

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

All members were present except:

Representative Bonnie Huy- excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Matt Spurgin, Legislative Research Department
Michele Alishahi, Legislative Research Department
Reagan Cussimano, Legislative Research Department
Amy Deckard, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Julian Efird, Legislative Research Department
Debra Hollon, Legislative Research Department
Susan Kannarr, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Leah Robinson, Legislative Research Department
Amy VanHouse, Legislative Research Department
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 Legislative Branch Budget Committee Report
- Attachment 2 General Government and Commerce Budget Report
- Attachment 3 Education Budget Committee Report
- Attachment 4 Agriculture and Natural Resources Budget Committee Report
- Attachment 5 Revenue, Judicial, Transportation and Retirement Budget Committee Report
- Attachment 6 Public Safety Budget Committee Report
- Attachment 7 Social Services Budget Committee Report
- Attachment 8 Proviso on Attorney General Budget for FY 2006 and FY 2007
- Attachment 9 Proviso on Board of Regents for FY 2007, KAN-ED
- Attachment 10 Letter from Kansas Board of Regents
- Attachment 11 Proviso on In-State Tuition Rates, Board of Regents
- Attachment 12 Proviso on Board of Healing Arts, Cashflow Problem
- Attachment 13 Proviso on Department of Social and Rehabilitation Services, State Medicaid Plan
- Attachment 14 Amendments to Department on Aging
- Attachment 15 Proviso on Kansas Commission on Veterans Affairs
- Attachment 16 Copy of FY 2007 Motor Vehicles by Agency
- Attachment 17 Amendment on funding for Challenger Learning Center
- Attachment 18 Amendment on Local Ad Valorem Tax Reduction Fund
- Attachment 19 Amendment to KSU Veterinary Medical Center for training program

Chairman Neufeld recessed the Committee meeting at 9:05 a.m. for members to caucus and reconvened at 10:00 a.m.

In response to an objection to the appointment of Representative Merrick to the Committee in the absence of Representative Huy, Chairman Neufeld stated that, in the absence of the full

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Legislature to take action, the Speaker of the House notified the Clerk of the House in writing of the appointment of Representative Merrick to the Committee and posted the notice on the public bulletin board. Mike Corrigan, Office of the Revisor of Statutes, indicated that the law does not address the particular issue when the full Legislature is not in session to approve the appointment. Representative Feuerborn, Ranking Minority Member, stated that he thought the issue should be addressed in the law but withdrew any objection to the appointment of Representative Merrick to the Committee at this time.

(For purposes of clarity, the "Items for Omnibus Consideration" report, prepared by Legislative Research Department, has been copied into these minutes to which are added the recommendations of the Budget Committees and actions taken by the full Committee. Discussion and action taken by the Appropriations Committee is entered after each state agency in the report.)

Items for Omnibus Consideration

Legislature

A. Non-session Expense Allowance (Technical Adjustment). 2006 SB 480 (Mega bill) contained language for FY 2007 that included legislative non-session expense allowance payments for a total of four biweekly pay periods after April 1, and the correct number should have been five biweekly pay periods. This correction was made in FY 2006 but not in FY 2007.

B. Legislative Computers and the Microsoft Office Suite (Senate Committee). The Senate Committee noted its concern with the continued use of Groupwise and WordPerfect Office, and the inability of legislators to interact with their secretary's computer for e-mail and scheduling. The Committee requested information on the cost to accelerate the time line to include Microsoft Office suite within the Legislative Branch computer system. According to Legislative Administrative Services (LAS) the cost to convert to Microsoft Office and Outlook would total \$1,270,680, all from the State General Fund in FY 2007, and would take approximately nine months for full installation, conversion and training. Hardware and software costs are estimated at \$371,780, training costs are estimated at \$368,150, rewriting on-line help and conversion of existing information is estimated to cost \$474,500 and expenditures for an additional support staff FTE would total \$56,250. LAS did express concerns about changing software during the development of the Bill Drafting System, which may propose the implementation of yet another software package. Preliminary testing was just completed on the interoperability of Groupwise version 7, which allows the transfer of e-mail and scheduling between Groupwise and Outlook to occur seamlessly. It would allow those with Outlook to view a calendar in Groupwise without problems and access e-mails as well. After the proper approvals, the implementation of the new version of Groupwise is expected to be completed before the start of the 2007 Legislative session.

The Legislative Branch Budget Committee recommendation (Attachment 1):

- A. Recommends adding the technical change language that corrects the number of non-session expense allowance payments from four biweekly pay periods after April 1 to five biweekly pay periods.**
- B. Did not address this Senate issue.**

No action necessary.

Secretary of State

A. Funding for Production and Distribution of Certain Publications (Senate Committee). The Senate Committee recommended that consideration be given during Omnibus to the inclusion of a proviso for FY 2007 which would reflect the provisions of 2005 Senate Bill No. 275. The Committee noted that the bill was introduced and passed by the Senate during the 2005 Session of the Legislature, and had not passed the House. Subsequent to the Committee's review of the agency's budget, SB 275 passed the House, and was signed into law on March 20, 2006. The bill allows the Secretary of State to deposit proceeds generated from the sale and shipment of *Session Laws of Kansas*, *Kansas Administrative Regulations (KARs)*, and supplements to the *KARs* into the agency's Information Services Fee Fund, rather than the State General Fund. In addition, the bill allows the Secretary of State to deposit the revenue collected from the shipment of *Kansas Statutes Annotated (KSAs)* and supplements to the *KSAs* into the agency's Information Services Fee Fund, rather than the State General Fund. Under the bill, an estimated \$151,718 would be deposited in the agency's Information Services Fee Fund, rather than the State General Fund.

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The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. Took no action on a possible proviso incorporating the provisions of SB 275 because the bill has passed.

Insurance Department

A. Addition of Funding to Adjust the Approved Salary and Wage Shrinkage Rate (Senate Committee and House Committee). Both the House and Senate Committees noted the Department's concern with the salary and wage shrinkage rate included in the Governor's recommended budget for the agency in both FY 2006 and FY 2007, and recommended that the issue be reviewed during Omnibus. For both FY 2006 and FY 2007, the agency requested a shrinkage rate of 3.5 percent. The currently approved budget for FY 2006 reflects a shrinkage rate of 5.4 percent, which reduces salary and wage expenditures estimated by the agency by \$156,406 (all from special revenue funds). For FY 2007, the currently approved budget reflects a shrinkage rate of 5.9 percent, generating a reduction of \$190,221 (all from special revenue funds) below the agency's request. The budgeted shrinkage rate for FY 2005 was 3.2 percent while the actual FY 2005 salary and wage shrinkage rate for the agency was 8.1 percent.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. Did not add funding to adjust the agency's shrinkage rate because the agency advised the Budget Committee that it could manage with the currently approved rate.
- B. New Item: At the Agency's request, deletes 3.7 FTE positions which have remained vacant and unfunded for some time.

Representative Yoder moved for the adoption of the General Government and Commerce Budget Committee report on the Insurance Department for FY 2006 and FY 2007. The motion was seconded by Representative Pottorff. Motion carried.

School for the Blind

A. Official Hospitality (House Committee and Conference Committee). The House Committee recommended that \$2,000 from the State General Fund for official hospitality be deleted in FY 2007 and be reviewed during Omnibus. However, the Conference Committee on SB 480 concurred with the Senate position and included the funding.

The Education Budget Committee recommendation (Attachment 3):

- A. Did not take action on this item.

School for the Deaf

A. Tuck-Point and Sealing Repairs (Senate Committee). The Senate Committee recommended that funding of \$140,000 from the State Institutions Building Fund for tuck-pointing and seal repairs of the Roth Complex in FY 2007 be reviewed during Omnibus. The School for the Deaf requested this project as part of its FY 2007 budget submission; however, the Governor did not recommend funding. The Joint Committee on State Building Construction reviewed the project as part of its review of the agency's capital improvements request for FY 2007, and concurred with the Governor's recommendation.

The agency indicated that the exterior of the Roth Complex has deteriorated to the point where moisture penetrates the inner structure causing internal damage during high moisture periods and hard freezing periods. According to the agency, the repair is critical to maintain the building's current use as a dormitory and administrative complex.

The Education Budget Committee recommendation (Attachment 3):

- A. Adds \$140,000 from the State Institutions Building Fund for tuck-point and seal repairs of the Roth Complex in FY 2007.

Representative Hutchins moved for the adoption of the Budget Committee report on the School for the Deaf for FY 2007. The motion was seconded by Representative Merrick. Motion carried.

Note: The Committee noted that the Joint Committee on State Building Construction has not taken action on these building repairs at this time.

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Board of Healing Arts

A. Administrative Assistant Position (Technical Adjustment). The Senate Committee recommended that \$33,958 from the Healing Arts Fund and 1.0 FTE position be added to the agency's FY 2007 budget for an Administrative Assistant position. The Conference Committee on SB 480 concurred with the Senate position, but changed the FTE position to a non-FTE unclassified position. SB 480 did increase the Board's expenditure limitation to fund the new position. However, it did not include language specifying that the Administrative Assistant position was to be a non-FTE unclassified position.

The agency indicated that, according to KSA 65-2878, the only positions employed by the Board that may be in unclassified service are the Executive Director, the Executive Assistant, and any attorneys hired by the agency. All other positions are to be in the classified service. The agency reported that it cannot employ a non-FTE Administrative Assistant in the unclassified service unless there is language in an appropriation bill that would allow the agency to hire the additional unclassified employee.

B. GBA No. 1, Item 7, Page 5—Cashflow Problem Proviso.

The Education Budget Committee recommendation (Attachment 3):

- A. Adds language that allows the agency to hire a non-FTE unclassified Administration Assistant employee in FY 2007. This is a technical correction to carry out the intent of SB 480.**
- B. Does not adopt the GBA which adds a proviso that allows the agency to meet budgeted expenditures in FY 2007 through a temporary loan from the State General Fund.**

Representative Hutchins moved for the adoption of the Budget Committee report on the Board of Healing Arts for FY 2007. The motion was seconded by Representative McLeland.

Note: The Budget Committee noted that the Board of Healing Arts has a cashflow problem in March of each fiscal year (Attachment 12).

Representative Sharp moved for a substitute motion to amend the Budget Committee report by accepting the GBA No. 1, Item 7, Page 5. The motion was seconded by Representative Sawyer. Motion carried.

Representative Hutchins moved for the adoption of the Budget Committee report on the Board of Healing Arts for FY 2007 as amended. The motion was seconded by Representative Sawyer. Motion carried.

Kansas State Fair Board

A. Sheep Barn Project (Senate Committee). The Senate Committee recommended that the agency report during Omnibus with information regarding the possibility of the Kansas Development Finance Authority (KDFA) combining the funding needed to build a new Sheep Barn with funding for other state agency projects in a bond issue in FY 2007.

During the review of the agency's capital improvements request for FY 2007, the Kansas State Fair Board informed the Joint Committee on State Building Construction that the estimated cost of one of the Master Plan projects, the renovation and addition to the Sheep Barn, had increased from \$329,730 to almost \$1.0 million. The Division of Facilities Management and the Fire Marshal's Office requested some life safety modifications which significantly increased the estimated cost. The agency indicated that, rather than spend the \$1.0 million on the old Sheep Barn, they could build a new one that would meet all compliance code requirements for \$2.3 million. The agency informed the Committee that approximately \$1.9 million in bonding authority would be needed to complete the new facility.

The agency recently revised the estimated cost to build a new Sheep Barn to \$2.7 million. The increase is the result of architectural and engineering fees that were inadvertently omitted from the original estimate. Given the increase, the agency reported that approximately \$2.4 million will be required to complete the new facility, instead of the \$1.9 million originally projected. The agency also noted that the funding source to pay the bonds will need to come from the State General Fund. In addition, KDFA has indicated that the funding can be combined with two other state agency projects in a bond issue in FY 2007.

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Sheep Barn Estimate

	Original Estimate	Revised Estimate
Estimated cost to replace Sheep Barn	\$ 2,272,000	\$ 2,705,457
Less Master Plan budgeted amount	329,730	329,730
Balance required to complete project	\$ 1,942,270	\$ 2,375,727

The House Committee introduced and held a hearing on HB 2991 which would exempt the Sheep Barn from the Kansas Fire Prevention Code. This code requires the installation of a sprinkler system when a fire alarm system, exits, and emergency lighting are installed. The Committee, so far, has taken no action on the bill.

B. Recreational Vehicle (RV) Park Fees (House Committee). The House Committee recommended that the agency report during Omnibus with information regarding the possibility of increasing fees by another \$120 for using the Recreational Vehicle (RV) park for a 12 night period. The agency currently plans to increase RV park fees during the 2006 State Fair from \$250 to \$300 for 12 nights. The House Committee recommended that the agency consider increasing fees to \$420 for 12 nights instead. The RV park fee includes the camping fee and gate admission for two people each day. The regular adult daily gate admission is \$7.00.

The Kansas State Fair Board is concerned about increasing the fees for using the RV park by an additional \$120. According to the agency, many of those who use the RV park also are required to pay other fees. At the 2005 State Fair, 41.0 percent of the total number of campers were commercial exhibitors who, in addition to the RV park fees, also were paying fees for commercial exhibit space and parking. In addition, the agency reported that those who were not commercial exhibitors also were likely to be spending considerable money during their stay. The State Fair Board indicated that should a camper choose to leave early, the fee is non-refundable and the agency is able to resell the vacated space. The agency also explained that the adequacy of its fees are re-evaluated each year.

C. Premium Parking (House Committee). The House Committee recommended that the agency report during Omnibus with information regarding its plans for charging a premium parking fee during the State Fair.

The Kansas State Fair Board indicated that it plans to offer premium parking to the general public during the 2006 State Fair. According to the agency, there may be one or two lots, that are under-utilized and currently only available to exhibitors, that could be used as premium parking areas. The agency reported that the premium parking fee will be \$8.00 a day. In addition, there is no general public parking fee.

The Agriculture and Natural Resources Budget Committee recommendation (Attachment 4):

- A Does not take any action on this item and recommends that the Joint Committee on State building Construction review the Sheep Barn project at its April 27, 2006 meeting.**
- B. Received information from the agency regarding the possibility of increasing RV park fees by an additional \$120 for a 12 night period.**
- C. Received information from the agency regarding its plans for charging for premium parking during the 2006 State Fair.**

Representative Schwartz moved for the adoption of the Budget Committee report on the Kansas State Fair Board for FY 2007. The motion was seconded by Representative Williams. Motion carried.

Kansas Department of Transportation

- A. GBA No. 1, Item 54, Page 27—Reappropriation Authority.**

The Revenue, Judicial, Transportation and Retirement Budget Committee recommendation (Attachment 5):

New Item - State Highway Fund Transfer. The Budget Committee deletes the \$34.6 million transfer from the State Highway Fund to the State General Fund in FY 2007 for Highway Patrol operations. The Budget Committee also recommends the transfer of \$5.0 million a year from

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the State Highway Fund to the Department of Commerce State Affordable Airfare Fund for FY 2007 to FY 2011.

- A. Adopts the GBA which adds language to allow capital improvement funds to be carried forward and spent from FY 2006 to FY 2007.

Representative McCreary moved for the adoption of the Budget Committee report on the Department of Transportation for FY 2007. The motion was seconded by Representative Landwehr. Motion carried.

Representative Feuerborn moved for a substitute motion to change the transfer of \$5.0 million a year from the State Highway Fund to the Department of Commerce State Affordable Airfare Fund for FY 2007 to FY 2011 making a transfer of the \$5.0 million each year from the State General Fund . The motion was seconded by Representative Gatewood. Motion failed on a 9-12 vote.

Judicial Council

A. House Substitute for SB 337—Commission on Judicial Performance (Conference Committee). The portion of House Substitute for SB 337 which would affect the Judicial Council are the provisions amended from HB 2612 which would establish the Commission on Judicial Performance. The Commission’s 13 members would be appointed by the Judicial Council. Its budget would be included in the Judicial Council’s budget, and the agency would provide administrative assistance. The Commission would create, distribute, collect, and tabulate surveys that evaluate the performance of judges.

House Substitute for SB 337 would raise docket fees to finance the Commission. The moneys would be credited to the newly established Judicial Performance Fund. The fund would receive the proceeds from a \$2.00 increase in certain docket fees and generate an estimated \$800,907 in revenue in FY 2007. The Judicial Council estimates expenditures of \$784,843 and an additional 3.0 FTE positions in FY 2007 for the Commission on Judicial Performance. The agency’s request is outlined in the table below.

Commission on Judicial Performance—Estimated FY 2007 Budget

Expenditures	FY 2007
Staff Attorney	\$ 59,691
2 Administrative Assistants	63,352
Commission meetings (\$1,500 per meeting)	30,000
Office furniture and computers	12,000
Office supplies, phone, internet, printing, etc.	6,000
Develop and maintain survey	60,000
Contracting costs (\$3,900 per evaluation)	553,800
TOTAL	<u>\$ 784,843</u>

Although not included in the FY 2007 estimate, the agency noted that moving expenses and rent may increase the requested budget. The Judicial Council's current office space cannot accommodate the additional 3.0 FTE positions. If there is no available space in the Judicial Center, the entire agency may have to move out of the building which would result in the moving expenditures. The agency also would be required to start paying rent.

The Conference Committee on House Substitute for SB 337 has tentatively agreed to the inclusion of the Judicial Performance Commission provision. However, the Conference Committee report on the bill has not been signed.

The Revenue, Judicial, Transportation and Retirement Budget Committee recommendation (Attachment 5):

- A. Does not add funding or positions for SB 337 which establishes the Commission on Judicial Performance in FY 2007.

Representative McCreary moved for the adoption of the Budget Committee report on the Judicial Council for FY 2007. The motion was seconded by Representative Gatewood. Motion carried.

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Attorney General

A. Workers Compensation Fraud Investigations (House Committee). The House Committee recommended that the contents of 2006 HB 2797 be reviewed during Omnibus. HB 2797, which is in first committee, would require the Attorney General to establish and maintain a statewide workers compensation fraud and abuse telephone hotline. The hotline would be a toll-free telephone connection that would be available for use by members of the general public to report instances of alleged fraud or abusive acts or practices. The bill also would establish the position of "Workers Compensation and Abuse Investigator" in the Attorney General's Office. The Attorney General estimates implementation of the legislation would require \$50,000 from the State General Fund in FY 2007, of which \$40,000 would be for salaries and \$10,000 would be for other operating expenditures.

