear]	HCJF
Dodie [unclear]	Patrick Hudley & Co
Ron Secher	Heinlaw Firm
KEVIN GRATHAM	A.G.

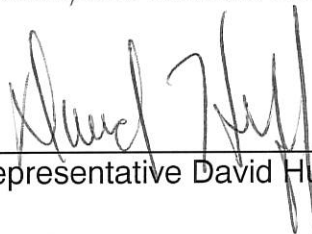
House General Government and Commerce Budget Committee Reports

FY 2006 and FY 2007

Office of the Governor  
Lieutenant Governor  
Secretary of State  
Kansas Insurance Department

  
Representative JoAnn Pottorff, Chair

  
Representative Richard Carlson

  
Representative David Huff

Representative Annie Kuether

  
Representative Harold Lane

  
Representative Clark Shultz

  
Representative Kevin Yoder

HOUSE APPROPRIATIONS

DATE 2-14-2006  
ATTACHMENT 1

## House Budget Committee Report

**Agency:** Kansas Insurance Department **Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson **Analysis Pg. No.** Vol. 1-438

**Budget Page No.** 209

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Budget Committee Adjustments
Operating Expenditures:			
Special Revenue Funds	\$ 21,542,718	\$ 21,386,312	\$ 0
Capital Improvements:			
Special Revenue Funds	122,500	122,500	0
<b>TOTAL</b>	<b><u>\$ 21,665,218</u></b>	<b><u>\$ 21,508,812</u></b>	<b><u>\$ 0</u></b>
FTE Positions	146.7	146.7	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
<b>TOTAL</b>	<b><u>150.7</u></b>	<b><u>150.7</u></b>	<b><u>0.0</u></b>

### Agency Estimate

The **agency** estimates current year operating expenditures of \$21,542,718, a decrease of \$843,565 or 3.8 percent below the approved amount. Most of the reduction is the amount requested for payments under the workers' compensation program.

### Governor's Recommendation

The **Governor** recommends FY 2006 revised operating expenditures of \$21,386,312, a decrease of \$156,406 (0.7 percent) below the amount estimated by the agency. The only adjustment to the agency's revised estimate is an increase in the agency's shrinkage rate from the 3.5 percent estimated by the agency to 5.4 percent, resulting in the reduction of \$156,406. The Governor also recommends the transfer of an additional \$0.5 million from the Insurance Department Service Regulation Fund to the State General Fund in FY 2006, in addition to the \$0.5 million transfer already approved.

### House Budget Committee Recommendation

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

1. The Budget Committee notes the agency's concern with the additional shrinkage adjustment recommended by the Governor, and with the transfer of an additional



\$500,000 from the Insurance Department Service Regulation Fund to the State General Fund. The Budget Committee recommends that these issues be reconsidered at Omnibus.

## House Budget Committee Report

**Agency:** Kansas Insurance Department    **Bill No.**

**Bill Sec.**

**Analyst:** Robinson    **Analysis Pg. No.** Vol. 1-209

**Budget Page No.** 438

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 21,149,764	\$ 21,128,247	\$ 0
Capital Improvements:			
Special Revenue Funds	99,000	99,000	0
<b>TOTAL</b>	<b>\$ 21,248,764</b>	<b>\$ 21,227,247</b>	<b>\$ 0</b>
FTE Positions	146.7	146.7	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	150.7	150.7	0.0

### Agency Request

The **agency** requests budget year operating expenditures of \$21,149,764, a decrease of \$392,954 or 1.8 percent below the revised current year estimate. Most of the reduction is in the request for capital outlay and reflects one-time current year expenditures not expected to reoccur in FY 2007.

### Governor's Recommendation

The **Governor** recommends FY 2007 expenditures of \$21,128,247, a decrease of \$258,065 (1.2 percent) below the revised current year estimate, and a net decrease of \$21,517 (0.1 percent) below the agency's request. Increases for the Governor's recommended pay plan adjustments (\$168,704) are offset by the recommended increase in the agency's shrinkage rate from the 3.5 percent requested by the agency to 5.9 percent, generating a reduction of \$190,221. The Governor also recommends an FY 2007 transfer of \$1.0 million from the Insurance Department Service Regulation Fund to the State General Fund.

### House Budget Committee Recommendation

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

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27<sup>th</sup> payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and

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statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

**For this agency**, the FY 2006 approved budget totaled \$22,471,283, all from special revenue funds. The approved budget was reduced by a net total of \$1,028,495 all from special revenue funds, to establish a baseline budget for FY 2007. The reductions included \$128,495 in salary adjustments and \$900,000 in one-time adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.**  
The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 0	\$ 21,227,247
Baseline Budget	0	21,442,788
Dollar Difference	<u>\$ 0</u>	<u>\$ (215,241)</u>
<i>Percent Difference</i>	<i>0.0%</i>	<i>(1.0)%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 0	\$ 168,704
Shrinkage/Salary Adjustments	0	(71,806)
Capital Outlay Expenditures	0	(400,500)
Debt Service Payments	0	75,000
Capital Improvements Projects	0	(23,500)
Other Net Adjustments	0	36,561
TOTAL	<u>\$ 0</u>	<u>\$ (215,541)</u>

3. The Budget Committee notes the agency's concern with the additional shrinkage adjustment recommended by the Governor (from the 3.5 percent requested by the agency to 5.9 percent), and with the transfer of \$1,000,000 from the Insurance Department Service Regulation Fund to the State General Fund in FY 2007. The Budget Committee recommends that these issues be reconsidered at Omnibus.