B. Internet Training Education for Kansas Kids (Senate Committee and House Committee). The House and Senate Committees recommended that "Internet Training for Kansas Kids" be considered during Omnibus. (The program formerly was called the "Young Kansans-Safe Kids Program" but has been renamed because of copyright restrictions.) The 2005 Legislature appropriated \$250,000 from the State General Fund for the program in FY 2006 to provide dollar-for-dollar matching grants to schools, Boys and Girls Clubs, and other agencies which serve youth to pay costs of programs intended to inform young people about the dangers and safety protocols on the Internet, how to ensure their personal safety and security in their communities, and to train young people in the skills to resist drugs, alcohol, tobacco, premature sexual activity, and delinquent behavior. Because the program got a late start, it is estimated that between \$150,000 and \$175,000 will carry forward to FY 2007. The Attorney General requested \$175,000 for the program in FY 2007, which, combined with reappropriated funds, will make between \$325,000 and \$350,000 available for grants in FY 2007.

C. SB 418 – Personal and Family Protection Act (Law). SB 418 enacts the Personal and Family Protection Act, which imposes a number of duties on the Office of the Attorney General. Beginning in January 2007, the General is authorized to issue four-year licenses to qualified individuals who would be allowed to carry concealed handguns.

Under the act, the Attorney General is required to adopt rules and regulations; verify that applicants are qualified for licensure; develop licensure forms; issue licenses and license renewals; adopt rules and regulations establishing procedures and standards for an eight-hour weapons safety and training course; initiate a state and national criminal history records check to verify the identity of applicants and to determine whether applicants have been convicted of crimes that would disqualify them from holding a license; maintain an automated listing of license holders and pertinent information which would be available upon request to law enforcement agencies in Kansas, other states, and the District of Columbia; send expiration notices to licensees at least 90 days prior to the expiration of their licenses; and administer a program which makes equipment grants available to sheriffs' departments.

Once SB 418 is fully implemented, it will be funded from license fees, which are capped at \$150 for initial licensure and at \$100 for renewals. The law provides that the fee and licensure application are to be submitted to the sheriff in the county where the applicant resides and split between the sheriff and the Attorney General. The sheriff must forward \$110 of the original license fee and \$50 of the renewal license fee to the Attorney General and keep the remainder.

The Division of the Budget and the Attorney General's Office disagree about the fiscal impact of the bill in FY 2007. Because no licenses would be issued until January 2007, the Division of the Budget maintains that funding is needed for only the last half of the year and has cut the Attorney General's estimate in half. The Attorney General estimates that 20,000 applications will be received the first year regardless of when the licenses will be issued and has estimated full-year funding on the grounds that new staff will need to be hired and trained in advance of the January 2007 starting date.

According to the Attorney General, 5.0 FTE new positions will be needed, at a cost of \$216,000. They are 1.0 FTE Attorney I (\$63,000), 1.0 FTE Administrative Assistant (\$33,000), 2.0 Investigators (\$40,000 each), and 1.0 FTE Accountant (\$40,000). In addition, \$20,000 is requested for equipment, furniture, and computers, \$15,000 for administrative expenses, \$10,000 for travel, \$31,860 for rent, \$35,000 for two vehicles, and \$1,080,000 for 20,000 finger print checks at \$54 each. The Attorney General's most recent estimate totals \$1,407,860. The Division of the Budget's estimate is \$670,500, which is half of the Attorney General's original estimate. (On April 10, the Attorney General submitted a revised estimate which included items not in the original estimate.)

Assuming 20,000 applications at \$110 each, revenues generated at the state level would total

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\$2,200,000. (The Division of the Budget cuts this estimate in half for FY 2007 and assumes revenues of \$1,100,000.) The bill provides that the Attorney General must certify to the Director of Accounts and Reports the amount of money the Attorney General needs to administer the act on a semi-annual basis. Of the amount remaining, 20 percent will be credited to the County Law Enforcement Equipment Fund to be used by the Attorney General to provide grants to sheriffs' departments for purchases of law enforcement equipment and 80 percent will be credited to a separate account in the Forensic Laboratory and Materials Fee Fund to be used to assist city and county law enforcement agencies to obtain laboratory services from the Kansas Bureau of Investigation.

Although administration of the Personal and Family Protection Act eventually will be funded through revenues received from application fees, the Attorney General is requesting an appropriation of \$260,000 from the State General Fund in FY 2007 to fund start-up costs. The Attorney General proposes that the State General Fund would be reimbursed when fee revenues become available.

D. Senate Substitute for HB 2105 – Abuse, Neglect and Exploitation of Persons with Disabilities Unit (Conference Committee) and GBA No. 1, Item 8, Page 5. Sen. Sub. for HB 2105 would create within the Office of the Attorney General the "Abuse, Neglect and Exploitation of Persons with Disabilities Unit," which would work in partnership with the agency which is designated under federal law and by the Governor as the state protection and advocacy agency. In Kansas, that agency is the Disability Rights Center of Kansas. The bill would provide that the Attorney General's Office and the state protection and advocacy agency would have a free exchange of information and that the unit in the Attorney General's Office would have access to all records of reports, investigation documents, and written reports of findings related to abuse, neglect, or exploitation of persons with disabilities received or generated by the Department of Social and Rehabilitation Services, the Department on Aging, the Department of Health and Environment, and the Long-Term Care Ombudsman.

The Attorney General estimates the fiscal impact to the State General Fund of passage of the legislation to be \$356,860 in FY 2007. The amount consists of \$193,000 for the salaries of 1.0 FTE Attorney I (\$60,000), 2.0 FTE Investigators (\$50,000 each), and 1.0 FTE support staff (\$33,000), \$14,500 for travel, office supplies, and equipment; \$31,860 for rent; \$100,000 for contractual services related to litigation; and \$17,500 for a vehicle.

Staff Note: On April 17, the Attorney General submitted a revised fiscal note totaling \$350,000 from the State General Fund. The main difference between the two impact statements is that the most recent estimate specifies that, of the total, \$227,500 would be paid to the Disability Rights Center of Kansas and the remaining \$122,500 would be used to finance operating expenses in the Attorney General's Office, consisting of \$113,000 for the salaries of 0.5 FTE Attorney, 1.0 FTE Investigator, and 1.0 FTE support staff and \$9,500 for other operating expenditures. Under the earlier fiscal note, only \$100,000 was earmarked for contractual services, presumably with the Disability Rights Center of Kansas.

E. Revised Tobacco Payment Estimate. On April 11, 2006, staff from the Office of the Attorney General, the Division of the Budget, and the Legislative Research Department met to consider estimated payments for FY 2006 and FY 2007 from tobacco manufacturers pursuant to the Master Settlement Agreement. Based on an audit of the tobacco industry's market shares for 2003, a provision in the agreement has been triggered which allows for a downward adjustment of payments to the states if the market share of participating manufacturers declines. That downward adjustment, which was estimated to be between \$9,000,000 and \$10,400,000 in Kansas, will affect Kansas' FY 2006 payment, which is due April 17, 2006. The National Association of Attorneys General (NAAG), which has played a leadership role among the states with regard to the tobacco settlement, has taken the position that the tobacco companies owe the states the full payment until the industry can demonstrate that the states have failed to exercise due diligence in enforcing the tobacco settlement.

At this time, of the original participating manufacturers, Philip Morris Incorporated has said it will pay its full share of payments to the states, Lorillard Tobacco Company has said it will make a partial payment and withhold the disputed amount, and R.J. Reynolds Tobacco Company has said it will withhold all payments. Based on the decisions of these three manufacturers, the estimate of tobacco payments for FY 2006 has been revised downward from \$55,000,000 to \$49,400,000, a reduction of \$5,600,000.

The estimate of \$54,500,000 for FY 2007 has not been revised for several reasons. First, whether the downward adjustment will be triggered in FY 2007 will depend upon an audit of tobacco industry market shares in 2004, which will not be determined until next year. Second, there is considerable activity among the states and tobacco manufacturers as to how to respond to the 2003 downward adjustment, as evidenced by the different positions taken by the three tobacco companies and by the likelihood that, in the next few months, the states may seek legal remedies which would force tobacco companies to pay disputed amounts

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until it is determined what refunds, if any, the tobacco companies are owed. However, the fact that the downward adjustment was triggered in 2003 makes it likely that the adjustment will be triggered in subsequent years.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. Does not add funding to establish the statewide workers compensation fraud and abuse telephone hotline, pursuant to HB 2797.
- B. Recommends the addition of \$175,000 for Internet Training Education for Kansas Kids (formerly Young Kansans-Safe Kids Programs) to match grants to Boys and Girls Clubs.
- C. Recommends the addition of \$260,000 for start-up funding and 5.0 FTE positions for SB 418 (Personal and Family Protection Act) and recommends that start-up money be paid back when fee revenues allow.
- D. Recommends the addition of 2.5 FTE positions and \$350,000 to create the Abuse, Neglect and Exploitation of Persons with Disabilities Unit and specify by proviso that \$277,500 be contracted with Disability Rights Center of Kansas. The Budget Committee does not recommend the GBA.
- E. Notes the information item about revised tobacco payments.

Representative Yoder moved for the adoption of the Budget Committee report on the Attorney General for FY 2007. The motion was seconded by Representative Pottorff.

Representative Neufeld moved to amend the Budget Committee report on the Attorney General for FY 2006 and FY 2007 by the adoption of a proviso regarding a Abuse, Neglect and Exploitation Unit (Attachment 8). The motion was seconded by Representative Landwehr. Motion carried.

Note: The Committee noted that the Governor will appoint a committee to set up rules and regulations for this issue.

Representative Yoder moved for the adoption of the Budget Committee report on the Attorney General for FY 2006 and FY 2007 as amended. The motion was seconded by Representative Pottorff. Motion carried.

Department of Education

A. Three-Year Phase-In of All-Day Kindergarten (Senate Committee). The Senate Committee recommended reviewing during Omnibus whether all-day kindergarten could be phased in over a three-year period. It would require a statutory change in the school finance law. The plan reviewed by the Senate Subcommittee on the State Department of Education's budget is the following:

FY 2007 – For purposes of counting students for school finance purposes, increase the count for kindergarten students from .50 FTE pupil to .65 FTE pupil, at a cost of \$15,400,000 from the State General Fund.

FY 2008 – Increase the count for kindergarten students to .80 FTE pupil, at a cost of \$23,500,000 from the State General Fund; and

FY 2009 – Increase the count for kindergarten students to 1.0 FTE pupil, at a cost of \$30,800,000 from the State General Fund.

B. Revised School Finance Estimates and GBA No 1, Item 32, Page 17. Staff from the State Department of Education, the Division of the Budget, and the Kansas Legislative Research Department met April 10, 2006, to consider revisions to the November 2005 school finance estimates. For the current year, it is estimated that there are State General Fund savings of \$5,845,000 in general state aid. (This is in addition to savings of \$21,280,313 in general and supplemental general state aid which already have been taken into consideration.) The primary reason for the savings is that assessed valuation is higher than expected and there are fewer students than anticipated. Based on action taken by the Conference Committee on SB 480, these savings would be reappropriated.

For FY 2007, it is estimated that there are State General Fund savings of \$5,373,000 in general state aid and a shortfall of \$65,000 in supplemental general state aid, resulting in net savings in FY 2007 of \$5,308,000. Over the two-year period, these savings total \$11,153,000. It should be noted that the figures

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are based on current law and would have to be adjusted to reflect any action the 2006 Legislature might make to amend the school finance law. Based on actions taken by the Conference Committee earlier, FY 2007 State General Fund expenditures of \$11,218,000 in general state aid could be lapsed.

In addition, the FY 2007 estimate for the Capital Improvement State Aid revenue transfer from the State General Fund was increased from \$56,150,000 to \$58,000,000 in FY 2006 and from \$59,150,000 to \$61,000,000 in FY 2007.

C. Revised KPERs-School Estimates and GBA No. 1, Item 33, Page 18. Staff from the Kansas Public Employees Retirement System (KPERs), the State Department of Education, the Division of the Budget, and the Legislative Research Department met April 7, 2006, to consider revisions to the KPERs-School estimates for FY 2006 and FY 2007. The revised estimate for the current year is \$161,716,496, which would require a supplemental appropriation of \$582,231 from the State General Fund in order to fully fund the contractual obligation. For FY 2007, the current law estimate is \$183,730,886, or \$925,383 less than the currently approved amount of \$184,656,269. Net savings to the State General Fund over the two-year period would be \$343,152. Amendments to the school finance law adopted by the 2006 Legislature likely would affect KPERs-School by increasing the covered payroll. Further adjustments to KPERs-School for FY 2007 could be made when the 2006 Legislature considers appropriations for any new school finance act or they could be considered by the 2007 Legislature.

D. Accountability Study (Technical Adjustment). The Conference Committee on SB 480 agreed to appropriate \$250,000 from the State General Fund for a school accountability study in FY 2007, but the appropriation was omitted from the bill.

E. Funding for Special Education from the Children's Initiatives Fund (Technical Adjustment). The Governor recommended expenditures from the Children's Initiatives Fund of \$1,225,000 for special education in FY 2007, intending to fund the expenditure with a new appropriation of \$952,487 and a reappropriation of \$272,513. However, the appropriations bill was posted to show that the total expenditure would be new money. To accurately reflect the Governor's intent, the \$1,225,000 can be reduced to \$952,487 in order to make use of the \$272,513 in carry-forward funds.

F. GBA No. 1, Item 34, Page 18—School Finance Message.

The Education Budget Committee recommendation (Attachment 3):

- A. Does not recommend the three-year phase in of all-day kindergarten.
- B. Adopts the Governor's recommendation to capture net savings in school finance of \$5,845,000 in FY 2006 and \$5,308,000 in FY 2007.
- C. Approves the Governor's recommendation to add \$632,231 for KPERs-School to add \$632,231 for KPERs-School in FY 2006 and capture \$925,383 in savings in KPERs-School in FY 2007.
- D. Recommends a technical adjustment to add \$250,000 from the State General Fund for an accountability study which already has been approved but was omitted from SB 480.
- E. Recommends that \$9,029,045 in funding from the Children's Initiatives Fund be replaced with an equal amount of funding from the State General Fund for the four-year-old-at-risk programs, parent education and special education programs.
- F. Notes the message from the Governor to work together to resolve finances.
- G. New Item - Recommends that \$265,000 from existing resources of the State Department of Education be used to fund the Tutor.com program in the State Library budget.

Representative McLeland moved for the adoption of the Budget Committee report on the Department of Education for FY 2006 and FY 2007. The motion was seconded by Representative Hutchins.

Representative Hutchins moved for a substitute motion to amend the Budget Committee report by transferring the \$250,000 allocated for the accountability study in "Item D" to fund Tutor.com in "Item G". The motion was seconded by Representative McLeland. Motion carried.

Representative Sawyer moved for a substitute motion to amend the Budget Committee report on the Department of Education for FY 2007 by adding \$193.1 million to fund the House position on school finance. The motion was seconded by Representative Lane. Motion failed on a 9-13 vote.

Representative McLeland moved for the adoption of the Budget Committee report on the Department of Education for FY 2006 and FY 2007 as amended. The motion was seconded by Representative

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Merrick. Motion carried.

Judicial Branch

A. Additional Judges and Nonjudicial Positions (Senate Committee and House Committee).

The House and Senate Committees considering the Judicial Branch budget recommended that additional judges and nonjudicial personnel for FY 2007 be considered during Omnibus. The Judicial Branch has requested \$691,193 from the State General Fund in FY 2007 for three new district court judges and 6.0 FTE associated staff for the 3rd (Shawnee County), 6th (Miami County), and 10th (Johnson County) judicial districts and \$773,149 from the State General Fund for 22.0 FTE additional nonjudicial positions, consisting of 11.5 FTE Trial Court Clerks II, 6.0 FTE Court Services Officers I, 3.0 FTE Secretaries I, 0.5 FTE Secretary II, and 1.0 FTE Administrative Assistant I.

B. Additional Staff for the Court of Appeals (House Committee and Conference Committee).

The House Committee recommended that the request for 2.0 FTE positions for the Court of Appeals be considered during Omnibus. The Senate Committee added one of the positions (the Research Attorney II) but the Conference Committee on SB 480 deleted it and recommended that it be considered during Omnibus. The request is for \$139,464 from the State General Fund in FY 2007 for salaries and associated operating expenses for 1.0 FTE Research Attorney I and 1.0 FTE Research Attorney II. Salaries are \$58,129 for the Research Attorney I and \$66,207 for the Research Attorney II, plus \$7,564 in associated costs for each. The attorneys would work primarily in the area of utility rate case appeals.

C. SB 180 – Docket Fee Increases and Authority to Establish Docket Fees Reserved for Legislature (Conference Committee). SB 180 provides that only the Legislature can establish docket fees and that no other fee can be assessed for certain court actions except by the Legislature. In addition, the bill would increase docket fees by \$9 for certain actions under the Uniform Act Regulating Traffic, Code of Civil Procedure, criminal proceedings, juvenile offender proceedings, the Probate Code, and the Small Claims Act. The docket fee increase is expected to generate an additional \$3,765,994 in FY 2007 which would be credited to the State General Fund. According to the Judicial Branch, action taken by the Legislature to reduce the Judicial Branch's budget by \$3,700,000 in SB 480, combined with the enactment of the policy contained in SB 180, would cause an operating budget shortfall in FY 2007. (If SB 180 does not pass, it would be necessary to delete © of Section 71 in SB 480 in order to maintain a fund for the emergency surcharge. In its present form, SB 480 provides that remaining balances from the emergency surcharge be credited to the Judiciary Technology Fund.)