## House Budget Committee Report

**Agency:** Office of the Governor

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson      **Analysis Pg. No.** Vol. 1-388

**Budget Page No.** 171

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,416,350	\$ 2,416,350	\$ 0
Federal Funds	10,545,595	10,545,595	0
Other Funds	113,557	138,557	0
<b>TOTAL</b>	<b>\$ 13,075,502</b>	<b>\$ 13,100,502</b>	<b>\$ 0</b>
FTE Positions	38.5	38.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>38.5</b>	<b>38.5</b>	<b>0.0</b>

### Agency Estimate

The **agency's** FY 2006 revised request for reportable expenditures of \$13,075,502 reflects a net decrease of \$2,185,412 (14.3 percent) below the amount approved by the 2005 Legislature. Revised expenditures from the State General Fund increase \$113,214 over the approved amount and reflect an unlimited reappropriation that was available for expenditure, but not expended in FY 2005. This amount carried forward and is now available for expenditure in FY 2006. The revised estimate of expenditures from federal grant funds is a decrease of \$2,232,072 (17.5 percent) below the approved amount, based on more recent estimates of available federal funding in the current year.

### Governor's Recommendation

The **Governor's** recommendation for FY 2006 reportable expenditures totals \$13,100,502, an increase of \$25,000 above the agency's revised estimate. The agency received a \$25,000 grant after submission of the budget, and the Governor's recommendation includes an expenditure of that amount.

### House Budget Committee Recommendation

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

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## House Budget Committee Report

**Agency:** Office of the Governor

**Bill No.**

**Bill Sec.**

**Analyst:** Robinson      **Analysis Pg. No.** Vol. 1-388

**Budget Page No.** 171

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,260,532	\$ 2,298,039	\$ 0
Federal Funds	9,209,509	9,217,510	0
Other Funds	119,179	121,218	0
<b>TOTAL</b>	<b>\$ 11,589,220</b>	<b>\$ 11,636,767</b>	<b>\$ 0</b>
FTE Positions	39.0	39.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>39.0</b>	<b>39.0</b>	<b>0.0</b>

### Agency Request

The FY 2007 budget request for reportable expenditures totals \$11,589,220, a decrease of \$1,486,282 (11.4 percent) below the FY 2006 revised estimate. Most of the reduction (\$1,336,086) is in the amount requested for federal grant funds, based on estimates of available federal funds.

### Governor's Recommendation

The **Governor** recommends a total of \$11,636,767 for FY 2007, an increase of \$47,547 above the agency request. The increase is entirely the result of the 2.5 base salary adjustment contained in the Governor's recommendation.

### House Budget Committee Recommendation

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

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27<sup>th</sup> payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of

Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

**For this agency**, the FY 2006 approved budget totaled \$15,260,914, including \$2,303,136 from the State General Fund. The approved budget was reduced by a net total of \$41,909, including \$31,883 from the State General Fund to establish a baseline budget for FY 2007. The reductions were entirely in salary adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.**  
The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 2,298,039	\$ 11,636,767
Baseline Budget	<u>2,271,303</u>	<u>15,219,005</u>
Dollar Difference	<u>\$ 26,736</u>	<u>\$ (3,582,238)</u>
<i>Percent Difference</i>	<i>1.2%</i>	<i>(30.8)%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 37,507	\$ 47,547
Other Salary Adjustments	(13,519)	(13,519)
Federal Fund Reductions	0	(3,560,157)
Special Programs Funding	0	(58,891)
Other Net Adjustments	<u>2,748</u>	<u>2,782</u>
TOTAL	<u>\$ 26,736</u>	<u>\$ (3,582,238)</u>

3. The Budget Committee notes that federal grant funding decreases significantly in the current year and in FY 2007. Estimated federal grant funds expenditures in the current year decrease by \$2.2 million from the approved amount, and are budgeted to decrease by an additional \$1.3 million in FY 2007. Part of the problem noted by the agency was the lack of available funds to allow potential grant recipients to meet the match requirements for the grants. In an attempt to alleviate that problem, the Governor's FY 2007 recommendation includes \$1.5 million from the State General Fund in the budget of the Kansas Department of Health and Environment to be used to assist potential grant recipients to access approximately \$5.9 million in additional federal grant funding.
4. The Budget Committee notes that the Governor's FY 2007 recommendation includes a 0.5 FTE position for the off-budget E-911 grant program. The 2004 Legislature passed the Wireless Enhanced 911 Act which, among other things,



created a special revenue fund in the Department of Administration's budget to be used for grants related to the act. The Department of Administration elected to utilize the expertise of the Federal Grants program of the Governor's Department, and through a memorandum of understanding, the two agencies are working together to administer the grant. While the funding to be administered is off-budget, a total of 2.0 FTE positions were added to the Governor's Department budget. An additional 0.5 FTE position was requested and recommended for FY 2007. Total nonreportable funding budgeted for the program in FY 2007 is \$4.0 million. The funding is considered reportable in the budget of the Department of Administration.

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## House Budget Committee Report

**Agency:** Lieutenant Governor

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson     **Analysis Pg. No.** Vol. 1-401

**Budget Page No.** 309

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 178,440	\$ 178,440	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

### Agency Estimate

The **agency's** FY 2006 revised request of \$178,440 reflects a net increase of \$4,432 (2.5 percent) above the amount approved by the 2005 Legislature. This amount reflects an unlimited reappropriation of funding that was available for expenditure, but not expended in FY 2005, which carried forward and is now available for expenditure in FY 2006. The additional expenditures from this unlimited reappropriation are reflected in increased requests for contractual services and commodities, partially offset by a small reduction in salaries and wages.

### Governor's Recommendation

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

### House Budget Committee Recommendation

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

## House Budget Committee Report

**Agency:** Lieutenant Governor

**Bill No.**

**Bill Sec.**

**Analyst:** Robinson      **Analysis Pg. No.** Vol. 1-401

**Budget Page No.** 309

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 191,565	\$ 195,198	\$ 0
FTE Positions	3.5	3.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.5</u>	<u>3.5</u>	<u>0.0</u>

### Agency Request

The FY 2007 **agency** budget request totals \$191,565, an increase of \$13,125 (7.4 percent) above the FY 2006 revised estimate. The request reflects increased salaries and wages for the addition of a new 0.5 FTE Executive Secretary position.

### Governor's Recommendation

The **Governor** concurs with the agency's request, with the addition of \$3,633 in FY 2007 pay plan adjustments.

### House Budget Committee Recommendation

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

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27<sup>th</sup> payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

**For this agency**, the FY 2006 approved budget totaled \$174,008, all from the State General Fund. The approved budget was reduced by a net total of \$2,443,

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all from the State General Fund, to establish a baseline budget for FY 2007. The reductions were entirely in salary adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 195,198	\$ 195,198
Baseline Budget	171,565	171,565
Dollar Difference	<u>\$ 23,633</u>	<u>\$ 23,633</u>
<i>Percent Difference</i>	12.1%	12.1%

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 3,633	\$ 3,633
New 0.5 FTE Position	20,783	20,783
Other Net Adjustments	(783)	(783)
TOTAL	<u>\$ 23,633</u>	<u>\$ 23,633</u>

3. The Budget Committee notes the addition of a 0.5 FTE Executive Secretary position recommended for the agency. The position, initially funded in the current year with gifts and other private funding, was added to assist the Lieutenant Governor in his role with the Governor's Strategic Military Planning Commission, which was designed to protect Kansas military bases during the Base Realignment and Closure (BRAC) process. The Governor recently created the Governor's Military Council, which is aimed at protecting the gains made by bases in the state under the BRAC recommendations. The Lieutenant Governor requested funding for the position in FY 2007 to allow for continued assistance with this process.
4. The Budget Committee recommends that consideration be given to an evaluation of the salary of the Lieutenant Governor. For a number of years, the state's Lieutenant Governors have served dual roles as cabinet secretaries or agency heads. The full time statutory salary for the Lieutenant Governor, as adjusted for the Governor's recommended FY 2007 pay plan adjustments, is \$30,097. The current Lieutenant Governor also serves as a Special Assistant to the Governor, and is paid approximately \$71,000 related to that role. The Budget Committee is concerned that, while there are sufficient responsibilities for the position to require full time service, the salary authorized for the position is not adequate to address those responsibilities.

# House Budget Committee Report

**Agency:** Secretary of State

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson     **Analysis Pg. No.** Vol. 1-455

**Budget Page No.** 353

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Budget Committee Adjustments
Operating Expenditures:			
Special Revenue Funds	\$ 21,843,178	\$ 21,843,178	\$ 0
FTE Positions	54.0	54.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>54.0</u>	<u>54.0</u>	<u>0.0</u>

## Agency Estimate

The **agency** estimates current year operating expenditures of \$21,843,178, an increase of \$2,232,572 or 11.4 percent above the approved amount. The agency estimates FY 2006 State General Fund expenditures of \$643,455, all HAVA matching funds, which reappropriated from FY 2005. The FY 2006 approved budget included no State General Fund expenditures.

- The agency's revised estimate includes HAVA expenditures totaling \$17,530,577, including \$643,455 from the State General Fund that carried forward from FY 2005 as part of the required state match for the federal grant funds.
- Without HAVA expenditures, the agency's revised FY 2006 estimate is a decrease of \$1 below the approved amount for the regular divisions within the Secretary of State's Office.

## Governor's Recommendation

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

## House Budget Committee Recommendation

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

## House Budget Committee Report

**Agency:** Secretary of State

**Bill No.**

**Bill Sec.**

**Analyst:** Robinson      **Analysis Pg. No.** Vol. 1-455

**Budget Page No.** 353

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Budget Committee Adjustments
Operating Expenditures:			
Special Revenue Funds	\$ 5,571,130	\$ 5,628,880	\$ 0
FTE Positions	54.0	54.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>54.0</u>	<u>54.0</u>	<u>0.0</u>

### Agency Request

The **agency** requests budget year operating expenditures of \$5,571,130, a decrease of \$16,272,048 or 74.5 percent below the revised current year estimate. The agency requests no FY 2007 State General Fund expenditures.

- The request includes HAVA expenditures totaling \$1,245,938, all from federal grant funds.
- Without HAVA expenditures, the agency's FY 2007 request is an increase of \$12,791 or 0.3 percent above the revised current year estimate for the regular divisions within the Secretary of State's Office.

### Governor's Recommendation

The **Governor** concurs with the agency's FY 2007 request with the addition of \$57,750 from special revenue funds for pay plan adjustments.