D. House Substitute for SB 337 –Judges' Salary Increase, Judges' Retirement, Delayed Expansion of the Court of Appeals, and Docket Fees (Conference Committee). House Substitute for SB 337 contains the following policies relating to the Judicial Branch:

The salaries of district court and district magistrate judges would be increased by \$9,000 and salaries for judges of the Court of Appeals would be increased by \$2,000 in FY 2007, at a total cost of \$2,779,858 for salaries and benefits. Funding for the increases would be from the State General Fund. In addition, the bill would increase docket fees by a total of \$3,273,446. (These provisions were included in the original SB 337.)

Retired judges who perform temporary judicial duties would be eligible to receive health insurance benefits. Retired judges who work 40 percent of the year would be treated as full-time employees for health insurance benefit purposes and retired judges who work less than 40 percent would be treated as part-time employees. It is estimated that in FY 2007, 11 judges would qualify for full-time benefits and four for part-time benefits, for a total of \$79,361 from the State General Fund in FY 2007. (This provision originally was in 2005 SB 52.)

At the request of the Judicial Branch, the addition of the 13th judge to the Court of Appeals, scheduled for January 2007, would be delayed by one year. The 14th and final judge in the statutory expansion of the Court would be added January 2008. The cost of adding the 13th judge (\$297,296 from the State General Fund in FY 2007) already has been deleted from the Judicial Branch's budget. (This provision originally was in 2006 SB 568.)

Certain docket fees would be increased by \$10, with the increased revenues credited to the Attorney General's Child Exchange and Visitation Centers Fund. The Fund provides grants to centers which provide for court-ordered child exchange or visitation in a safe, neutral environment. The docket fee increase is estimated to generate an additional \$150,000 in FY 2007. (This provision originally was in 2006 SB 462.)

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The Conference Committee on House Substitute for SB 337 has tentatively agreed to the bill. However, the Conference Committee report has not been signed.

E. Correct Posting Error (Technical Adjustment). In order to accurately reflect the intentions of the Conference Committee on SB 480, \$430,089 from the State General Fund in FY 2007 should be deducted from the amount for the Judicial Branch salary plan.

The Revenue, Judicial, Transportation and Retirement Budget Committee recommendation (Attachment 5):

- A. **Recommends \$143,186 for the salary of a district court judge in Miami County and requests an interim study of personnel needs of the state judicial districts, including caseloads per district and caseloads per county in each district.**
- B. **Recommends \$73,771 for 1.0 FTE Research Attorney II for the Court of Appeals.**
- C. **Recommends the addition of \$3,700,000 to replace the Emergency Surcharge, which shall be lapsed if 2006 SB 180 is not enacted into law.**
- D. **Recommends \$2,779,858 for judges' salary increases but does not recommend funding for retired judges' health insurance benefits.**
- E. **Recommends that a posting error in SB 480 be corrected by deleting \$430,089 from the State General Fund.**

Representative McCreary moved for the adoption of the Budget Committee report on the Judicial Branch for FY 2007. The motion was seconded by Representative Yoder. Motion carried.

Department of Health and Environment – Health

A. Laboratory Funding (House Committee and Conference Committee). The Conference Committee on SB 480 deleted \$500,000 from the State General Fund for rent at the Kansas Department of Health and Environment (KDHE) laboratory at Forbes Field in FY 2006. The agency reported that rent at the laboratory increased from \$437,390 in FY 2005 to \$1,285,743 in FY 2007. This equates to \$12 per square foot in FY 2005 and \$32 per square foot in FY 2007. The agency reported that it did not receive notice of the increase in rental rates until after the 2005 Session of the Legislature, resulting in a State General Fund supplemental request of \$500,000 for FY 2006. The House Committee requested additional information on why rental costs for the building doubled in one year. According to the Department of Administration, the rental rate increase will allow the Department to more fully recover the costs expended at the laboratory and to reduce the amount subsidized by other agencies for the laboratory.

B. Agency Rental Charges in State-Owned Buildings (Senate Committee). The Senate Committee recommended the review of rental charges of all agencies housed in state-owned buildings in response to information in item A. It was reported to the Committee that other agencies housed in the Capitol Complex subsidized the operation of the laboratory through the rent structure. The Committee directed the Department of Administration to provide a matrix of all rent charges for agencies housed in state-owned buildings in FY 2006 and FY 2007. The information is included in the Department of Administration section of this memorandum.

C. Sudden Infant Death Syndrome (House Committee). The House Committee recommended the consideration of additional funding of \$50,000 from the State General Fund for Sudden Infant Death Syndrome (SIDS) in FY 2007. This program is currently funded at \$25,000 from the State General Fund, as it has been in prior years.

D. Domestic Violence Support Personnel Training (House Committee). The House Committee recommended the consideration of \$225,000 from the State General Fund for domestic violence support personnel training in FY 2007. This funding was requested by the domestic violence support community to provide training for child welfare workers, law enforcement officers, advocates, criminal justice personnel, social workers, and others directly involved in domestic violence crisis work. It was reported that training was listed as a top need for individuals in these professions and in many situations no training is currently being provided. These professionals have direct contact with victims of domestic violence on a regular basis. Local programs currently receive federal grant funding for much of the work they do; however, local programs are unable to conduct training due to a combination of restrictions on federal grant fund usage and no specific training funds.

E. Domestic Violence Grants (House Committee). The House Committee recommended the review of domestic violence prevention grants funding in FY 2007. The Governor recommended funding of

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\$7,483,333, including \$1,583,333 from the State General Fund, for domestic violence prevention grants. The House Committee noted that it was supportive of the program; however, the Committee felt the match funding should be budgeted with other federal grant funding in the Governor's Office. The Conference Committee on SB 480 transferred the funding from the Kansas Department of Health and Environment to the Governor's Office for FY 2007.

F. Primary Health Care Community-Based Services (House Committee). The House Committee noted that the Governor recommended additional expenditures of \$1,000,000 from the State General Fund for increased aid to Primary Health Care Community-Based Services for total program funding of \$2,520,840 from the State General Fund for FY 2007. The funding was approved by the Legislature in SB 480. The House Committee requested that the agency work with the provider community to develop outcome measures for this program to report during Omnibus. The Committee also directed the agency and the provider community to report back during Omnibus with the amount of match funding for each clinic, as well as a map with clinic locations and a summary of increases proposed with the additional funding.

G. Youth Mentoring Program (House Committee). The House Committee deleted FY 2007 additional funding of \$250,000 from the State General Fund recommended by the Governor to provide support and coordination to existing youth mentoring programs for consideration during Omnibus. The agency reported that this funding would be used to provide evaluations, background checks, and additional mentors to these programs. The House Committee noted that it was supportive of the program and directed the agency to provide additional information during Omnibus about the program and the organizations it will serve. The Conference Committee on SB 480 concurred with the House Committee's recommendation.

H. Pregnancy Maintenance Initiative (House Committee). The House Committee recommended consideration at Omnibus of additional funding of \$200,000 from the State General Fund in FY 2007 for the Pregnancy Maintenance Initiative. This program provides services for women to help them carry their pregnancy to term. The program provides referrals for services such as medical care, housing, adoption guidance, drug and alcohol treatment and parenting education.

I. Newborn Hearing Loaner Program (House Committee). The House Committee recommended Omnibus consideration of \$50,000 from the State General Fund in FY 2007 to develop a newborn hearing loaner program. This program would provide funds for the purchase of hearing aids for a loaner bank. The Department of Health and Environment would then lend hearing aids to the parents or legal guardians of eligible children under the age of three who have a hearing loss. The agency reports that this is a critical period of language learning, and it is missed by these children because they do not have timely access to necessary auditory inputs such as hearing aids. The House Committee is interested in the development of this program.

J. Child Care/Foster Care Licensing Vehicles (Conference Committee). The Senate Committee recommended the addition of \$104,000 from the State General Fund in FY 2007 for eight new vehicles for the Child Care/Foster Care Licensing Program. The 2005 Legislature approved 8.0 additional positions within this program. These positions are all inspectors who require vehicles. The agency reported that monthly rentals from Enterprise average around \$10,000 per year/per vehicle. This funding would allow the agency to purchase eight, mid-size sedans costing \$13,000 each for these inspectors. This item was not recommended by the Conference Committee on SB 480 and was deferred for Omnibus consideration.

K. Advanced Education General Dentistry Residency Program (Conference Committee). The Senate Committee recommended the addition of \$415,000 from the State General Fund for the Advanced Education General Dentistry (AEGD) Residency Program in FY 2007. This program would be a one-year, post-doctoral training program for dental school graduates. The goal of the program is to provide a premier clinical training program for dental school graduates. In the short term, the residents will provide dental care at a community clinic located in Wichita. In the long term, the goal is to create opportunities for residents allowing them to develop relationships with other local practitioners and to experience community-based dentistry in rural and underserved areas. Four revenue sources have been identified for this program: income from clinical activities, Graduate Medical Education (GME) federal support, private grants, and appropriations from public sources. The first class of residents is anticipated to begin in August 2008. The first class is anticipated to have six students, increasing to 12 students the next year, and 15 students in subsequent years. This funding was not recommended by the Conference Committee on SB 480, and was deferred for Omnibus consideration.

L. Vehicle Use (House Committee). The House Committee recommended Omnibus review of agency vehicle usage. The Committee noted that multiple agency personnel routinely visit locations around the state. The agency reported that when possible, efforts are made to coordinate visits and to incorporate car pooling. However, this is not always possible. The Committee requested the agency report back during

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Omnibus with a review of agency vehicle usage including the use of car pooling and other methods used to efficiently use vehicle miles. The agency will provide additional information on this issue.

M. Newborn Screening Panel (House Committee). The House Committee recommended Omnibus review of the Newborn Screening Panel during deliberations on HB 2971, which was amended into House Substitute for SB 579. The Committee directed the Department of Health and Environment to continue discussions with interested parties in regard to adjustments to the newborn screening and to make recommendations to the Committee during Omnibus. Information will be presented by the agency on this topic.

N. HB 2752 – Trauma Program and Registry: Meningitis Vaccination (Law). HB 2752 amends the law that establishes the statewide Trauma Program and Registry. Specifically, the bill expands the rule and regulation authority of the Secretary of the Department of Health and Environment to include fixing, charging, and collecting fees from trauma facilities to recover all or part of the expenses incurred in the designation of such facilities. The bill also adds to the responsibilities of the Secretary the designation of trauma facilities by level of trauma care capabilities. Such designation is to be made after considering the standards of the American College of Surgeons Committee of Trauma and other states' standards, except that no designations can be based on criteria that place practice limitations on registered nurse anesthetists that are not required by the state.

The bill also amends the statute to remove the requirement that the Secretary consult with the Health Care Data Governing Board in the development and maintenance of the state Trauma Registry and in regard to information reported by the agency. Finally, the bill amends the statute to allow for disclosure of information obtained by the Registry, if necessary, to protect the public health and to support quality improvement as defined in current hospital peer review statutes.

The bill also enacts new law to require all Kansas colleges and universities to have policies and procedures in place that would require all incoming students who reside in student housing be vaccinated for meningitis. The policies also are to include waiver procedures for those who refuse to take the vaccine. Nothing in the bill requires any college or university to provide for or pay for any vaccination against meningitis. The requirements of the act commence with the first academic term starting after July 1, 2007.

The fiscal note prepared by the Division of the Budget indicates that ten surveys could be completed in FY 2007 at an average cost of \$8,500 per survey. The total cost would be \$85,000 from the agency's Trauma Fund.

O. House Substitute for SB 579 – Treatment Products for Individuals with Certain Genetic Diseases (Governor). House Substitute for SB 579 amends the law regarding the provision of treatment products for individuals with a disease detected by a newborn screening test. The bill adds language stating that treatment products provided by the Kansas Department of Health and Environment (KDHE) would be limited to available appropriations. State assistance is to be provided only after all other benefits from private third-party payers, Medicare, Medicaid, and other government assistance programs are exhausted. The Secretary of Health and Environment is required to adopt rules and regulations establishing income eligibility requirements for state assistance.

The bill provides for a method of payment for the necessary treatment product for individuals diagnosed with the diseases addressed in the bill as follows:

- Needs shall be covered by Medicaid for individuals meeting Medicaid eligibility;
- KDHE shall adopt rules and regulations establishing a reimbursement program between 50 percent and 100 percent of the product cost for facilities not eligible for Medicaid but below 300 percent of the Federal Poverty Level; and
- KDHE shall adopt rules and regulations establishing a reimbursement program not to exceed 50 percent of the product costs for families who exceed 300 percent of the Federal Poverty Level.

The bill also provides that the agency continue to receive orders for both the necessary treatment product and necessary food treatment product, purchase such products, and deliver the products to an address provided by the families. The Department is to bill the families in accordance with the adopted rules

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and regulations. The agency and the Health Policy Authority are directed to pool purchasing power and enter into a joint contract for the purchase of products for both Medicaid and non-Medicaid clients.

SB 480 contains an appropriation in FY 2007 of \$250,000 from the Children's Initiatives Fund for this program. The agency reports that the most restrictive reimbursement formula would result in savings of \$100,000 and the least restrictive reimbursement formula would result in savings of \$42,000 from this amount.

P. SB 528 – Termination of Pregnancies (Conference Committee). SB 528 would amend the law concerning records and reports of lawfully terminated pregnancies required by medical care facilities and amends a statute that is a part of the Uniform Vital Statistics Act. The bill would create a new act setting out requirements to be met by any course, special event, seminar, or forum on pregnancy-related instruction. The bill includes increased reporting requirements for the medical care facilities. A vital records statute relating to birth certificates would be amended to require the Secretary of Health and Environment to design and promulgate a form for an attempted abortion resulting in a live birth showing the mother's state of residence; the mother's age; the baby's anomalies, if any; the number of children to whom the mother has given birth; and the health outcomes of previous children. The bill also sets out requirements to be met by any secondary school that receives public money regarding pregnancy-related instruction.

According to the agency, expenditures from the Civil Registration and Health Statistics Fee Fund would increase by \$30,000 in FY 2007 to change the web-based data entry forms and the Department of Health and Environment's database system.

Q. GBA No. 1, Item 26, Page 15 — Avian Flu Vaccine.

R. GBA No. 1, Item 27, Page 15 — PKU/Hemophilia.

S. GBA No. 1, Item 28, Page 16 — Infant Toddler (Tiny-K) Program.

The Social Services Budget Committee recommendation (Attachment 7):

- A. **Recommends not adding \$500,000 from the State General Fund for rent at the laboratory at Forbes Field and including a proviso stating that the Department of Administration cannot bill the agency for the \$500,000 in rent for FY 2006.**
- B. **See item A.**
- C. **Recommends adding \$50,000 from the State General Fund for Sudden Infant Death Syndrome, including a proviso stating that the funding will be provided with a dollar for dollar match requirement.**
- D. **Recommends adding \$225,000 from the State General Fund for domestic violence support personnel training with a proviso stating that the funding will be provided with a dollar for dollar match requirement. Also directs the agency and provider community to report back to the Budget Committee on the use of the funding.**
- E. **Resolved in SB 480.**
- F. **Directs the agency and the provider community to report back to the 2007 Legislature on the status and funding of primary health care community-based services.**
- G. **Directs the agency and mentoring programs to provide additional information on the use of the proposed \$250,000 from the State General Fund prior to consideration of the bill by the full House.**
- H. **Recommends adding \$200,000 from the State General Fund for the Pregnancy Maintenance Initiative including a proviso stating that the funding will be allocated with a dollar for dollar match requirement. Directs the agency to report back to the 2007 Legislature on the use of the additional funding.**
- I. **Recommends adding \$50,000 from the State General Fund for the Newborn Hearing Loaner Program.**
- J. **Recommends the addition of four vehicles for Child Care/Foster Care Licensing including \$52,000 from the State General Fund.**
- K. **Recommends adding \$415,000 from the State General Fund each year for the next three fiscal years for the Advanced Education General Dentistry Residency Program with a proviso stating that the secretary of Health and Environment report back to the Committee on the status of the program prior to February 1 for the next three years.**
- L. **For informational purposes.**
- M. **Recommends a proviso creating an advisory committee to develop newborn screening guidelines and recommendations and report back to the House Appropriations and Senate**

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Ways and Means Committees during the 2007 Legislative Session.

- N. **Recommends adding \$85,000 from the Trauma Fund for the implementation of HB 2752.**
- O. **Recommends lapsing \$42,000 from the Children's Initiatives Fund for savings resulting from the passage of House Sub for SB 579.**
- P. **Did not consider funding for SB 528 pending the decision of the Conference Committee on the bill.**
- Q. **Recommends a modified proviso directing the agency to present the expenditures request to the Legislative Budget Committee prior to consideration of the funding by the State Finance Council for Avian Flu Vaccine expenditures.**
- R. **Adopts the GBA to add \$100,000 from the State General Fund and delete \$100,000 from the Maternal and Child Health Service Block Grant Fund for PKU/Hemophilia in FY 2006.**
- S. **Concurs with the Governor to add \$250,000 from the State General Fund for the Infant and Toddler Program in FY 2007.**

Representative Landwehr moved for the adoption of the Budget Committee report on the Department of Health and Environment-Health for FY 2006 and FY 2007. The motion was seconded by Representative Bethell.

Note: The Budget Committee noted that they recommended that the Legislature and the agency work to fund the new PKU program at the 100 percent level in FY 2007.

- **The Committee requested a written report from the Department of Health and Environment-Health on vehicle usage and car pooling.**

Representative Landwehr moved for a substitute motion to amend the Budget Committee report by instructing the Department of Health and Environment-Health to study the possibility of providing birth certificates for individuals applying for Medicaid and determine if a hard copy or an electronic copy is required. The motion was seconded by Representative Bethell. Motion carried.

Representative Landwehr moved for the adoption of the Budget Committee report on the Department of Health and Environment-Health for FY 2006 and FY 2007 as amended. The motion was seconded by Representative Bethell. Motion carried.

Department of Health and Environment – Environment

A. HB 2756–Kansas Storage Tank Act (Law). HB 2756 amends the Kansas Storage Tank Act to provide reimbursement to eligible owners of aboveground petroleum storage tanks or bulk plants for the cost of certain upgrade expenses or permanent closure expenses. Only those aboveground storage tanks or bulk plants that are used for the storage of petroleum products for resale are eligible.