### House Budget Committee Recommendation

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

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27<sup>th</sup> payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the

1-14

Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

**For this agency**, the FY 2006 approved budget totaled \$19,610,606, all from special revenue funds. The approved budget was reduced by a net total of \$15,343,333 all from special revenue funds, to establish a baseline budget for FY 2007. The reductions included \$45,129 in salary adjustments, and \$15,298,204 in one-time adjustments.

- 2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.**  
The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 0	\$ 5,628,880
Baseline Budget	0	4,267,273
Dollar Difference	<u>\$ 0</u>	<u>\$ 1,361,607</u>
<i>Percent Difference</i>	<i>0.0%</i>	<i>24.2%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 0	\$ 57,750
Help America Vote Act Funding	0	1,248,571
Other Net Adjustments	0	55,286
TOTAL	<u>\$ 0</u>	<u>\$ 1,361,607</u>

- 3. The Budget Committee notes the agency's continuing request to retain the proceeds from the sale and shipment of the *Session Laws of Kansas*, *Kansas Administrative Regulations (KARs)*, and supplements, and from the shipment of *Kansas Statutes Annotated (KSAs)* and supplements. For FY 2006, it is estimated that the proviso language included in the appropriations bill will result in additional receipts of \$151,718 to the agency's Information Service Fee Fund. Estimated State General Fund receipts will be reduced by the same amount. SB 275, which was introduced during the session to make the change permanent, was not enacted by the 2005 Legislature, but is scheduled to be heard before the Budget Committee in the near future.

Motion to Amend Budget Committee Report on the  
Office of the Governor

Mr. Chairman,

I move to amend the House General Government and Commerce Budget Committee Report on the Office of the Governor in FY 2007 to add \$7,483,333, including \$1,583,333 from the State General Fund, for domestic violence prevention grants.

The House Social Services Budget Committee was informed that through an error in the *Governor's Budget Report*, approximately \$5.9 million in federal grant funding was placed in the budget of the Kansas Department of Health and Environment budget rather than the Governor's Office budget. As was noted in the Social Services Budget Committee Report on KDHE, in previous years, the match funding was provided by local entities. For FY 2007, the Governor recommended \$1,583,333 for the match to be provided from the State General Fund. The Social Services Budget Committee Report indicated that while it is supportive of the program, the Social Services Budget Committee feels the match funding should be budgeted with the federal grant funding.

In its report to this Committee, which was adopted by the full Committee, the Social Services Budget Committee encouraged the Budget Committee considering the Governor's Office budget to recommend funding of \$1,583,333 from the State General Fund in the Governor's Department budget to provide matching funds for this grant program. Since that recommendation is not included in the Budget Committee's report, I move to amend the report to make that change.

Representative Brenda Landwehr

HOUSE APPROPRIATIONS

DATE 2-14-2006  
ATTACHMENT 2



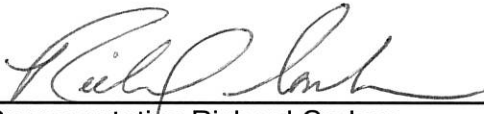
House Appropriations  
General Government and Commerce Budget Committee

FY 2006 and FY 2007  
Budget Committee Report

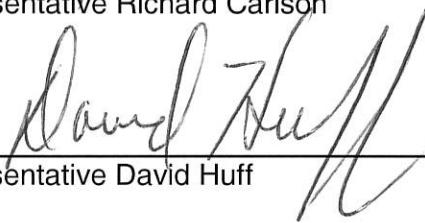
**Health Care Stabilization Fund Board of Governors**



Representative Jo Ann Pottorff, Chairperson



Representative Richard Carlson



Representative David Huff

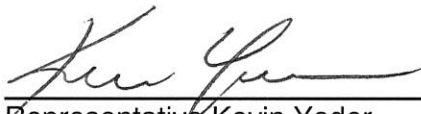
Representative Annie Kuether



Representative Harold Lane



Representative Clark Shultz



Representative Kevin Yoder

**HOUSE APPROPRIATIONS**

DATE 2-14-2006  
ATTACHMENT 3

# House Budget Committee Report

**Agency:** Health Care Stabilization Fund Board of Governors **Bill No.**

**Bill Sec.**

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I-623

**Budget Page No.** 185

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	General Government Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	34,134,119	34,134,119	0
<b>TOTAL</b>	<b>\$ 34,134,119</b>	<b>\$ 34,134,119</b>	<b>\$ 0</b>
FTE Positions	17.0	16.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>17.0</b>	<b>16.0</b>	<b>0.0</b>

## Agency Estimate

The **agency's** revised FY 2006 expenditure request of \$34,134,119 is an increase of \$4,955,517 or 17.0 percent above the amount approved by the 2005 Legislature. The amount requested for the Administrative operating program is \$1,294,111, an increase of \$145,815 or 12.7 percent above the approved amount. Of this difference, \$135,685 is for Kansas Savings Incentive Program (KSIP) expenditures for miscellaneous capital outlay items and \$10,130 for increases in other operating expenses. The remainder of the difference is an increase in estimated costs in the Claims program which is subject to a no-limit appropriation for claims payments, associated legal fees and other items directly related to the payment of claims. The FY 2006 estimate includes a new 1.0 FTE Legal Assistant position that will be funded from existing resources.

## Governor's Recommendation

The **Governor** concurs with the agency expenditure estimate but does not recommend the new 1.0 FTE Legal Assistant position.