Under the bill, moneys for reimbursement will come from the Environmental Assurance Fee, which is imposed at the rate of \$0.01 per gallon of petroleum products, other than aviation fuel, manufactured in or imported into this state. The bill would require that the fee money be diverted into a new fund called the Kansas Essential Fuels Supply Trust Fund on a periodic basis as outlined in the bill. No money will be credited to the new fund if the balance exceeds \$5,000,000. Moneys will be credited only if the balance of the fund is \$2,000,000 or less or if the above ground or underground storage tank funds do not require money. Interest from money in the Kansas Essential Fueling Supply Trust Fund will be retained by the Fund.

The agency reports that as a result of passage of the bill, a no-limit Kansas Essential Fuels Supply Trust Fund should be established. The agency also requests the addition of two new FTE positions including an Environmental Scientist II position and a Research Analyst II position. Expenditures from the Kansas Essential Fuels Supply Trust Fund would include \$147,124 for salaries, \$4,680 for contractual services, \$5,156 for office and professional supplies, \$5,000,000 for reimbursement to tank owners, and \$9,600 for capital outlay. The agency also requests the transfer of up to \$250,000 from the Aboveground Petroleum Storage Tank Release Trust Fund to the Kansas Essential Fuels Supply Trust Fund in FY 2007.

B. SB 386 Air Quality (Law). SB 386 amends two statutes that concern air quality. The amendments specifically are directed to air contaminants and emission sources. The bill creates new definitions for "regional haze" and "deciview" (visibility index), and adds to the definition of "air pollution." Other amendments authorize the Secretary of Health and Environment to: prepare and develop plans that address air pollution originating in Kansas that affects air quality in Kansas, other states, or both; expand

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the authority of the Secretary to enter into agreements with local governments, other states, and interstate agencies; conduct or participate in intrastate or interstate emissions trading programs that demonstrate equivalent air quality benefits for the prevention, abatement, and control of air pollution in Kansas, other states, or both; prepare and adopt a regional haze plan that is no more stringent than required by federal law as necessary to prevent, abate, and control air pollution originating in Kansas that affects Kansas, other states, or both; and participate in the activities of any visibility transport commission established under federal law. The Secretary of Health and Environment is required to report annually to the Governor and the Legislature on the activities of any visibility transport commission.

The agency indicates that the FY 2007 fiscal impact of this bill requires the addition of 1.0 Environmental Scientist IV FTE position to implement state plans. Funding from the Air Quality Fee Fund would include \$68,177 for salaries and wages, \$14,350 for communication equipment and travel, \$5,125 for professional and office supplies, and \$3,500 for one-time capital outlay for total expenditures of \$91,152.

The Agriculture and Natural Resources Budget Committee recommendation (Attachment 4):

- A. **Recommends adding expenditures of \$5,166,560 from the Kansas Essential Fuels Supply Trust Fund in FY 2007 and the transfer of \$250,000 from the Aboveground Petroleum Storage Tank Release Trust Fund for the implementation of HB 2756.**
- B. **Recommends adding expenditures of \$91,152 from the Air Quality Fee Fund for the implementation of SB 386.**

Representative Schwartz moved for the adoption of the Budget Committee report on the Department of Health and Environment - Environment for FY 2007. The motion was seconded by Representative Williams. Motion carried.

Adjutant General

A. Forbes Field Positions (House Committee). The House Committee recommended consideration during Omnibus of two FTE positions at Forbes Field, a Plumber position and a Fire Protection Systems Specialist position. These positions would be funded 75 percent from the federal government, with a 25 percent match from the State General Fund. For FY 2007, funding from the State General Fund would total \$20,067 for both positions. The agency reported that the addition of the two employees would allow the agency to complete over 300 hours of backlogged plumbing work at Forbes Field and complete the inspections required by the National Fire Protection Agency.

B. Armory Maintenance and Repair (House Committee). The House Committee recommended consideration during Omnibus of \$601,000 in FY 2007, including \$376,000 from the State General Fund and \$225,000 from the federal Military Fee Fund, for maintenance and repair of National Guard infrastructure. The agency reported that funding would be used for maintenance needs of the armories and State Defense Building not met with the Armory Bonds and for maintenance and repair of facilities at Forbes Field in Topeka.

C. Disaster Funding (Senate Committee). The Senate Committee recommended a review of disaster funding during Omnibus. The Committee received information on the match funding necessary for disaster response. This funding fluctuates from year-to-year depending on the number and size of disasters which require a response by the agency.

D. Utilities (Senate Committee). The Senate Committee recommended consideration during Omnibus of utilities expenditures for the Armories and Air National Guard Bases for FY 2006 and FY 2007. The agency reported that utility bills for the Armories and Air National Guard Bases are 16 percent higher than last year's bills. If this continues, utility expenditures could be underfunded by up to \$65,000 for the Armories and \$69,000 for the Air National Guard Bases in FY 2006.

E. GBA No. 1, Item 47, Page 24—Disaster Relief.

F. GBA No. 1, Item 48, Page 24—Homeland Security Funding Switch.

The Public Safety Budget Committee recommendation (Attachment 6):

- A. **Recommends the addition of two FTE positions at Forbes Field totaling \$80,266, including \$20,067 from the State General Fund, for a Plumber position and a Fire Protection Systems Specialist position.**

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- B. Did not recommend additional funding for Armory maintenance and repair.
- C. See Item E.
- D. Did not consider this item as it was recommended for consideration by the Senate.
- E. Concurred with the Governor to add \$9,673,000, including \$1,138,000 from the State General Fund, in FY 2006 for disaster relief funding.
- F. Did not recommend the funding switch and recommends an interim study to analyze federal Homeland Security fund expenditures across all state agencies.

Representative Light moved for the adoption of the Budget Committee report on the Adjutant General for FY 2006 and FY 2007. The motion was seconded by Representative Tafanelli. Motion carried.

Kansas Bureau of Investigation

A. IMA Building and Great Bend Laboratory (House Committee). The House Committee recommended review of the possible purchase of the IMA Building in Topeka. The Committee also recommended the consideration of funding to finish the existing second floor of the Great Bend Laboratory. The Conference Committee on SB 480 included authority to issue up to \$2,000,000 in bonds for the purchase of the IMA Building and to finish the second floor of the Great Bend Laboratory.

B. Agent Salary Increase (House Committee). The House Committee recommended consideration at Omnibus of \$263,212 from the State General Fund for an additional 7.5 percent salary increase for agents for FY 2007. The agency reported that a 2002 Central States Survey reported that the pay of the Special Agent class was 26.0 percent below the average pay of their peers within the study group. The 2005 Legislature funded half, or 7.5 percent, of the total FY 2006 request. The agency reported that the completion of this plan is the agency's top priority. The Senate Committee recommended adding the funding for the 7.5 percent pay increase. The Conference Committee on SB 480 instead added \$263,212 from the State General Fund to fill vacant FTE positions.

C. Funding Increase (House Committee). The House Committee recommended Omnibus consideration of \$500,000 from the State General Fund in FY 2007 to enhance the agency's budget. The Committee suggested the funding could be used to finish the second floor of the Great Bend Laboratory or to provide the 7.5 percent agency salary increase. Funding for the Great Bend Laboratory was included in SB 480.

D. Automated Fingerprint Identification System (House Committee). The House Committee recommended review of the funding for the Kansas Automated Fingerprint Identification System (AFIS). The agency's FY 2007 budget includes funding of \$752,070 from the State General Fund for the second of six payments on the AFIS. The first year payment was financed with federal Office of Domestic Preparedness (ODP) funds. The agency reported that it is seeking additional federal funding for the second year payment. The Committee directed the agency to report during Omnibus on the status of funding for this project. The agency will provide additional information on this issue.

E. Offender Registration Unit (Senate Committee). The Senate Committee recommended consideration during Omnibus of \$166,151 from the State General Fund and three additional FTE positions in the existing Offender Registration Unit in FY 2007. The currently approved budget includes two of the five positions requested by the agency. The unit is responsible for implementing the Kansas Bureau of Investigation's (KBI) responsibilities regarding the Kansas Offender Registration Act. The agency reports that an internal staffing/process review was conducted in conjunction with an audit requested by the Attorney General. The review indicated that optimal unit staffing is nine, with the current staffing level at four.

F. Special Agent Positions (Senate Committee). The Senate Committee recommended Omnibus consideration of \$979,533 from the State General Fund for nine Special Agents in FY 2007. The agency reports that it has been short on criminal investigative staff for several years. The nine vacancies represent over ten percent of the KBI agent workforce. The Conference Committee on SB 480 included additional funding of \$263,212 from the State General Fund for additional agent positions.

G. HB 2554 – DNA Specimen Collections (Conference Committee). HB 2554 would amend current law regarding the State DNA database and who would be required to submit to DNA specimen collections. The bill would expand the requirements on DNA specimens to include an oral or other biological sample authorized by the KBI. On or after January 1, 2007 through June 30, 2008, any adult arrested or charged or juvenile placed in custody for or charged with the commission or attempted commission of any person felony or drug severity level 1 or 2 felony would be required to submit such specimen or sample at the same time such person is fingerprinted pursuant to the booking procedure. On or after July 1, 2008 any

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arrested or charged adult or juvenile placed in custody for the commission or attempted commission of any felony would be required to submit a specimen or sample in addition to fingerprints.

The fiscal note indicates that the bill would be implemented in two phases. Phase I would begin in FY 2007, and is projected to have an impact of \$517,885 from the State General Fund. Expenditures would include \$35,000 for a non-FTE Administrative Assistant position, \$2,600 for a computer and other equipment for the Administrative Assistant, \$19,365 for collection kits for oral swabbing, \$6,000 for sample collection and preservation training for law enforcement personnel, \$50,000 for a laboratory dried sample paper punch, \$154,920 for supplies for the analysis of samples, and \$250,000 for computer programming to expand the existing database for tracking submitted samples.

The bill establishes a \$100 court cost to be charged upon conviction as a KBI DNA database fee. The fee would be deposited into a DNA Database Fee Fund in the KBI. Revenue estimates for FY 2007 total \$272,000 for this fee.

Phase II would begin on July 1, 2008, or the start of FY 2009. Expenditures for Phase II are estimated at \$906,985.

H. SB 418 – Personal and Family Protection Act (Law). SB 418 enacts the Personal and Family Protection Act. This act authorizes the Attorney General to issue four-year licenses to certain persons to carry concealed handguns. The bill would require the KBI to perform criminal history record checks, including both national and state checks, for applicants. The KBI reports that the cost for both checks is \$54 per person, with \$30 for the KBI and \$24 for the Federal Bureau of Investigation.

The fiscal note states that assuming 10,000 record checks are conducted, cost for the checks would total \$54,000. This estimate is based on a half-year of funding for FY 2007. The fiscal note also states that the agency assumes the record check fee will be paid out of the \$110 application fee.

The agency reports that due to the increased number of checks being conducted, the agency will need additional FTE personnel. The agency estimates that two additional Administrative Specialists and two additional Office Assistants will be needed for a total cost of \$120,568. Assuming the agency will retain the \$30 record check fee, the agency estimates this to be sufficient to cover the additional administrative costs.

The Public Safety Budget Committee recommendation (Attachment 6):

- A. **Recommends adding bonding authority of \$354,475 to the bonding authority included in SB 480. Of this amount \$180,200 would be for renovations for the laboratory in the Headquarters building and \$174,275 would be for additional expenditures related to the second floor of the Great Bend Laboratory.**
- B. **Did not recommend the salary increase for agents.**
- C. **Did not recommend this item.**
- D. **Recommends a proviso stating that the State General Fund approved expenditures for the system will be lapsed if federal funds become available for the payment on the system. If federal funds are not available, approval for the expenditure of the State General Fund will be subject to the State Finance Council.**
- E. **Took no action on this item as it was recommended for consideration by the Senate.**
- F. **Took no action on this item as it was recommended for consideration by the Senate.**
- G. **Took no action on this item pending the decision of the Conference Committee on HB 2554.**
- H. **Recommends adding 4.0 FTE positions for the implementation of SB 418 with expenditures of \$120,567 from the Record Check Fee Fund.**

Representative Light moved for the adoption of the Budget Committee report on the Kansas Bureau of Investigation for FY 2007. The motion was seconded by Representative Tapanelli.

Representative Light moved to amend the Budget Committee report to indicate that the bonding authority in "Item A" may also be used for security renovations. The motion was seconded by Representative Tapanelli. Motion carried.

Representative Light moved to adopt the Budget Committee report on the Kansas Bureau of Investigation as amended. The motion was seconded by Representative Tapanelli. Motion carried.

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Highway Patrol

A. State Highway Fund Transfers (Technical Adjustment). SB 480 includes transfers from the State Highway Fund to the State General Fund and the Kansas Highway Patrol Operations Fund equal to the amount budgeted from those funds. The transfers in SB 480 were not adjusted for the expenditure adjustments made by the Legislature. The transfers need to be adjusted to \$8,465,292.25 quarterly for the State General Fund and \$4,310,197.50 quarterly for the Kansas Highway Patrol Operations Fund to accurately reflect the FY 2007 budget approved in SB 480.

B. GBA No. 1, Item 49, Page 25—Additional Salaries & Wages Expenditures.

C. GBA No. 1, Item 50, Page 25—Homeland Security Funding Switch.

The Public Safety Budget Committee recommendation (Attachment 6):

- A. Recommends this item making a technical adjustment to the Kansas Highway Patrol budget.**
- B. Recommends adding \$111,938 from the State General Fund for salaries for the Capitol Area Security Police and \$181,344 from the Kansas Highway Patrol Operations Fund for salaries for the Motor Carrier Inspectors in FY 2007.**
- C. Did not recommend the funding switch and recommends an interim study to analyze federal Homeland Security fund expenditures across all state agencies.**

Representative Light moved for the adoption of the Budget Committee report on the Kansas Highway Patrol for FY 2007. The motion was seconded by Representative Sharp. Motion carried.

Emergency Medical Services Board

A. Statewide Data Collection System (Senate Committee). The Senate Committee deleted \$200,000 from the Emergency Medical Services Operating Fund in FY 2007 for the statewide data collection system pending the passage of SB 546. The bill, as amended by the Senate Committee of the Whole, passed the Senate on March 23, 2006. The bill, as amended by the House Committee on Appropriations, passed the House on March 31. The Conference Committee on SB 480 recommended funding of \$200,000 from the Emergency Medical Services Operating Fund for the data collection system.

The Public Safety Budget Committee took no further action (Attachment 6).

Sentencing Commission

A. Johnson County Therapeutic Community (House Committee) and GBA No. 1, Item 51, Page 26—123 Payments for Johnson County. The House Committee recommended Omnibus consideration of billings received by the Kansas Sentencing Commission from the Johnson County Therapeutic Community in FY 2006. The agency reported that Johnson County has submitted unanticipated billings from Therapeutic Community treatment services under 2003 SB 123. These billings are not included in the current budget as this treatment was covered under a Byrne Grant in prior years and Johnson County did not provide any notification to the agency that it would be billed for these services. In the FY 2006 Byrne Grant award, a special provision was added excluding 2003 SB 123 treatment from the grant program. Johnson County began billing the agency for the treatment in December 2005. The Kansas Sentencing Commission estimates that an appropriation of \$87,426 from the State General Fund in FY 2006 would fund the additional billings from the Johnson County Therapeutic Community. The Governor's Budget Amendment includes funding of \$87,500 from the State General Fund in FY 2006 for this item.

B. Program Consultant Position (House Committee). The House Committee recommended consideration during Omnibus of \$53,456, including \$26,728 from the State General Fund for a non-FTE program consultant position. This position would complete the duties associated with the administration and payment process of the 2003 SB 123 substance abuse treatment program. The agency reports that there has been a steady increase in the volume of invoices received, and additional staff is needed to complete the payment process.

The Public Safety Budget Committee recommendation (Attachment 6):

- A. Concurs with the Governor and adds \$87,500 from the State General Fund for payments under the provisions of 2003 SB 123 for the Johnson County Therapeutic Community.**

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B. Does not recommend addition of the Program Consultant Position.

Representative Light moved for the adoption of the Budget Committee Report on the Sentencing Commission for FY 2006 and FY 2007. The motion was seconded by Representative Pilcher-Cook.

Representative Light moved to amend the Budget Committee Report for FY 2006 by requesting an interim study on the Therapeutic program in Johnson County by the Joint Committee on Corrections and Juvenile Justice Oversight. The motion was seconded by Representative Pilcher-Cook. Motion carried.

Representative Light moved for the adoption of the Budget Committee Report on the Sentencing Commission as amended. The motion was seconded by Representative Pilcher-Cook. Motion carried.

State Conservation Commission

A. Water Rights Purchase Program (Senate Committee and House Committee). The House and Senate Committees deleted \$786,268 from the State Water Plan Fund for the Water Rights Purchase Program pending the passage of HB 2710. The bill, as amended by the House Committee of the Whole, passed the House on February 23, 2006. The bill, as amended by the Senate Committee on Natural Resources, passed the Senate on March 23, 2006. The bill is currently in Conference Committee.

B. Conservation Reserve Enhancement Program (Senate Committee and House Committee). The House and Senate Committees deleted \$4,000,000 from the State Water Plan Fund for the Conservation Reserve Enhancement Program (CREP) for consideration during Omnibus. The Kansas State University Department of Agricultural Economics has conducted an analysis of the economic impact of the proposed CREP. The agency will provide more information on this item.

C. Conservation Easements (House Committee). The House Committee deleted FY 2007 funding of \$311,500 from the Economic Development Initiatives Fund for conservation easements for Omnibus consideration. The Committee noted that HB 2556 and HB 2558 pertained to this program. HB 2556 would establish the Kansas Farm and Ranch Land Protection Grant Program and HB 2558 deals with encroachment restriction districts. HB 2556 was stricken from the House calendar on February 24, 2006. HB 2558 is currently in the House Committee on Environment.

D. Quick Response Areas (House Committee). The House Committee deleted \$450,000 from the State Water Plan Fund in FY 2007 for the Water Resources Cost Share - Quick Response Areas for Omnibus consideration. This program would provide additional incentive payments to encourage the use of the existing Environmental Quality Incentives Program (EQIP). The Conference Committee on SB 480 concurred with the House to delete the funding.

The Agriculture and Natural Resources Budget Committee recommendation (Attachment 4):

- A. Recommends the addition of \$786,268 from the State Water Plan Fund for the Water Transition Assistance Program pending the passage of HB 2710. Note - this funding would be from the irrigation water use reduction account of the State Water Plan Fund, not the Water Conservation Reserve Account.**
- B. Does not recommend funding for the Conservation Reserve Enhancement Program.**
- C. Does not recommend funding for Conservation Easements.**
- D. Does not recommend funding for the Water Resources Cost Share - Quick Response Areas.**

Representative Schwartz moved for the adoption of the Budget Committee report on the State Conservation Commission for FY 2007. The motion was seconded by Representative Powell. Motion carried.

Kansas Water Office

A. Water Conservation Projects Fund Feasibility Studies (Senate Committee). The Senate Committee recommended Omnibus review of expenditures of \$552,000 from the Water Conservation Projects Fund in FY 2006 to begin feasibility studies on potential projects in the area affected by the water litigation between Kansas and Colorado.

The Kansas Water Office met with the Arkansas River Litigation Funds Committee (ARLFC) in March. The table below indicates the projects identified for feasibility studies. The agency plans to distribute

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a request for proposals (RFP) for all of the projects listed. The Water Office also indicates that the cost for the studies includes some preliminary design work. The ARLFC considers the Lining of the Southside Ditch and the Southern Alternative Delivery System as the top priorities. In addition, the agency reports that these two projects are related and need to be implemented together.

Water Conservation Projects Fund Feasibility Studies	FY 2006 Budgeted Amount
Lining of Southside Ditch	\$ 48,000
Southern Alternative Delivery System	90,000
Enhanced Aquifer Recharge	108,000
River Channel Modifications and Maintenance	108,000
Lake McKinney Storage	72,000
Lake McKinney Bypass	54,000
River Check Dams and Structures	72,000
TOTAL	\$ 552,000

B. Water Conservation Projects Fund (Senate Committee and House Committee). The House and Senate Committees deleted \$2,500,000 from the Water Conservation Projects Fund in FY 2007 for consideration during Omnibus. The Water Conservation Projects Fund was established in 1996 to receive funding resulting from the water litigation between Kansas and Colorado and is to be used on projects in the Upper Arkansas River Basin in areas directly impacted by the litigation.

C. Conservation Reserve Enhancement Program (Senate Committee and House Committee). The House and Senate Committees deleted \$1,000,000 from the Water Conservation Projects Fund in FY 2007 for the Conservation Reserve Enhancement Program (CREP) for consideration during Omnibus. The Kansas State University Department of Agricultural Economics has conducted an analysis of the economic impact of the proposed CREP. The agency will present information on this item.

D. Stream Gauges (House Committee). The House Committee directed the agency to report during Omnibus regarding the number of new or replacement stream gauges the agency anticipates to purchase in coordination with the United States Geological Survey (USGS) in FY 2007. The agency reports that if additional stream gauges are purchased, USGS may not have additional funding available for their portion of the gauge expenses. In this situation, all additional expenses would be the responsibility of the state. The agency may have additional information on this topic.

E. SB 503 – Water Supply Storage Assurance Fund, Cedar Bluff Reservoir, and Dam Inspections (Conference Committee). SB 503 would create the Water Supply Storage Assurance Fund. This fund was created in 1986; however, it was inadvertently abolished in 1998. Since that time, the Fund has been established by proviso.

House amendments to the bill would require the Kansas Water Office to place a stream gauge on the Smoky Hill River below the dam on Cedar Bluff Reservoir to monitor the amount of water leaking from the dam. The agency is to use the stream gauge measurements of water leakage from the dam to calculate the amount of water in the artificial recharge pool.

The bill also exempts from inspection the dam located on Lake Barton Country Club property.

The amendment requiring purchase of an additional stream gauge is projected to have a first-year cost of \$18,000 from the State General Fund. In addition, annual operation and maintenance costs of \$6,800 would be incurred in subsequent years.

F. State Water Plan Fund Reappropriation (Technical Adjustment). In SB 480, language reappropriating funds in the Stream Gauging, Water Planning Process, and Kansas Water Authority accounts of the State Water Plan Fund were inadvertently reappropriated for FY 2006. This language was intended to reappropriate the funds for FY 2007.

The Agriculture and Natural Resources Budget Committee recommendation (Attachment 4):

- A. FY 2006 - Recommends adding \$11,978 from the Water Conservation Projects Fund to reimburse the ditch companies and recommends that the \$181,058 included in SB 480 for the ditch companies be budgeted as separate line items.**
- FY 2007 - Recommends adding \$552,000 from the Water Conservation Projects Fund for feasibility studies with a proviso limiting total expenditures for the studies to \$552,000 for FY**

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- 2006 and FY 2007 combined and adds \$100,000 from the Water Conservation Projects Fund for a temporary engineer position in Garden City to oversee the projects.
- B. Recommends adding \$2,500,000 from the Water Conservation Projects Fund for the Lining of the Southside Ditch and the Southern Alternative Delivery System projects.
 - C. Does not recommend expenditures for the Conservation Reserve Enhancement Program. The Budget Committee did receive the report from Kansas State University on this project.
 - D. Recommends that funding for the stream gauge on the Smoky Hill River near Arnold be shifted to fund the stream gauge on the Marmaton River near Marmaton.
 - E. Recommends the addition of \$18,000 from the State General Fund for a stream gauge below the Cedar Bluff Reservoir dam on the Smoky Hill River and recommends that the stream gauge on the Smoky Hill River near Arnold be moved to that location.
 - F. Recommends language reappropriating the Stream Gauging, Water Planning Process and Kansas Water Authority accounts for FY 2007. This is a technical correction to carry out the intent of the Legislature.

Representative Schwartz moved for the adoption of the Budget Committee report on the Kansas Water Office for FY 2006 and FY 2007. The motion was seconded by Representative Powell. Motion carried.

Board of Regents

A. Technical College Funding (Conference Committee). The Conference Committee on SB 480 recommended that additional funding in FY 2007 for technical colleges totaling \$2.2 million from the State General Fund be considered during Omnibus. The Conference Committee added \$3.0 million from the State General Fund for postsecondary aid for vocational education and recommended that the additional funding be considered. The additional funding would fully fund the statutory formula and hold several institutions harmless while the Board of Regents changes the allocation process.

The statutory formula for postsecondary aid for vocational education sets the state portion at 85 percent of costs. This formula has not been fully funded in many years. It would require another \$1.5 million from the State General Fund to increase the state aid to the statutory level.

The Board of Regents recently approved a change in the allocation process for the technical colleges. Previously, state funds were distributed based upon the prior year's allocation. Under the new process, funds will be distributed based upon a three-year average of enrollment. As a result of the change, four institutions would have received less in FY 2007 than in FY 2006. The Conference Committee recommended consideration of an additional one-time appropriation of \$735,000 from the State General Fund to hold those institutions harmless during the change in the allocation process.

B. Administrative Assistant Position (Conference Committee). The Conference Committee deleted funding of \$46,478 from the State General Fund and 0.5 FTE position for an Administrative Assistant in the Academic Affairs area and recommended that the item be considered during Omnibus. The Governor had recommended the new position as a part of the FY 2007 Governor's Budget Report. According to the agency, the new position would allow professional staff to focus on non-clerical duties and would provide support related to the institution performance agreements.

C. Systemwide Proposal to Increase Capacity in Masters-level Nursing Programs (Conference Committee). The Conference Committee on SB 480 recommended a review of a Board of Regents proposal to increase capacity in the Masters-level nursing programs. Many of the university presidents stated during budget hearings that the issue in nursing education is not a lack of qualified applicants, but a lack of instructors and physical space. The Conference Committee added \$150,000 from the State General Fund at Fort Hays State University to increase capacity in that program. This funding is contingent upon a dollar for dollar match by the university.

The House Committee had also recommended a shift of \$200,000 from the undergraduate Nursing Service Scholarship to systemwide capacity building with a similar match requirement. This amount was added to the scholarship program by the Governor for FY 2007. The Conference Committee on SB 480 recommended consideration of this item during Omnibus as a part of a systemwide proposal.

The Senate Committee recommended an Omnibus review of a Board of Regents systemwide proposal for capacity building. The elements of this proposal and the estimated funding requirements from the State General Fund in FY 2007 are outlined below.

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Item	Description	Additional First-year Funding Required
Nurse Educator Scholarship Program	Ten scholarships per year for individuals enrolling in a Masters or PhD program in nursing in Kansas. The program would have a service obligation of five years as a faculty member in a nursing program in Kansas.	\$ 150,000
Nursing Faculty and Supplies	Two grant programs to expand nursing faculty and increase funding for consumable laboratory supplies. One grant would be need-based and the other would require a two-for-one match by the institution.	2,420,000
Equipment and Facility Upgrades	Two grant programs to provide equipment (including simulators) and upgrade facilities. One grant would be need-based and the other would require a two-for-one match by the institution.	2,720,000
Statewide Nursing Consortium	Task force to address recommendations in the Board of Regents Nursing Shortage Report and implement solutions. Funding for support staff will be through federal funds.	0
TOTAL		\$ 5,290,000

D. SB 139 – Kansas Academy of Math and Science (Governor). SB 139 establishes the Kansas Academy of Math and Science for 11th and 12th grade students. The Board of Regents will determine if the two-year academy will be completely residential at one of the state universities, completely online, or a combination of residential and online. In addition, the bill outlines selection criteria for the 40 students to be admitted each year, but authorizes the Board of Regents to expand the number of students beyond that.

The Board is also authorized to charge a fee not to exceed Base State Aid Per Pupil to the school district sending the student. According to the agency, the fiscal impact of 40 students in a residential academy would be \$250,000. That amount would double in the second year. For an online academy, the fiscal impact would be less than that. If the Board of Regents charges the school districts a fee which equals the amount of Base State Aid Per Pupil (BSAPP), the total amount they would receive would be \$170,280 (based on the currently approved BSAPP of \$4,257).

E. HB 2578 – Special Education Teacher Scholarship Program and Teacher Education Scholarship Program (Conference Committee). HB 2578 establishes the Special Education Teacher Service Scholarship Program for licensed teachers enrolled in a program leading to endorsement as a special education teacher. Up to 50 scholarships may be awarded each year. The awards are for \$3,000 for each semester or the equivalent if the individual is enrolled part-time. The service obligation associated with the scholarship is teaching special education children on a full-time basis in Kansas for three years or the equivalent if teaching part-time. The program sunsets in FY 2011. This portion of the bill does not contain "subject to appropriations" language. For the first year, the fiscal impact of the new program would be \$300,000 from the State General Fund.

The Senate version of the bill also includes the Teacher Education Scholarship Program. This program awards scholarships to individuals who have been employed in an accredited school for four years and who are: (1) licensed teachers enrolled in a program leading to a Masters degree in Education; or (2) persons with an Associates degree enrolled in a program leading to licensure as a teacher. Qualified students would receive up to 100 percent of tuition and fees if enrolled at a state university or an amount equal to 100 percent of the average tuition and fees at the state universities if enrolled at a Kansas institution other than the state universities. The service obligation associated with the program includes teaching on a full-time basis in Kansas for one year for each 15 credit hours of assistance received or the equivalent if teaching on a part-time basis. This program is subject to appropriations. The bill does not specify the dollar amount of the award or the number of scholarships to be awarded each year. The Board of Regents estimates the first year fiscal impact would be \$86,115 from the State General Fund. This estimate is based upon ten scholarships at each of the undergraduate and graduate levels, using a statewide average of tuition and fees.

The Conference Committee on HB 2578 has agreed to the inclusion of both scholarship programs.

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The Senate has passed the Conference Committee report. The House has not yet taken action on this item.

The Education Budget Committee recommendation (Attachment 3):

- A. Adds language holding several technical colleges harmless during a change in the allocation process of state funds, but does not add any additional funding.
- B. Does not add funding for a new administrative assistant position.
- C. Shifts \$200,000 from the Nursing Service Scholarship Program to be used to build capacity at Masters-level nursing programs. The proposal includes a dollar-for dollar match by the university receiving the fund.
- D. Does not add funding for SB 139 which establishes the Kansas Academy of Math and Science.
- E. Adds a total of \$386,115 from the State General Fund for HB 2578 which establishes two scholarship programs.
- F. Adds a proviso creating a legislative committee to study KAN-ED during the 2006 interim (Attachment 9).

Representative Hutchins moved for the adoption of the Budget Committee report on the Board of Regents for FY 2007. The motion was seconded by Representative McLeland.

Note: The Committee voiced concern with the establishment of a new committee to study Kan-Ed rather than requesting a review by an interim committee.

Representative Feuerborn moved for a substitute motion to amend the report by deleting "Item F" from the Budget Committee recommendation on the Board of Regents. The motion was seconded by Representative Gatewood. Motion failed on a 9-12 vote.

Representative Hutchins moved for a substitute motion to amend the report with a proviso regarding expenditures by any regent institution for in-state tuition rates for undocumented non-residents or undocumented US citizens. The motion was seconded by Representative Merrick. Motion withdrawn with permission of the second.

Representative Landwehr moved for a substitute motion to amend the report by requiring that the interest funds of approximately \$8.5 million distributed to the Board of Regents be directed to fund items on the deferred maintenance list at the universities. The motion was seconded by Representative Hutchins. Motion carried.

Note: A letter from the Kansas Board of Regents to the President of the Senate was distributed to the Committee (Attachment 10).

Representative Hutchins moved for a substitute motion to amend the report with a proviso regarding expenditures by any Regent institution for in-state tuition rates for undocumented non-residents or undocumented U.S. citizens (Attachment 11). The motion was seconded by Representative Merrick. Motion failed on a 10-11 vote.

Representative Yoder moved for a substitute motion to amend the report by adding \$80,000 funding for the Kansas Academy of Math and Science in "Item D". The motion was seconded by Representative Pilcher-Cook. Motion failed on a 6-10 vote.

Representative Gatewood moved to reconsider action on the previous Hutchins' motion pertaining to a proviso regarding tuition for non-residents and undocumented U.S. citizens. The motion was seconded by Representative Weber. Motion carried.

Reconsideration of the Hutchins motion:

Representative Hutchins moved for a substitute motion to amend the report with a proviso regarding expenditures by any Regent institution for in-state tuition rates for undocumented non-residents or undocumented U.S. citizens (Attachment 11). The motion was seconded by Representative Merrick. Motion carried on a 12-11 vote.

Representative Hutchins moved for the adoption of the Budget Committee report on the Board of Regents for FY 2006 and FY 2007 as amended. The motion was seconded by Representative Merrick. Motion carried on a vote of 12-8.

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

State Universities

A. Preliminary Planning Funds for Renovation Projects (Senate Committee and Conference Committee). The Conference Committee on SB 480 deferred consideration of preliminary planning funds for capital improvements projects at several state universities until Omnibus. The projects were requested by the universities as a part of their FY 2007 budget submission, but funding was not recommended by the Governor. The projects have been reviewed by the Joint Committee on State Building Construction as a part of its review of FY 2007 agency capital improvement requests.

Two additional projects were recommended for Omnibus consideration by the Senate Committee. The Committee wanted additional information on the projects before including the preliminary planning funds in its recommendation.

The table below outlines the amounts of the preliminary planning funds and the estimated total for each project.

Institution	Project	Preliminary Planning Amount	Estimated Total Project Cost
University of Kansas	Utility Tunnel Improvements	\$ 450,000	\$ 10,965,000
KU Medical Center	Applegate Energy Center Upgrade	380,000	18,852,000
Kansas State University	Memorial Stadium Renovation	438,000	9,785,000
Wichita State University	Campus Energy Study	145,000	145,000
Emporia State University	William Allen White Library Addition and Renovation	238,000	7,379,100
Fort Hays State University	Picken Hall Renovation	120,000	4,300,000
Pittsburg State University	McCray Hall Renovation	350,000	3,437,280
TOTAL		<u>\$ 2,121,000</u>	<u>\$ 54,863,380</u>

The Education Budget Committee took no further action (Attachment 3).

KSU - Veterinary Medical Center

A. Plan for Increasing Number of Large Animal Veterinarians (House Committee). The House Committee requested a report from the agency on its plan to increase the number of graduates focusing on large animal veterinary medicine in rural areas. The plan includes the scholarship included in HB 3005, the addition of production medicine rotations in the fourth year, the hiring of new faculty in food animal medicine, and formation of a bovine production working group.

B. HB 3005 – Veterinary Training Program for Rural Kansas (Governor). HB 3005 establishes the Veterinary Training Program for Rural Kansas. Up to five first-year veterinary students each year will receive a loan in the amount of \$20,000 per year for not more than four years for expenses related to their education. The loan will be forgiven provided that the student: (1) completes the veterinary medicine degree; (2) completes advanced training in specific areas; (3) engages in full-time practice in a county with a population of less than 25,000; and (4) continues in that practice for four years. The program sunsets in ten years.

The agency indicates that the first year fiscal impact will be \$112,850 from the State General Fund plus 0.5 FTE position. Expenditures for the loans total \$100,000 and administrative responsibilities would require \$12,850 for 0.5 FTE position. The impact would increase by \$100,000 each year until the program reaches its capacity in the fourth year at \$400,000.

The Education Budget Committee recommendation (Attachment 3):

- A. Received information concerning the agency’s plan to increase number of large animal veterinarians.**
- B. Does not add funding for HB 3005 which establishes the Veterinary Training Program for Rural Kansas.**

Representative Hutchins moved for the adoption of the Budget Committee report on the KSU-Veterinary Medical Center for FY 2007. The motion was seconded by Representative McLeland.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

Representative Schwartz moved for a substitute motion to amend the Budget Committee report by adding \$112,850 from the State General Fund for the establishment of the Veterinary Training Program for Rural Kansas in "Item B" (Attachment 19). The motion was seconded by Representative Williams. Motion carried.

Representative Hutchins moved for the adoption of the KSU-Veterinary Medical Center for FY 2007 as amended. The motion was seconded by Representative McLeland. Motion carried.

Kansas State University

- A. GBA No. 1, Item 36, Page 19 - Student Life Center Bond Authority.