## House Budget Committee Recommendation

The House General Government and Commerce Budget Committee concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** Health Care Stabilization Fund Board of Governors **Bill No.**

**Bill Sec.**

**Analyst:** Kannarr

**Analysis Pg. No.** Vol. I-623

**Budget Page No.** 185

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	Budget Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	0
Other Funds	34,031,357	34,017,453	0
<b>TOTAL</b>	<b><u>\$ 34,031,357</u></b>	<b><u>\$ 34,017,453</u></b>	<b><u>\$ 0</u></b>
FTE Positions	17.0	16.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>17.0</u></b>	<b><u>16.0</u></b>	<b><u>0.0</u></b>

### Agency Request

The **agency's** FY 2007 budget request for the Administrative operating program is \$1,191,349, a decrease of \$102,762 or 7.9 percent below the revised FY 2006 estimate. This change represents the entire decrease in requested expenditures for the agency. The total budget request is \$34,031,357 including a no-limit Claims program budget of \$32,840,008, the same amount as in FY 2006. The agency request includes an enhancement package of \$33,341 for continuation of the new legal assistant position requested for FY 2006. The request also includes an increase of \$17,713 in Salaries and Wages, an increase in Contractual Services of \$15,210, and a decrease in Capital Outlay of \$135,685.

### Governor's Recommendation

The **Governor** recommends expenditures of \$34,017,453 including \$1,177,445 for Administrative operations. The recommendation is a decrease of \$13,904 (0.04 percent) below the agency request. The Governor does not recommend the requested 1.0 FTE Legal Assistant position requested by the agency. The Governor recommends \$19,437 for a 2.5 percent base salary adjustment which is offset by a decrease due to the absence of the 27<sup>th</sup> payroll period which occurred in FY 2006.

### House Budget Committee Recommendation

The House General Government and Commerce Budget Committee concurs with the Governor's recommendation with the following exception:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27<sup>th</sup> payroll period funding included in FY 2006,

annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

**For this agency**, the FY 2006 approved budget totaled \$29,178,602 all from special revenue funds, including \$1,148,296 for the Administrative program. The approved budget was reduced by a net total of \$15,668 in special revenue funds to establish a baseline budget for FY 2007. The reductions were entirely in salary adjustments. The Claims portion of the budget is a no-limit appropriation for claims payments, associated legal fees and other items directly related to the payment of claims from the Fund.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 0	\$ 34,017,453
Baseline Budget	0	29,162,934
Dollar Difference	<u>\$ 0</u>	<u>\$ 4,854,519</u>
<i>Percent Difference</i>	-	(14.3)%

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	SGF	All Funds
Base Salary Adjustment	\$ 0	\$ 19,437
DISC Fees	0	15,210
Cost Changes for Other Oper. Expend.	0	10,770
Estimate for Claims Based on Actuarial Estimate and Actual Experience in FY 2005	0	4,809,102
TOTAL	<u>\$ 0</u>	<u>\$ 4,854,519</u>

3. The Budget Committee recommends a review at Omnibus of the agency's request for \$33,342 from special revenue funds and 1.0 FTE for a new legal assistant position.

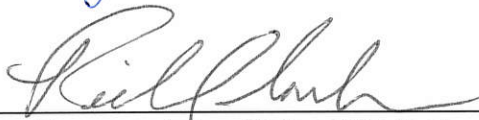
FY 2006 and FY 2007

GENERAL GOVERNMENT AND COMMERCE BUDGET COMMITTEE

Attorney General



Representative Jo Ann Pottorff, Chair



Representative Richard Carlson

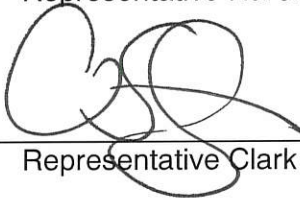


Representative David Huff

Representative Annie Kuether



Representative Harold Lane



Representative Clark Shultz



Representative Kevin Yoder

HOUSE APPROPRIATIONS

DATE 2-14-2006

ATTACHMENT 4



## Budget Committee Report

**Agency:** Attorney General

**Bill No.**

**Bill Sec.**

**Analyst:** Rampey

**Analysis Pg. No.** Vol. I-373

**Budget Page No.** Vol. 2-65

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,071,122	\$ 6,071,122	\$ 0
Other Funds	11,098,594	11,098,594	0
<b>TOTAL</b>	<u>\$ 17,169,716</u>	<u>\$ 17,169,716</u>	<u>\$ 0</u>
FTE Positions	94.5	94.5	-
Non FTE Uncl. Perm. Pos.	15.0	15.0	-
<b>TOTAL</b>	<u>109.5</u>	<u>109.5</u>	<u>-</u>

### Agency Estimate

The **Attorney General** estimates expenditures from the State General Fund of \$6,071,122, which includes balances of \$55,999 reappropriated from FY 2005. Funding from all other funds exceeds the approved amount by \$748,980 and is the result of additional funding becoming available after the 2005 Legislature adjourned. For example, the Attorney General received a federal grant totaling \$530,164 for a Project Safe Neighbor Grant which involves coordinating the efforts of federal, state, and local entities in prosecuting and working to limit gun crimes. The Attorney General also received \$123,330 in federal funds for a COPS Technology Grant to purchase equipment needed to help educate, investigate, prosecute, and prevent white collar crimes in Kansas.

### Governor's Recommendation

The **Governor** concurs with the Attorney General's estimate of expenditures for FY 2006, but lapses \$18,573 in available funding from the State General Fund which the Attorney General had not budgeted to spend but had intended to carry forward to FY 2007.

### Budget Committee Recommendations

The Budget Committee concurs with the recommendations of the Governor.

## Budget Committee Report

**Agency:** Attorney General

**Bill No.**

**Bill Sec.**

**Analyst:** Rampey

**Analysis Pg. No.** Vol. I-373

**Budget Page No.** Vol. 2-65

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,882,015	\$ 4,759,220	\$ 76,692
Other Funds	11,393,549	10,972,483	0
<b>TOTAL</b>	<b>\$ 16,275,564</b>	<b>\$ 15,731,703</b>	<b>\$ 76,692</b>
FTE Positions	94.5	94.5	0.0
Non FTE Uncl. Perm. Pos.	15.0	15.0	0.0
<b>TOTAL</b>	<b>109.5</b>	<b>109.5</b>	<b>0.0</b>

### Agency Request

The **Attorney General** requests a total of \$16,275,564, of which \$4,882,015 is from the State General Fund. The requested amount includes \$560,000 from the Attorney General's Interstate Water Litigation Fund for water litigation activities involving Colorado.

### Governor's Recommendation

The **Governor** recommends expenditures of \$15,731,703 in FY 2007, of which \$4,759,220 is from the State General Fund. The Governor's recommendation includes \$280,000 from the State General Fund for water litigation activities. The Governor's recommendation also includes \$124,269, of which \$77,154 is from the State General Fund, for a 2.5 percent base salary adjustment for classified employees and a 2.5 percent merit pool for unclassified employees.

### Budget Committee Recommendations

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

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27<sup>th</sup> payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of

Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

**For the Attorney General**, the FY 2006 approved budget totaled \$16,364,737, including \$6,015,123 from the State General Fund. The approved budget was reduced by a net total of \$690,798, including \$669,942 from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$78,298 in salary adjustments and \$612,500 in one-time adjustments.

- 2. Comparison of FY 2007 Baseline Budget to Governor's Recommendation.**  
The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 4,759,220	\$ 15,731,703
Baseline Budget	<u>5,345,181</u>	<u>15,673,940</u>
Dollar Difference	<u>\$ (585,961)</u>	<u>\$ 57,763</u>
<i>Percent Difference</i>	<i>(12.3)%</i>	<i>0.4%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 77,154	\$ 124,269
Colorado Water Money	(630,000)	(630,000)
Tort Claims Fund Expenditures	0	400,426
Crime Victims Assistance Grants	0	328,814
Antitrust Special Revenue Fund Expenditures	0	217,259
Court Cost Fund Expenditures	0	(404,227)
Other Net Adjustments	<u>(33,115)</u>	<u>21,222</u>
TOTAL	<u>\$ (585,961)</u>	<u>\$ 57,763</u>

The difference for the Colorado water money is that the approved FY 2006 budget included significantly more money than recommended by the Governor for FY 2007 (\$910,000 in FY 2006 compared to \$280,000 recommended for FY 2007). The remaining differences are increased expenditures from various special revenue funds in the Governor's FY 2007 recommendation, offset by reduced expenditures from the Court Cost Fund.

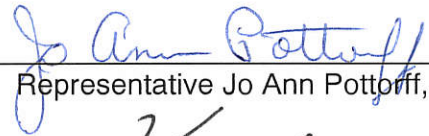
3. Add \$76,692 from the State General Fund to replace federal funding from a Byrne Grant which the Attorney General believes will not be renewed for FY 2007. The money would be for the salaries of 2.0 FTE current employees (an attorney and a paralegal) who are assigned to non-capital homicide cases. (The Governor recommends that salaries for the two positions be paid from the State General Fund but increases shrinkage from the State General Fund by \$76,692 so that no additional funding is added.)
4. Consider the following items in the Omnibus Bill, which are listed in the Attorney General's order of priority:

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- a. \$136,439, of which \$103,980 is from the State General Fund, for the second and final year of an initiative to raise the salaries of 28 unclassified attorneys so that they are comparable to attorneys in the state's classified service.
- b. \$124,277 from the State General Fund for the second year of a three-year plan to shift funding for salaries in the Consumer Protection Division from the Court Cost Fund to the State General Fund.
- c. \$175,000 from the State General Fund for the Young Kansans-Safe Kids Program.
- d. An additional \$280,000 for Colorado water litigation activities, for a total of \$560,000. The Attorney General also would like for the appropriation to be from a special revenue fund, not from the State General Fund.

**HOUSE GENERAL GOVERNMENT AND COMMERCE BUDGET COMMITTEE:**

**State Treasurer**



Representative Jo Ann Pottorff, Chair

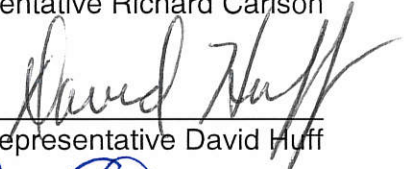


Representative Kevin Yoder

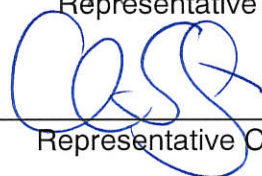
Representative Harold Lane



Representative Richard Carlson



Representative David Huff



Representative Clark Shultz

Representative Annie Kuether

**HOUSE APPROPRIATIONS**

DATE 2-14-2006

ATTACHMENT 5



## House Budget Committee Report

**Agency:** State Treasurer      **Bill No.**      **Bill Sec.**  
**Analyst:** Spurgin      **Analysis Pg. No.** Vol. 1-471      **Budget Page No.** 407

Expenditure Summary	Agency Est. FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	0
Other Funds	11,618,348	11,618,348	0
TOTAL	<u>\$ 11,618,348</u>	<u>\$ 11,318,648</u>	<u>0</u>
FTE Positions	38.4	38.4	0.0
Non FTE Uncl. Perm. Pos.	17.1	17.1	0.0
TOTAL	<u>55.5</u>	<u>55.5</u>	<u>0.0</u>

### Agency Estimate

The **agency's** current year estimate of **reportable** expenditures is \$11,618,348, an increase of \$46,239 (0.4 percent) above the approved budget. The Legislature did not recommend restoration of local aid payments from the LAVTRF or CCRSF. The estimate includes funding for 27 payroll periods.