The Education Budget Committee recommendation (Attachment 3):

- A. Does not adopt the GBA which provides bonding authority for the Student Life Center at the Salina campus.

Representative Hutchins moved for the adoption of the Budget Committee report on Kansas State University for FY 2007. The motion was seconded by Representative Feuerborn.

Representative Sharp moved for a substitute motion to adopt GBA No. 1, Item 36, Page 19 - Student Life Center bond Authority. The motion was seconded by Representative Yoder. Motion carried.

Representative Hutchins moved for the adoption of the Budget Committee report on Kansas State University for FY 2007 as amended. The motion was seconded by Representative Feuerborn. Motion carried.

University of Kansas Medical Center

- A. GBA No. 1, Item 35, Page 18 - Provider Assessments.

The Education Budget Committee recommendation (Attachment 3):

- A. Adopts the GBA which increases funding to the Medical Loan Program by transferring \$400,000 in medical provider assessment revenues in FY 2006 and \$400,000 in medical provider assessment revenues in FY 2007.

Representative Hutchins moved for the adoption of the Budget Committee report on the University of Kansas Medical Center for FY 2006 and FY 2007. The motion was seconded by Representative McLeland. Motion carried.

Juvenile Justice Authority

A. **Multisystemic Therapy (House Committee).** The House Committee recommended consideration of the Multisystemic Therapy (MST) pilot project during Omnibus. MST is an intensive family- and community-based treatment that addresses the multiple causes of serious antisocial behavior in juvenile offenders. The program addresses the multiple factors known to be related to delinquency across key settings and strives to promote behavior change in the youth's natural environment, using the strengths of each system (e.g., family, peers, school, neighborhood) to facilitate change. The program is a home-based model of services delivery and the usual duration of MST treatment is approximately 60 hours of contact over four months. However, frequency and duration of sessions are determined by family need. The Juvenile Justice Authority requested \$570,662 from the State General Fund as an enhancement to implement a MST pilot project to serve youth in the 1st, 2nd, and 7th judicial districts. The Governor did not recommend the request and House Budget Committee did not add the funding.

B. **Costs Associated with DISC Services (House Committee).** The House Committee recommended a review of the cost of services provided by the Division of Information Systems and Communications (DISC). Currently, Kansas Juvenile Correctional Complex (KJCC) DISC expenditures are much higher than those services associated with the three other juvenile correctional facilities. The Committee requested a breakdown of costs associated with DISC services for each facility and the Juvenile Justice Authority. A recent increase in DISC fees was not included in the Larned Juvenile Correctional Facility and Beloit Juvenile Correctional Facility budgets. The result was the appearance of a significant difference between these two facilities and Kansas Juvenile Correctional Complex and Atchison Juvenile

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

Correctional Facility. The agency will provide updated information on the cost of these services to the Committee during Omnibus.

C. Parenting with Love and Limits (House Committee). The House Committee recommended consideration of the Parenting with Love and Limits Model. The program provides intensive, practical skill-building sessions to parents and their court-involved youth over the course of six weeks. The purpose of the program is to encourage parental involvement in the probation process and influence the behavior of adolescents in the court system. The curriculum covers topics such as: elements of teenager misbehavior, communication skills, limit setting, behavior contract development, parent rights and community resources. The cost of the program would depend on the number of families to be served but would range from \$28,000 to \$41,000 per site with a recommendation of three sites in Kansas. The Savannah Family Institute provided information indicating savings to the state were possible due to reduced recidivism among youth and the ability to receive Medicaid reimbursement for service costs.

D. Level V and VI Length of Stay (House Committee) and GBA No. 1, Item 44, Page 22—Purchase of Services. The House Committee recommended a review of Level V and VI length of stay issues during Omnibus. The existing Medicaid state plan contains length of stay limits regarding how long Medicaid reimbursement can be utilized to pay for services in Level V and VI facilities and Therapeutic Foster Care. Youth placed in a Level V facility are eligible for Medicaid payment up to 140 days while youth placed in a Level VI facility or Therapeutic Foster Care are eligible up to 180 days. These limitations have been in place for a number of years but the Center for Medicaid and Medicare Services (CMS) has recently started enforcing them. In order to address the situation, the Juvenile Justice Authority (JJA) has implemented a system in which youth approaching their length of stay limit are identified and case managers are notified. Case managers then determine if the youth requires further services. If the case manager believes continued treatment is necessary, an extension form is submitted and must be presented to JJA prior to the youth's 100th day in Level V and 150th day in Level VI or Therapeutic Foster Care. JJA then has 10 days to consult with the case manager to approve or deny the extension. In addition, an appeal process has been implemented. Stays in excess of these limits are paid solely from the State General Fund. JJA has approved extensions totaling approximately \$440,000, but has not paid all of them due to billing issues. As of April 11th, JJA has expended approximately \$307,000 from the State General Fund for youth over the length of stay limit in Level V, VI and Therapeutic Foster Care. The remaining \$133,000 will be paid at a later time.

E. Review Services at Larned Juvenile Correctional Facility and Placement at the Facility for Level V and VI Youth in Custody (House Committee). The House Committee recommended a review of mental health services at Larned Juvenile Correctional Facility to explore the possibility of placing Level V and VI youth in the custody of the Commissioner of the Juvenile Justice Authority at the facility. Currently, a small number of youth are being removed from Level V and VI facilities prior to the completion of treatment in order to comply with the length of stay limitation. Upon review, the Juvenile Justice Authority has concluded that youth would be better served in their communities. While LJCF has mental health services that would meet the needs of these youth, the agency believes the environment is too restrictive and would be counterproductive to the treatment of the youth.

The Public Safety Budget Committee recommendation (Attachment 6):

- A. Did not take any action.
- B. Did not take any action.
- C. Did not take any action.
- D. Adopts the GBA to add \$657,879 from the State General Fund for Level V and VI services in FY 2006 and \$2,490,132 from the State General Fund for Level V and VI services and Targeted Case Management in FY 2007.
- E. Did not take any action.

Representative Light moved to adopt the Budget Committee Report on the Juvenile Justice Authority for FY 2006 and FY 2007. The motion was seconded by Representative Pilcher-Cook. Motion carried.

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

Atchison Juvenile Correctional Facility

A. Education Contract Expenditures (Senate Committee and Conference Committee). The Senate Committee recommended the addition, and review during Omnibus, of \$56,931 from the State General Fund in FY 2006 and \$84,899 from the State General Fund in FY 2007 for additional education contract expenditures related to increased teacher salaries at Unified School District No. 409. During FY 2006 and FY 2007, teacher salaries increased approximately 6.0 percent, including health insurance costs. The Conference Committee on SB 480 concurred with the Senate and added \$56,931 from the State General Fund in FY 2006 and \$84,899 from the State General Fund in FY 2007 along with review during Omnibus.

The Public Safety Budget Committee took no action (Attachment 6).

Beloit Juvenile Correctional Facility

A. Funding for Vocational Instructors (Senate Committee). The Senate Committee recommended the addition of \$78,801 from the State General Fund in FY 2007. Funding would provide for 2.0 contract vocational instructors to provide enhanced vocational education to females at the facility who have received their GED or completed their high school education. The Conference Committee on SB 480 concurred with the House and deleted the \$78,801 for review during Omnibus.

B. GBA No. 1, Item 46, Page 23—Education Contract Savings.

The Public Safety Budget Committee recommendation (Attachment 6):

- A. Did not take any action.**
- B. Adopts the GBA, and recommends the Joint Committee on Corrections and Juvenile Justice Oversight review the virtual schooling program and its progress during the interim.**

Representative Light moved for the adoption of the Budget Committee report on the Beloit Juvenile Correction Facility for FY 2007. The motion was seconded by Representative Pilcher-Cook. Motion carried.

Larned Juvenile Correctional Facility

A. GBA No. 1, Item 45, Page 23—Medical Care.

The Public Safety Budget Committee recommendation (Attachment 6):

- A. Does not adopt the GBA and recommends a transfer of \$125,000 in FY 2006 and \$125,000 in FY 2007 from the Larned State Hospital budget to the Juvenile Justice Authority to fund extraordinary medical and pharmaceutical costs.**

Representative Light moved for the adoption of the Budget Committee report on the Larned Juvenile Correctional Facility for FY 2006 and FY 2007. The motion was seconded by Representative Tafanelli. Motion carried.

Juvenile Correctional Facilities

A. Virtual Schooling (House Committee). The House Committee recommended consideration of the implementation of virtual schooling, accredited by the Kansas Department of Education, at Atchison, Beloit and Larned Juvenile Correctional Facilities and Kansas Juvenile Correctional Complex. The cost for education services at all four correctional facilities, for FY 2006 and FY 2007, is as follows:

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Education Costs per Facility
FY 2006 and FY 2007

	Amount Budgeted	Facility Population	Annual Cost/ Youth	Daily Cost/ Youth
FY 2006				
Atchison Juvenile Correctional Facility	\$ 1,396,059	39	\$ 35,796	\$ 159
Beloit Juvenile Correctional Facility	740,488	22	33,659	176
Kansas Juvenile Correctional Complex	2,652,492	223	11,895	53
Larned Juvenile Correctional Facility	1,218,673	100	12,187	58
FY 2007				
Atchison Juvenile Correctional Facility	\$ 1,472,842	39	\$ 37,765	\$ 168
Beloit Juvenile Correctional Facility	731,598	22	33,254	174
Kansas Juvenile Correctional Complex	2,726,751	223	12,228	54
Larned Juvenile Correctional Facility	1,238,494	100	12,385	59

* The table reflects the number of days spent in school which varies between each facility.

The Public Safety Budget Committee recommendation (Attachment 6):

A. The Budget Committee did not take any action.

State Bank Commissioner

A. Program Vehicle Purchases (House Committee). The House Committee recommended consideration of the purchase of program vehicles, in addition to vehicle purchases and leasing. The Committee noted that agencies do not have the option to purchase program vehicles when replacing or buying new vehicles. The agency will present material regarding the costs related to purchasing program vehicles in comparison to purchasing new replacement vehicles during Omnibus.

B. Conversion of Classified Positions to Unclassified Positions (Senate Committee). The Senate Committee noted the agency wishes to convert their classified FTE positions to unclassified FTE positions. The Committee requested the agency confer with the appropriate Committees to introduce a bill to accomplish this and report back on the status of their efforts during Omnibus. The agency will present material to indicate which method it prefers to accomplish the conversion of classified FTE positions to unclassified FTE positions during Omnibus.

The Agriculture and Natural Resources recommendation (Attachment 4):

- A. Recommends the agency continue to pursue purchasing vehicles in the most cost-effective manner.**
- B. Supports the agency’s decision to convert their classified FTE positions to unclassified FTE positions.**

Representative Schwartz moved for the adoption of the Budget Committee report on the State Bank Commissioner for FY 2007. The motion was seconded by Representative Powell. Motion carried.

Department of Credit Unions

A. Kansas Savings Incentive Plan Expenditures (House Committee). The House Committee recommended a review of Kansas Savings Incentive Plan (KSIP) expenditures within the Department of Credit Unions. The Committee requested the agency provide a detailed list of what the agency would purchase with KSIP funds. The agency reported back to the Committee in February that KSIP funds are planned for training and development for the agency.

The Agriculture and Natural Resources Budget Committee took no action (Attachment 4).

Division of Health Policy and Finance

A. Enhanced Care Management Project (Conference Committee) and GBA No. 1, Item 12, Page 9. The Conference Committee on SB 480 deleted \$1.1 million from the State General Fund of the \$2.0 million recommended by the Governor for the Enhanced Care Management Project in FY 2006 and recommended Omnibus review for possible restoration. The Enhanced Care Management Project is a pilot project in Sedgwick County. The goal of the project is to improve health outcomes by managing health

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

benefit utilization through education, access to community services, and balanced advocacy for chronically ill Medicaid clients. The project, which began on March 1, 2006, is administered by Central Plains Regional Health Care Foundation, an extension of the Sedgwick County Medical Society. Trajectory HealthCare LLC has been contracted to provide external evaluation of the project throughout its five-year term. The funding was deleted due to the late start of the program.

The agency is requesting a Governor's Budget Amendment (GBA) to shift the Enhanced Care Management Project from the Regular Medical program to the Administration program. The shift will change the federal match rate for the project from a 60/40 federal/state match to a 50/50 federal/state match. The agency's updated cost estimate for the program is \$1.1 million all funds, including \$554,000 from the State General Fund for FY 2006. The GBA will need to add this amount to the Administration program, because the reduction by the Conference Committee removed all State General Fund money for the program in FY 2006.

B. Dental Program Changes Under Title XIX (Medicaid) and Title XXI (SCHIP) (House Committee). The House Committee requested the Division of Health Policy and Finance present information regarding the planned changes to the dental program under Title XIX and XXI and the impact those changes will have on the populations being served during Omnibus.

Currently, all dental claims are sent to Doral Dental and then separated into claims for Medicaid beneficiaries and claims for State Children's Health Insurance Program (SCHIP) beneficiaries. The Medicaid claims are then sent to the Medicaid Management Information System (MMIS) for processing. SCHIP claims are paid by Doral Dental as the managed care organization for all SCHIP beneficiaries. In the original system design, Doral Dental also served as an administrative services organization to provide clinical reviews, prior authorizations, and perform claims resolution and provider relations for Title XIX. According to the agency, claims payment has improved, but the contractual relationships have been difficult to manage and confusing to the providers.

On July 1, 2006, all dental claims for Medicaid and State Children's Health Insurance Program (SCHIP) eligible beneficiaries will be processed by the MMIS. This change is being made to provide a single point of contact for dental providers and to simplify the claims payment and reconciliation process, which has been a source of concern for providers. Dental providers have expressed concerns about slow payment, unclear reasons for payment decisions, and low reimbursement rates.

To simplify the claims payment system for providers, Electronic Data Systems (EDS), the contractor for the MMIS, will pay all claims on a fee for service basis. The change will not affect the amount of reimbursement dental providers receive. This is the practice for Title XIX Medicaid claims, and is allowed for SCHIP by KSA 38-2001(d) (8). At the same time, EDS will add provider representatives to work specifically with dental providers and claims representatives to work through billing and payment posting issues with dental practices. Payment policy changes have been implemented to simplify dental billing and to remove prior authorization paperwork for some procedures. The goal is to make the Medicaid payment methodologies consistent with the most current dental insurance practices. EDS is currently working with dental providers to start transitioning to the new billing system. EDS also is working with some dental practices to demonstrate the internet billing system, and how to use the online system to verify eligibility and adjust claims.

C. Spring Consensus Caseload Estimates and GBA No. 1, Item 9, Page 6. The FY 2006 Spring Consensus Caseload Estimate for the Regular Medical program is no change from the amount approved by the 2006 Legislature. This item is included in the Spring Consensus Caseload Item under the Department of Social and Rehabilitation Services.

D. GBA No. 1, Item 11, Page 8—Presumptive Eligibility.

The Social Services Budget Committee recommendation (Attachment 7):

- A. Concur with the GBA to fund the project in FY 2006.**
- B. Recommends no action in FY 2006.**
- C. Concur with the GBA which makes no adjustments to approved expenditures in FY 2006.**
- D. Does not concur with the GBA which would have added administrative costs of \$557,017 to implement presumptive eligibility in FY 2006.**

Representative Landwehr moved to adopt the Budget Committee report on the Division of Health Policy and Finance for FY 2006. The motion was seconded by Representative Bethell. Motion carried.

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

Health Policy Authority

A. Business Health Partnership (Conference Committee). The Conference Committee on SB 480 deleted \$500,000 from the State General Fund in FY 2006 and \$1.5 million from the State General Fund in FY 2007 for the Business Health Partnership for review during Omnibus. The purpose of the not-for-profit Business Health Partnership is to develop and market a low cost health plan to small businesses. The Business Health Policy Committee was created by the Legislature with the intent of providing small businesses (2-50 employees) access to health coverage at an affordable rate. The committee is comprised of business leaders and legislators.

The Governor recommended \$500,000 from the State General Fund in FY 2006 and \$2.0 million from the State General Fund in FY 2007 for a pilot program in Sedgwick County to increase financial incentives for small businesses when they offer health insurance to their employees. The pilot is designed to provide employees with incomes below 200.0 percent of the Federal Poverty Level working for firms that employ between two and 25 persons with low cost health insurance. The pilot will work with the existing small business tax credit to reduce company contributions to 30.0 percent of the premium. Employee contributions would be reduced to 10.0 percent of the premium. The pilot will provide insurance from a single carrier and will be coordinated with the Community RX Kansas program and the State Children's Health Insurance Program (SCHIP). The agency will provide more information on this item.

According to the agency, the bidding to offer the plan closes on April 28th, 2006. The implementation date of the new program is dependent on negotiations with the winning bidder. The agency anticipates it will need \$2.0 million from the State General Fund to fund the program between the two fiscal years.

B. Healthy Kansas First 5 (Conference Committee). The Conference Committee on SB 480 deleted \$3.5 million from the State General Fund for the Healthy Kansas First 5 program in FY 2007 and recommended a review during Omnibus for possible restoration. Healthy Kansas First 5 expands eligibility under both Medicaid and SCHIP:

- Medicaid eligibility for pregnant women and infants would be increased from 150 percent to 185 percent of the Federal Poverty Level (FPL).
- SCHIP eligibility would be increased from 200 percent to 235 percent of FPL.
- Families with children above 235 percent of FPL will be allowed to buy into the SCHIP benefit package if they meet the following criteria:
 - they do not have access to any employer based insurance; and
 - they have been without insurance for six months.

The Conference Committee noted that this program expands eligibility for both Medicaid and SCHIP that may not be sustainable if another economic downturn occurs. In addition, federal matching dollars for SCHIP are limited and Kansas already uses all of its SCHIP funding, as well as SCHIP dollars unused by other states that are redistributed periodically by the federal government. If the Kansas SCHIP program exceeds the federal funds available, the additional cost must be paid from state dollars. Given the reductions that became necessary in Missouri and Tennessee when program expansion became unsustainable, the Conference Committee recommended review of this item during Omnibus when more detailed cost estimates would be available from the agency. The agency will provide additional information on this item.

The agency anticipates that 2,000 children will participate in Health Kansas First 5 in FY 2007. According to the agency, expansion of coverage under the new program would only increase SCHIP spending by 2.6 percent in FY 2007. In the event that funding shortfalls occur in implementing Health Kansas First 5, the agency indicates that it would either adjust benefits or family contributions (co-pays and premiums) or replace all or part of SCHIP funds to Medicaid funds.

C. Enhanced Care Management Project (Conference Committee) and GBA No. 1, Item 12, Page 9. The Conference Committee on SB 480 deleted \$500,000 from the State General Fund of the \$2.0 million recommended by the Governor for the Enhanced Care Management Project in FY 2007 and recommended review during Omnibus for possible restoration. The Enhanced Care Management Project is a pilot project in Sedgwick County. The goal of the project is to improve health outcomes by managing health benefit utilization through education, access to community services, and balanced advocacy for chronically ill Medicaid clients. The project, which began on March 1, 2006, is administered by Central Plains Regional Health Care Foundation, an extension of the Sedgwick County Medical Society. Trajectory HealthCare LLC

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has been contracted to provide external evaluation of the project throughout its five-year term.

The agency is requesting a Governor's Budget Amendment (GBA) to shift the Enhanced Care Management Project from the Regular Medical program to the Administration program. The shift will change the federal match rate for the project from a 60/40 federal/state match to a 50/50 federal/state match. The agency's updated cost estimate for the program is \$2.0 million all funds, including \$1.0 million from the State General Fund, for FY 2007. The GBA will need to shift \$1.5 million, including \$292,806 from the State General Fund, from the Regular Medical program to the Administration program and add \$698,202 from the State General Fund and \$500,000 from all funding sources to fully fund the agency estimate for the project.

D. Presumptive Eligibility (Conference Committee). The Conference Committee on SB 480 deleted \$250,000 from the State General Fund for the implementation of Presumptive Eligibility in FY 2007. The Governor recommended \$2.5 million from the State General Fund for the implementation of presumptive eligibility for children ages 0 - 19. This would allow them to go to a hospital or clinic for services, where they would be screened to determine if they meet presumptive eligibility criteria for Medicaid or State Children's Health Insurance Program. If they are presumed eligible for services, the health care provider can depend on payment for services while full eligibility is being determined (approximately one month).

The Conference Committee expressed concern regarding the burden this program will put on providers, who will have to implement the screening process after training from the agency, with no additional reimbursement. The Conference Committee asked that the agency report back during Omnibus with the number of other states that are using presumptive eligibility and whether or not providers are being reimbursed. The agency will provide additional information on this item.

According to the agency, there are 12 states with provisions that allow for presumptive eligibility determinations for Medicaid and/or SCHIP. Designated entities are not reimbursed for completing a screening tool in other states.

E. Short- and Long-Term Policies for Dental Programs in Title XIX (Medicaid) and Title XXI (SCHIP) (House Committee). The House Committee recommended the Health Policy Authority review and report back to the Committee the short-term and long-term policies regarding the Title XIX and XXI dental programs during Omnibus.

Currently, all dental claims are sent to Doral Dental and then separated into claims for Medicaid beneficiaries and claims for State Children's Health Insurance Program (SCHIP) beneficiaries. The Medicaid claims are then sent to the Medicaid Management Information System (MMIS) for processing. SCHIP claims are paid by Doral Dental as the managed care organization for all SCHIP beneficiaries. In the original system design, Doral Dental also served as an administrative services organization to provide clinical reviews, prior authorizations, and perform claims resolution and provider relations for Title XIX. According to the agency, claims payment has improved, but the contractual relationships have been difficult to manage and confusing to the providers.

On July 1, 2006, all dental claims for Medicaid and SCHIP-eligible beneficiaries will be processed by the MMIS. This change is being made to provide a single point of contact for dental providers and to simplify the claims payment and reconciliation process, which has been a source of concern for providers. Dental providers have expressed concerns about slow payment, unclear reasons for payment decisions, and low reimbursement rates.

To simplify the claims payment system for providers, Electronic Data Systems (EDS), the contractor for the MMIS, will pay all claims on a fee for service basis. The change will not affect the amount of reimbursement dental providers receive. This is the practice for Title XIX Medicaid claims, and is allowed for SCHIP by KSA 38-2001(d) (8). At the same time, EDS will add provider representatives to work specifically with dental providers and claims representatives to work through billing and payment posting issues with dental practices. Payment policy changes have been implemented to simplify dental billing and to remove prior authorization paperwork for some procedures. The goal is to make the Medicaid payment methodologies consistent with the most current dental insurance practices. EDS is currently working with dental providers to start transitioning to the new billing system. EDS also is already working with some dental practices to demonstrate the internet billing system, and how to use the online system to verify eligibility and adjust claims.

F. Effect of the Federal Deficit Reduction Act (House Committee). The House Committee requested information during Omnibus on the anticipated impacts on the agency from the federal Deficit Reduction Act of 2005 enacted this year.

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The Deficit Reduction Act (DRA) includes notable changes in federal requirements for Medicaid programs and some new program flexibility for states. The DRA provisions either require mandatory changes in state Medicaid programs or add to the options already available to states in the administration of their programs. The Division of Health Policy and Finance (DHPF) is in the process of evaluating many of the DRA provisions, with particular emphasis on the mandatory changes that have retroactive effective dates and those with effective dates before July 1, 2006.

DHPF is involved in discussions with partner agencies, including SRS and the Department on Aging, to review the impact of the DRA provisions and develop implementation strategies. Many of the provisions also require the Centers for Medicare and Medicaid Services (CMS) to issue regulatory guidance. CMS has begun issuing guidance, in the form of State Medicaid Director letters and State Plan Amendment templates, on several of the provisions. The agency expects additional Medicaid Directors letters to be issued between now and July 1. CMS also is developing regulations to implement other provisions. DHPF is participating in state-to-state conference calls to discuss the impact and clarify the intent of the CMS guidance.

The new flexibility included in the DRA, particularly on cost sharing, developing benchmarked benefit plans, and moving some Home and Community-Based Services into the State Plan, would have significant impact on Kansas Medicaid. According to the agency, understanding the impact of these options will take some time and will depend on how CMS interprets the provisions. DHPF is preparing a range of Medicaid reform options for presentation to the Kansas Health Policy Authority Board later this year, and these options will incorporate the new flexibility afforded by the DRA.

G. Presumptive Disability (House Committee) and GBA No. 1, Item 10, Page 7. The House Committee expressed concern about the implementation of Presumptive Disability for the MediKan program regarding applicants who would not meet presumptive disability criteria but would ultimately be considered disabled, the shift of persons with a mental health diagnosis from the MediKan program to the Community Mental Health Centers (CMHCs), jails or hospitals, and the possible fiscal impact if the Presumptive Disability standards set by the state do not meet federal requirements.

Currently, persons applying for Social security disability programs can receive a limited package of state-only funded medical benefits through MediKan. MediKan services are available for 24 months while the Social Security Administration (SSA) reviews the persons application. After 24 months, if the person does not meet SSA eligibility requirements and has exhausted their appeals, they are no longer eligible for services, except through limited hardship criteria.

Beginning July 1, 2006, the state will begin a process of making a preliminary determination of disability that will result in immediate Medicaid benefits for the eligible person. This will allow the state to draw down the federal matching rate of 60.0 percent to pay for these services. A determination of presumptive disability will be made within 45 days. If the applicant is presumed disabled, they will begin to receive the full package of Medicaid services. If the applicant is not presumed disabled, they will not receive services.

Once the determination of presumptive disability has been made, the applicant will submit a disability application to the SSA which will go through the usual process. Regardless of the final disability determination by the SSA, the state will not be required to return the federal matching funds for the services provided under this program, as long as the State's presumptive disability criteria result in 50 percent or greater of the applicants receiving an SSA disability determination.

Persons in the MediKan program as of July 1, 2006 will be screened for presumptive disability in the month of his or her annual review. If they are not presumed disabled and have exhausted all SSA appeals, they will no longer receive medical benefits. There are no hardship criteria under presumptive disability.

The agency indicates that DHPF and SRS staff have identified alternative services for people who are not presumed disabled. Those services include: food stamps, making referrals to local Community Mental Health Centers (CMHCs) for services and aid through the community medication prescription program, linking the individual with local workforce development centers for employment services, providing referrals to vocational rehabilitation, and connecting the individual with local assistance agencies. The agency found no data to indicate that persons denied MediKan services end up in state institutions or jails. In addition, the Centers for Medicare and Medicaid Services (CMS) have set no criteria for determining presumptive disability before federal funds can be accessed, or any penalties for not meeting those criteria.

H. Spring Consensus Caseload Estimates and GBA No. 1, Item 9, Page 6. The FY 2007 Spring Consensus Caseload Estimate for the Regular Medical program is no change from the amount approved by the 2006 Legislature. The estimate includes a \$20.7 million shift in funding from federal funds to the

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

Medical Program Fee Fund (formerly the Social Welfare Fund) reflecting an adjustment to the Federal Medical Assistance Percentage (FMAP) rate from the Fall 2005 estimates.

This item is included in the Spring Consensus Caseload Item under the Department of Social and Rehabilitation Services.

I. GBA No. 1, Item 1, Page 2 - Health Planning and Finance - Correction to Reportable Expenditures.

The Social Services Budget Committee recommendation (Attachment 7):

- A. Does not recommend restoration of funding of \$500,000 for FY 2006 and \$500,000 for FY 2007 from the State General Fund for the Business Health Partnership.
- B. Does not recommend restoration of funding of \$3.5 million from the State General Fund for Healthy Kansas First 5 in FY 2007.
- C. Concurs with the GBA which adds funding for the project in FY 2007.
- D. Makes no recommendation for Presumptive Eligibility in FY 2007.
- E. Recommends no action in FY 2007.
- F. Recommends no action in FY 2007.
- G. Adds \$975,000, including \$477,215 from the State General Fund to shift the Kansas Legal Services (KLS) contract from SRS to the Health Policy Authority in FY 2007 and concurs in part with the GBA.
- H. Concurs with the GBA which makes no adjustments to approved expenditures in FY 2007.
- I. Concurs with the GBA which adjusts reportable expenditures in FY 2007.
- J. Makes no recommendation on the GBA for FY 2007.
- K. Recommends the addition of proviso language requiring the Health Policy Authority to conduct a survey of the cost of dispensing pharmaceutical products and services within the Kansas Medicaid program in FY 2007.
- L. New Item - Recommends the addition of proviso language requiring the Health Policy Authority to study rebates for the state pharmaceutical purchasing program in FY 2007.

Representative Landwehr moved for the adoption of the Budget Committee report on the Health Policy Authority for FY 2006 and FY 2007. The motion was seconded by Representative Bethell.

Representative Bethell moved for a substitute motion to amend the Budget Committee report by adding a proviso stating "Provided that expenditures shall be made to study rebates for the state pharmaceutical purchasing plan, including the possibility of increasing rebates for generic products, in light of the consolidation of state purchasing under the Kansas Health Policy Authority". The motion was seconded by Representative Light. Motion carried.

Note: The Budget Committee noted that "Item C" should show \$698,202 State General Fund, - \$198,202 All other Funds for a total of \$500,000 All Funds.

Representative Landwehr moved for a substitute motion to amend the Budget Committee report by adding a proviso to "Item E" to direct the Health Policy Authority to extend the contracts on Title 19 and Title 21 for one year beyond the expiration dates of June 30, 2006. The motion was seconded by Representative Bethell. Motion carried.

Representative Landwehr moved for a substitute motion to amend the Budget Committee report by removing funding of \$75,000 State General Fund and 1 FTE for an inspector general. The motion was seconded by Representative Bethell. Motion carried.

Representative Landwehr moved for a substitute motion to amend the Budget Committee report by removing all funding for Presumptive Eligibility in "Item D". The motion was seconded by Representative Bethell. Motion carried.

Representative Henry moved for a substitute motion to amend the Budget Committee report on "Item J" by the adoption of GBA No. 1, Item 21, Page 13 for Medicare Part D co-payments for dual-eligibles in the amount of \$4,256,600. The motion was seconded by Representative Ballard. Motion carried.

Representative Landwehr moved for the adoption of the Budget Committee report on the Health Policy Authority for FY 2006 and FY 2007 as amended. The motion was seconded by Representative Henry. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

Department of Commerce

A. After School Grant Program (Conference Committee). The Conference Committee on SB 480 deleted FY 2007 funding of \$1.25 million, including \$750,000 from the State General Fund, for the After School Grant program and recommended a review during Omnibus for possible restoration. The program would provide grants to eligible entities for the purpose of establishing after-school programs that include pre-vocational employment skills and options, lifetime physical fitness activities, academic tutoring and academic enhancement and mentoring.

B. Additional Funding for the Older Kansans Employment Program (OKEP) (House Committee). The House Committee recommended Omnibus review of the addition of \$190,000 from funds to be identified for the Older Kansans Employment Program (OKEP). OKEP is a state-funded program designed to provide older Kansans, 55 and over, with an employment placement service. Emphasis is placed on providing permanent full-time or part-time jobs in the private sector, including non-traditional patterns of employment. Although unemployed older Kansans who are most in need receive priority, OKEP participants are not required to spend down to poverty before receiving services. The Conference Committee on SB 480 added \$100,000 from the Economic Development Initiatives Fund (EDIF) for OKEP in FY 2007.

C. Agency Reduced Resource Packages (House Committee). The House Committee recommended Omnibus review of the agency’s FY 2007 reduced resource packages totaling \$798,621, including \$11,292 from the State General Fund.

The agency reduced resource packages are as follows:

FY 2007 Reduced Resources Packages						
Item	Agency Recommendation			Governor’s Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Close China Office	\$ 0	\$ (50,000)	0.0	\$ 0	\$ 0	0.0
Put Brand Image Marketing Activities on Hold	0	(437,329)	0.0	0	0	0.0
Decrease Funding for the Center for Entrepreneurship	0	(300,000)	0.0	0	0	0.0
Kansas Commission on Disability Concerns Reduction	(5,600)	(5,600)	0.0	0	0	0.0
Discontinue “List Serve” Program	(5,692)	(5,692)	0.0	0	0	0.0
TOTAL	\$ (11,292)	\$ (798,621)	0.0	\$ 0	\$ 0	0.0

D. Kansas Quick Careers (Senate Committee). The Senate Committee recommended review of the Kansas Quick Careers (KQC) training program during Omnibus. KQC is designed to provide the healthcare, manufacturing technology, information technology/office occupations and construction industry with highly skilled workers through a collaborative partnership with industry representatives, local colleges and other community-based organizations in designing customized training that respond to market needs. The Urban League of the MidPlains, along with its partners, is requesting \$2.2 million over the next four years to fund the program, beginning in FY 2007.

The Senate Committee recommended the Department of Commerce work with the Urban League of the MidPlains and committee members to determine if there are funding sources for this program within existing workforce training dollars.

The agency met with the Urban League of the Midplains to review Kansas Quick Careers. The agency has noted that the program has proven results from another state, significant local buy-in and serves Workforce Investment Act (WIA) eligible youth. The agency believes it can cover the costs of the program, an estimated \$452,544 in FY 2007, through WIA set-aside dollars and local funds. The agency noted that the state board, the Workforce Network of Kansas, and the local workforce investment board would need to approve the program before the dollars could be committed to KQC. The agency anticipates approval of the program in late summer or early fall of this year.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

E. House Substitute for SB 475 – State Affordable Airfare Fund (Governor). House Sub. for SB 475 creates the \$5,000,000 State Affordable Airfare Fund, administered by the Department of Commerce. Moneys will be transferred to the Fund from the State General Fund or special revenue funds subject to appropriations and will be used to fund the program to provide more air flight options, more competition for air travel and affordable air fares for Kansas, including a regional airport in western Kansas. To fund the program for FY 2007, an appropriation in the Omnibus bill would be needed.

Funds will be distributed through an annual grant by the Department of Commerce to the Regional Economic Area Partnership (REAP) based on a match of 25.0 percent from local units of government or private entities and 75.0 percent from the State Affordable Airfare Fund.

Starting in January 15, 2008, REAP is required to evaluate and present a report to the House Committee on Appropriations and the Senate Committee on Ways and Means at the beginning of each regular session of the Legislature. In addition, REAP is required to submit a report on the expenditures of the annual grant and local matching funds, as well as the results of such expenditures, to the Legislature.

Beginning during the 2006 Legislative Interim, the Legislative Budget Committee is directed to study and review the activities of REAP.

F. GBA No. 1, Item 4, Page 3—Spirit Aerosystems.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. Does not recommend restoration of \$1.25 million, including \$750,000 from the State General Fund for the After School Grant Program in FY 2007.
- B. Does not recommend additional funding for OKEP in FY 2007
- C. Does not recommend further reductions to the agency budget in FY 2007.
- D. Recommends funding the program from current resources in FY 2007.
- E. Did not recommend funding for the State Affordable Airfare Fund in FY 2007.
- F. Concurs with the GBA to reduce reportable expenditures by \$1,400,000 in FY 2006 and \$2,800,000 in FY 2007.

Representative Pottorff moved for the adoption of the Budget Committee report on the Department of Commerce for FY 2006 and FY 2007. The motion was seconded by Representative Lane.

Representative Pottorff moved for a substitute motion to transfer \$5 million from the State Highway Fund to the Department of Commerce State Affordable Airfare Fund for FY 2007. The motion was seconded by Representative Sawyer. Motion carried.

Representative Pottorff moved for the adoption of the Budget Committee report on the Department of Commerce for FY 2006 and FY 2007 as amended. The motion was seconded by Representative Yoder. Motion carried.

Kansas, Inc.

A. Kansas Center for Entrepreneurship and Kansas Bioscience Authority Evaluations (Senate Committee and House Committee). The House and Senate Committees recommended review of the agency enhancement request for \$25,000 from the Economic Development Initiatives Fund (EDIF) to complete statutorily required evaluations of the Kansas Center for Entrepreneurship and the Bioscience Authority during Omnibus. The Governor funded the enhancement request from the Kansas, Inc. Private Fund instead of the EDIF. The agency expressed concern about the funding precedent set by the recommendation.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. Adds \$25,000 from the State General Fund to replace special revenue funds for statutorily required evaluations of the Kansas Center for Entrepreneurship and the Kansas Bioscience Authority in FY 2007.