**Nonreportable Budget.** The **agency** estimates a current year **nonreportable** operating budget of \$1,554,895. The approved budget did not include a separate nonreportable budget. The approved agency financing from cash management and voucher processing fees is reported in other state agency budgets as reportable expenditures.

### Governor's Recommendation

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

### House Budget Committee Recommendation

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

## House Budget Committee Report

**Agency:** State Treasurer

**Bill No.**

**Bill Sec.**

**Analyst:** Spurgin

**Analysis Pg. No.** Vol. 1-471

**Budget Page No.** 407

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	134,101,053	13,041,058	(1,568,466)
<b>TOTAL</b>	<b><u>\$ 134,101,053</u></b>	<b><u>\$ 13,041,058</u></b>	<b><u>\$ (1,568,466)</u></b>
FTE Positions	55.5	55.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>55.5</u></b>	<b><u>55.5</u></b>	<b><u>0.0</u></b>

### Agency Request

The **agency** requests a FY 2007 **reportable** operating budget of \$134,101,053, a net increase of \$122,482,705 (1,054.2 percent) above the revised current year request. The request includes the restoration of LAVTRF and CCRSF payments, estimated at \$70,422,000 and \$52,254,000 respectively, for a total of \$122,676,000. Excluding the LAVTRF and CCRSF payments, the requested budget is \$11,425,053, which is a decrease of \$193,295 (1.7 percent) below the agency's FY 2006 revised estimate. The request includes funding for 26 payroll periods.

**Nonreportable Budget.** The **agency** requests a FY 2007 **nonreportable** budget of \$1,561,488, an increase of \$6,593 (0.4 percent) above the revised current year estimate.

### Governor's Recommendation

The **Governor** recommends a FY 2007 **reportable** operating budget of \$13,041,058, an increase of \$1,422,710 (12.2 percent) above the FY 2006 estimate. The Governor does not recommend the restoration of LAVTRF and CCRSF payments. The Governor's recommendation for the reportable budget includes expenditures the agency requested on the nonreportable budget. The Governor recommends that these operating expenditures in the agency's administration and cash management program be funded through a fee on unclaimed property, which would make these expenditures reportable. The recommendation includes funding for 26 payroll periods.

**Nonreportable Budget.** The **Governor** does not recommend a nonreportable budget.

### House Budget Committee Recommendation

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

- FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27<sup>th</sup> payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

**For this agency,** the FY 2006 approved budget totaled \$11,572,109. The approved budget was reduced by a net total of \$267,289 to establish a baseline budget for FY 2007. The reductions included \$38,043 in salary adjustments, and \$240,000 in one-time adjustments.

- Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 0	\$ 13,041,058
Baseline Budget	0	11,304,820
Dollar Difference	<u>\$ 0</u>	<u>\$ 1,736,238</u>
<i>Percent Difference</i>	<i>0.0%</i>	<i>15.4%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 0	\$ 37,539
Shift funding for Administration and Cash Management Programs to the Unclaimed Property Fee Fund	0	1,568,466
Other Net Adjustments	0	130,233
TOTAL	<u>\$ 0</u>	<u>\$ 1,736,238</u>

- Delete \$1,568,466 from the Governor's recommendation. This removes the operating expenditures that the Governor recommended funding through fees on unclaimed property. The House Budget Committee recommends that financing of \$1,568,466 be funded through the Services Reimbursement Fund through the collection of cash management and voucher processing fees. Since the Budget Committee recommends that this amount be funded in this manner, these expenditures would be moved to the non-reportable budget. The Budget Committee does not recommend funding the agency through fees charged on unclaimed property. The Budget Committee notes that testimony was heard that a fee of 23.0 percent on unclaimed property would be necessary to raise

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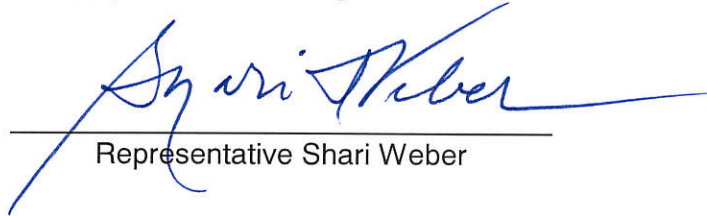
sufficient revenue to fund these operations through the fee on unclaimed property. This shift of funding would also move 17.1 FTE positions to the non-reportable budget, but would not change the overall FTE count for the agency.

REVENUE, JUDICIAL, TRANSPORTATION, AND RETIREMENT  
BUDGET COMMITTEE

Board of Tax Appeals

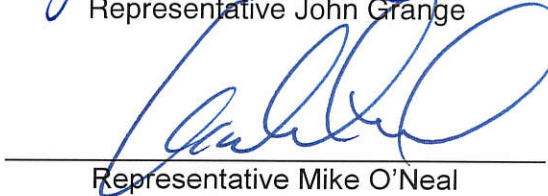
  
Representative Bill McCreary, Chair

  
Representative Doug Gatewood

  
Representative Shari Weber

\_\_\_\_\_  
Representative Eric Carter

  
Representative John Grange

  
Representative Mike O'Neal

  
Representative Tom Thull

HOUSE APPROPRIATIONS

DATE 2-14-2006  
ATTACHMENT 6

## House Budget Committee Report

**Agency:** Board of Tax Appeals      **Bill No.** \_\_\_\_\_      **Bill Sec.** \_\_\_\_\_  
**Analyst:** Spurgin      **Analysis Pg. No.** Vol. 1-730      **Budget Page No.** 393

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,365,174	\$ 1,365,174	\$ 0
Other Funds	424,339	424,339	0
<b>TOTAL</b>	<b><u>\$ 1,789,513</u></b>	<b><u>\$ 1,789,513</u></b>	<b><u>\$ 0</u></b>
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>26.0</u></b>	<b><u>26.0</u></b>	<b><u>0.0</u></b>

### Agency Estimate

The **agency** estimates FY 2006 operating expenditures of \$1,789,513, which is an increase of \$164,950 (10.2 percent) above the approved amount. The estimate includes State General Fund expenditures of \$1,365,174, which is an increase of \$9,611 (0.7 percent) above the approved amount. The increase in State General Fund expenditures is the combination of \$675 of reappropriated funds from FY 2005, which were approved but not expended in FY 2005, and carried forward to FY 2006, an \$8,936 in KSIP expenditures. The current year estimate includes funding for 27 payroll periods.

The increase in special revenue funds of \$155,339 is requested due to increases above the approved amounts in contractual services and for salaries and wages. The agency reported that expenditures for contractual services were approved for FY 2006 at a much lower level than historical levels of expenditures reflected. Included in this overall increase of expenditures from special revenue funds the agency has requested, as a supplemental expenditure, \$80,713 from the Board of Tax Appeals (BOTA) Filing Fee Fund for increases in expenditures for salaries and wages. The agency requests additional funding due to increases in salaries and benefits for unclassified employees and has reported that salaries and benefits costs increased upward as the unclassified positions were adjusted to levels commensurate with other government agencies. The agency noted that since June 2003, salaries for three staff attorney positions were increased an average of 11.75 percent per year and there has been no net increase in salaries for the Executive Director or Chief Counsel positions since June 2003.

### Governor's Recommendation

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

### House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.43361~(2/13/6(1:27PM))

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## House Budget Committee Report

**Agency:** Board of Tax Appeals      **Bill No.**      **Bill Sec.**

**Analyst:** Spurgin      **Analysis Pg. No.** Vol. 1-730      **Budget Page No.** 393

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,580,563	\$ 1,456,060	\$ 0
Other Funds	427,939	429,604	0
<b>TOTAL</b>	<b><u>\$ 2,008,502</u></b>	<b><u>\$ 1,888,664</u></b>	<b><u>\$ 0</u></b>
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>26.0</u></b>	<b><u>26.0</u></b>	<b><u>0.0</u></b>

### Agency Request

The **agency** requests budget year operating expenditures of \$2,008,502, an increase of \$218,989 (12.2 percent) above the revised current year estimate. The agency requests FY 2007 State General Fund expenditures of \$1,580,563, an increase of \$215,389 (15.8 percent) above the revised current year estimate. The increase in expenditures above current year estimates reflects an increase in capital outlay, which consists of an enhancement request of \$225,000 from the State General Fund for a case management system. The agency also requests an enhancement of \$75,301 from the State General Fund to fund salaries and wages for FY 2007.

### Governor's Recommendation

The **Governor** recommends budget year operating expenditures of \$1,888,664, an increase of \$99,151 (5.5 percent) above the revised current year recommendation. The Governor recommends FY 2007 State General Fund expenditures of \$1,459,060, an increase of \$93,886 (6.9 percent) above the FY 2006 recommendation. The Governor recommends the \$75,301 enhancement request for unclassified staff salary increases. The Governor recommends \$75,000 of the agency's \$225,000 case management system enhancement request. The recommendation also includes \$30,162, including \$28,497 from the State General Fund, for a base salary adjustment. The recommendation includes funding for 26 payroll periods, which reduced the base budget by \$42,218 below the FY 2006 recommendation, and partially offsets the increased expenditures for salaries and wages.

### House Budget Committee Recommendation

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

- FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27<sup>th</sup> payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

**For this agency,** the FY 2006 approved budget totaled \$1,624,563, including \$1,355,563 from the State General Fund. The approved budget was reduced by a net total of \$20,970 from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$20,970 in salary adjustments.

- Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 1,459,060	\$ 1,888,664
Baseline Budget	<u>1,334,593</u>	<u>1,603,593</u>
Dollar Difference	<u>\$ 124,467</u>	<u>\$ 285,071</u>
<i>Percent Difference</i>	<i>9.3%</i>	<i>17.8%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 28,497	\$ 30,162
Enhancement for bar code reader	75,000	75,000
Enhancement for additional salary money	0	75,301
Other Net Adjustments	<u>20,970</u>	<u>104,608</u>
TOTAL	<u>\$ 124,467</u>	<u>\$ 285,071</u>