Representative Pottorff moved for the adoption of the Budget Committee report on Kansas, Inc. for FY 2007. The motion was seconded by Representative Lane. Motion carried.

Economic Development Initiatives Fund (EDIF)

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

A. SB 388—Biodiesel Fuel Producer Production Incentive (Governor). SB 388, as amended, establishes a biodiesel fuel producer production incentive in the amount of \$.30 for each gallon of biodiesel fuel sold by a Kansas qualified biodiesel fuel producer, as defined by the bill. The incentive is payable to a producer from the Kansas Qualified Biodiesel Fuel Producer Incentive Fund (Incentive Fund) which will be created by the bill in the state treasury.

The bill requires the Director of Accounts and Reports to transfer \$437,500 on April 1, 2007 from the State Economic Development Initiatives Fund (EDIF) to the Incentive Fund. Also, on July 1, 2007, and every quarter thereafter, the Director of Accounts and Reports will transfer \$875,000 from the EDIF to the Incentive Fund. The Secretary of Revenue would make the payments to the producers upon a filing by the producer of a form furnished by the Department of Revenue. Moneys remaining in the Fund upon expiration of the act would be credited by the State Treasurer to the EDIF. In the event funds from the EDIF are insufficient, then funds would be transferred from the State General Fund.

The bill authorizes the Secretary of Revenue to adopt rules and regulations necessary to administer the provisions of the bill. Those rules and regulations will include the development of a procedure for the payment of the production incentive on a pro rata basis.

Finally, the bill provides for a sunset of the incentive program on July 1, 2016.

Under current law, all EDIF has been appropriated. The bill will reduce available EDIF appropriated to state agencies by \$437,500 on April 1, 2007. Agencies that have not expended or encumbered all of their appropriated funds by that date will face a shortfall.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

A. Notes the impact of SB 388 on EDIF funding for state agencies in FY 2007.

The Budget Committee took no action.

State Library

A. Tutor.Com (Conference Committee). The Conference Committee on SB 480 recommended a reduction of \$265,000 from the State General Fund for the Tutor.com enhancement in FY 2007 and recommended review of this item during Omnibus. The House Committee asked that the Department of Education study the enhancement to determine its suitability, as well as the appropriateness of funding the item in the State Library budget, as opposed to the Department of Education budget. The agency will provide additional information on this item.

B. Talking Books Service Program (Conference Committee). The Conference Committee on SB 480 recommended Omnibus review of an additional \$75,000 from the State General Fund in FY 2007 for the Talking Books Service. The Talking Books Service provides services to more than 7,000 Kansans who are unable to use standard print due to physical impairments, including vision loss, paralysis, or reading disabilities. This includes books and magazines in recorded and Braille formats. The recorded materials and playback equipment provided are delivered to the patron's home through the U.S. Postal Service. The enhancement was requested to maintain the current program. The current approved appropriation in FY 2006 and FY 2007 for the Talking Books Service is \$386,105 from the State General Fund.

The Education Budget Committee recommendation (Attachment 3):

A. Recommends funding \$265,000 from the State General Fund for Tutor.com from existing resources in the Department of Education, and leaving administrative responsibilities with the State Library in FY 2007.

B. Adds \$75,000 from the State General Fund for the Talking Books Service program in FY 2007.

Representative Hutchins moved for the adoption of the Budget Committee report on the State Library for FY 2007. The motion was seconded by Representative McLeland. Motion carried.

Department of Agriculture

A. Vehicle for High Hazard Dam Inspections (House Committee). The House Committee recommended a review the addition of \$20,000 from the State General Fund to purchase a vehicle for high hazard dam inspections in FY 2007. The Conference Committee on SB 480 added \$255,000 from the State General Fund and 3.0 FTE positions for high hazard dam inspections in FY 2007.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

The Agriculture and Natural Resources recommendation (Attachment 4):

- A. Adds \$20,000 from the State General Fund to purchase a vehicle for High Hazard Dam Inspections in FY 2007.
- B. Adds \$38,878 from the State Water Plan Fund to purchase two vehicles related to the Modeling Engineer and Field Compliance Staff enhancement in FY 2007.

Representative Schwartz moved for the adoption of the Budget Committee report on the Department of Agriculture for FY 2007. The motion was seconded by Representative Powell. Motion carried.

Representative Lane moved for a substitute motion to strike "Item A" and "Item B" from the Budget Committee recommendation. The motion was seconded by Representative Pottorff. Motion failed.

Note: Julian Efird, Legislative Research Department, explained that these vehicles to be purchased by the Department of Agriculture are new vehicles as opposed to replacement vehicles and do not fall under the guidelines established by the Governor for the replacement of vehicles.

Social and Rehabilitation Services

A. Hourly Rates for Persons Providing Medicaid Waiver Services (House Committee). The House Committee requested information during Omnibus on hourly rates for direct care staff who provide services to developmentally disabled persons living in the community. In particular, the Committee requested information about the amounts of funding added in the last five years and how that money was incorporated into the formula used to distribute funds.

In the early years of the Developmental Disability (DD) Waiver (1992-1995), tiered reimbursement rates were based on a formula that used the salary and benefits paid to the direct care staff times the number of direct care staff hours that were to be provided to each person served. The 1995 DD Reform Act required SRS to perform an independent, professional review of the (reimbursement) rate structures on a biennial basis. Once these reimbursement rate reviews were established, the use of the formula was discontinued. The agency indicates that the formula used 10 years ago can no longer be compared to current wages. In the 2005 Session of the Legislature additional funds for DD Waiver reimbursement rate increases were appropriated for FY 2006. These funds were distributed based on the recommendations contained in the Public Consulting Group rate study, not the formula previously used by the agency.

The following shows the direct care salary and wage findings from recent reimbursement rate studies compared with increased reimbursement rates for the DD Waiver:

Comparison of Direct Care Salary Increases With DD Waiver Rate Increases				
Fiscal Year	Reimbursement Rate Increases	Percent Increase	Average Direct Care Salary	Percent Increase
2001 ^A	\$0	0.00%	\$8.61	
2002	\$0	0.00%	-	
2003	\$0	0.00%	-	
2004 ^B	\$0	0.00%	\$8.71	1.13%
2005	\$0	0.00%	^C	
2006	\$7,500,000	3.38%	-	

Notes:

- A. Salary data from Myers and Stauffer Review of Rate Structure for Community Developmental Disabilities. The amount shown equals all amounts paid for day and residential services direct care salaries divided by hours worked.
- B. Salary data from Public Consulting Group Review of Rate Structure for Community Developmental Disability Services from the Executive Summary.
- C. Myers and Stauffer are currently completing the newest rate review due to be completed in the Fall 2006.

According to the agency, the DD Reimbursement Rate Study currently underway will be expanded to include gathering data on the salaries and benefits paid to direct care staff in community-based services

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

for FY 2006. This will provide an assessment of the extent to which direct care salaries and benefits were increased as a result of the FY 2006 appropriation for that purpose.

B. Issues Regarding Level V and Level VI Services (House Committee). The House Committee recommended Omnibus review of recommendations and conclusions from the special Appropriations Subcommittee on Level V and Level VI services. The Subcommittee will be meeting when the Committees return for Omnibus and will make recommendations at that time.

C. Temporary Assistance for Needy Families (TANF) Block Grant Funding Issues (House Committee). The House Committee recommended Omnibus review of the Temporary Assistance for Needy Families (TANF) block grant. Specifically, the Committee requested an analysis of spending from this source over the last five years, the potential impact of federal budget activities and a forecast for spending in the future.

The following table details the TANF Block Grant revenue, transfers, expenditures, and balances. The estimates for fiscal years 2008 and 2009 assume no changes except an allowance for a two percent growth in administrative expenses reflecting fringe benefit and normal operating cost increases. The agency estimates that the Temporary Assistance for Families (TAF) caseload will decrease; however, the TAF cash assistance estimate is held constant, as the Spring 2006 consensus estimates had not occurred when this information was prepared. In addition, the anticipated federal regulations on work participation arising from the Deficit Reduction Act of 2005 will not be issued until June 2006, thus, no change is assumed in TAF Employment Services. Descriptions of the items are included in information provided separately.

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TANF Transfers and Expenditures									
State Fiscal Years 2001 - 2009									
(in millions)									
Item	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
	Actual	Actual	Actual	Actual	Actual	Approved	Approved	Est	Est
Beginning Balance	\$5.6	\$13.1	\$18.3	\$16.2	\$17.2	\$7.2	\$5.3	(\$0.1)	(\$5.7)
Revenue									
Block Grant Award	101.9	101.9	101.9	101.9	101.9	101.9	101.9	101.9	101.9
High Performance Award	--	--	--	10.2	--	--	--	--	--
Child Support Enforcement Paternity Penalty	--	--	--	(0.8)	--	--	--	--	--
Subtotal - Revenue	\$101.9	\$101.9	\$101.9	\$111.3	\$101.9	\$101.9	\$101.9	\$101.9	\$101.9
Transfers									
Transfer to Child Care Development Fund (CCDF)	(\$8.6)	(\$15.6)	(\$14.6)	(\$20.0)	(\$15.7)	(\$19.9)	(\$21.3)	(\$21.3)	(\$21.3)
Transfer to Social Services Block Grant (SSBG)	(10.2)	(10.2)	(10.2)	(4.3)	(4.3)	(4.3)	(7.2)	(7.2)	(7.2)
Workforce Development	--	--	--	--	--	(0.5)	(0.5)	(0.5)	(0.5)
Subtotal - Transfers	(\$18.8)	(\$25.8)	(\$24.8)	(\$24.3)	(\$20.0)	(\$24.7)	(\$29.0)	(\$29.0)	(\$29.0)
Total Available	\$88.7	\$89.2	\$95.4	\$103.3	\$99.2	\$84.4	\$78.2	\$72.9	\$67.2
Expenditures									
Central Office Adm	\$1.8	\$1.8	\$1.7	\$1.9	\$2.3	\$2.0	\$2.0	\$2.1	\$2.1
Information Technology	0.4	0.8	1.1	1.1	0.7	1.1	1.1	1.1	1.1
Field Operations	9.0	10.2	11.1	10.1	9.9	10.8	10.6	10.8	11.1
Teen Pregnancy	0.2	0.2	--	--	--	--	--	--	--
Domestic Violence Prev	0.7	0.6	1.2	1.0	1.4	1.4	1.4	1.4	1.4
Substance Abuse	0.6	0.6	1.0	1.4	1.7	1.4	1.4	1.4	1.4
TAF Cash Assistance	14.2	18.7	23.8	29.7	35.1	37.7	39.2	39.2	39.2
TAF Employment Services	7.6	8.0	9.8	12.5	11.1	12.4	12.4	12.4	12.4
Community Funding	--	0.1	--	0.3	--	--	--	--	--
Family Preservation	7.2	5.6	4.8	3.8	4.2	5.2	5.2	5.2	5.2
Permanent Guardianship	--	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Foster Care Contracts	33.9	24.1	24.4	24.1	25.1	7.0	4.8	4.8	4.8
Subtotal - Expenditures	\$75.6	\$70.9	\$79.1	\$86.0	\$91.9	\$79.1	\$78.3	\$78.5	\$78.8
Ending Balance	\$13.1	\$18.3	\$16.2	\$17.2	\$7.2	\$5.3	(\$0.1)	(\$5.7)	(\$11.6)

D. Child Welfare Services Funding (House Committee). The House Committee recommended Omnibus review of funding for child welfare services to include potential impacts from federal budget activity, the structure of payments under new contracts effective July 1, 2005, and information on the potential impact of federal deferrals currently in process or being considered.

Impacts of Federal Budget Decisions. The Deficit Reduction Act of 2005 restricts federal Title IV-E Foster Care funds used for the case management of children living with relatives. Under the former law, states could claim federal foster care funds for the administration and case management costs of children placed in the home of an unlicensed relative, psychiatric or medical hospitals, and other health care institutions.

The budget reconciliation bill prevents states from claiming federal funds for managing cases pursuing licensing beyond 12 months or the normal licensing period in a state, whichever is shorter. In addition, the bill limits federal administrative funds to one month to help children transition from institutional care. The effective date for this provision is retroactive to October 2005.

According to the agency, this change will result in a federal funds loss of \$8,850,000 in FY 2006, and \$11,800,000 in FY 2007. A Governor's Budget Amendment is being requested to address these issues.

Payment Structure of new Child Welfare Contracts. The payment structure for the Child Welfare, Community-Based Out-of-Home contracts was revised in July 2005. Reimbursement for out-of-home placement services is a monthly rate consisting of three tiers dependent on the length of time the child has been in an out-of-home placement. Tier 1 is paid for the first six months of placement, Tier 2 is paid for the second six months, and Tier 3 is paid for month 13 forward. The rates descend by tier, a feature designed

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to provide the contractors with an incentive to achieve the appropriate permanency for children as rapidly and safely as possible.

The payment structure for out-of-home placement services provided by the Family Preservation Contractors is similar to the above. The only differences are Tier 1 is paid for only the first three months and the rates vary based on contract negotiations.

Impact of Federal Deferrals. The Centers for Medicare and Medicaid Services (CMS) continues to defer child welfare behavior management services. Under the managed care agreement, SRS Medicaid claims were significantly reduced. The reductions were based on eligibility restrictions for behavior management services and the rates allowed for these services. SRS abandoned the managed care agreement in July 2005, coincident with the new child welfare contracts, and moved to a fee-for-service reimbursement authorized by the Kansas Medicaid State Plan. However, CMS continues to defer these Medicaid claims.

The following table outlines the outstanding deferral amounts for which a budget amendment will be requested. The deferral amounts decrease due to the enforcement of the time limits for Level V and Level VI services. The slight increase in FY 2007 reflects caseload growth.

Quarter Affecting SRS	Quarter of Deferral	Deferred Amount	Less: Budgeted Amounts	Deferral Shortfall
FY 2006				
Jul-Sep 2005	Jan-Mar 2005	\$3,992,611	(\$3,992,611)	\$0
Oct-Dec 2005	Apr-Jun 2005	4,827,410	(4,827,410)	0
Jan-Mar 2006 est	Jul-Sep 2005	1,500,000	--	1,500,000
Apr-Jun 2006 est	Oct-Dec 2005	1,500,000	--	1,500,000
Total		\$11,820,021	(\$8,820,021)	\$3,000,000
FY 2007				
Jul-Sep 2006 est	Jan-Mar 2006	\$1,089,663	--	\$1,089,663
Oct-Dec 2006 est	Apr-Jun 2006	1,111,149	--	1,111,149
Jan-Mar 2007 est	Jul-Sep 2006	1,189,627	--	1,189,627
Apr-Jun 2007 est	Oct-Dec 2006	1,258,347	--	1,258,347
Total		\$4,648,786		\$4,648,786

E. Parenting Education Program Proposal (House Committee). The House Committee recommended Omnibus consideration of a parenting education program proposed by the Savannah Family Institute for its potential to be used with the child welfare population to reinforce family relationships and assist with reintegration. According to information provided by the Institute, "Parenting with Love and Limits" is a parenting education program integrating principles of structural family therapy into a 6-week program for juvenile delinquent populations with oppositional defiant or conduct disorders. A Family Therapy Aftercare program is also available. The program is designed to provide parents with specific tools and techniques to reestablish the parents' rulemaking ability and restore nurturance to the parent-child relationship. The cost of the program would depend on the number of families to be served but would range from \$28,000 to \$41,000 per site with a recommendation of three sites in Kansas. The Institute provided information showing projected savings to the state due to reduced recidivism among youth and the ability to receive Medicaid reimbursement for service costs.

F. Access to Mental Health Service Providers (House Committee). The House Committee requested information on the agency's progress towards compliance with the federal requirement that Medicaid beneficiaries have access to any willing, qualified provider to receive mental health services. Concerns have been expressed that not all beneficiaries have appropriate access to services, particularly in some areas of the state, and that additional providers would help alleviate this situation. According to testimony, the agency is in negotiations with the community mental health system to allow access to providers outside the Community Mental Health Center (CMHC) system for youth in the child welfare system through the use of the youth's medical card. The agency believes progress made in this area will allow the agency to move to this concept in non-custody cases to improve access. One option to address past concerns about increasing costs to the Medicaid program and a loss of control over spending in the mental health system if additional providers are allowed to provide mental health services, is a requirement that providers must affiliate with CMHCs to be able to participate which would allow the CMHCs to manage the mental health system. Information to be provided includes an update on efforts made to resolve these issues, where the development process stands and suggestions on tools to reinforce the message to the

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community mental health system that progress on the issue of access is needed. The agency will provide information on this item in a separate memo during the Omnibus session.

G. "Money Follows the Person" Proviso (House Committee). The House Committee recommended an Omnibus review of issues concerning the "Money Follows the Person" proviso which redirects funding for nursing facilities into home and community based services waivers when a person with physical disabilities or a frail elderly person leaves a nursing facility and returns to the community. In particular, the Committee requested information regarding the limitation on the number of people for whom this shifting is required and the fiscal impact of this policy over the last several years. SB 218, which would place this provision into statute, is currently under consideration in the Senate Ways and Means Committee.

The appropriations bills for FY 2004 and 2005 contained a proviso that authorized the transfer of funds from nursing facility services to the physical disability (PD) waiver to fund community services for, at most, 75 persons who chose to return home. In FY 2004, twenty-five (25) persons moved from nursing homes to the community with services funded by the PD Waiver. The total amount transferred to SRS community based services for these individuals was \$151,168 from the State General Fund. In FY 2005, thirty-seven (37) persons took advantage of this proviso and \$284,817 from the State General Fund was transferred to the PD Waiver. The amount transferred was for the first fiscal year the person moved. On-going funding to support these persons in the next fiscal year was covered by the overall PD Waiver appropriation.

The FY 2006 proviso allows for the movement of eighty (80) individuals from nursing facilities to home and community-based services. As of March 2006, SRS has confirmed that 41 individuals have moved from a nursing facility to community based services funded with the PD waiver. It appears that 80 individuals may transition in FY 2006. The FY 2007 cost of serving the 41 persons transferred thus far in FY 2006 is about \$617,000, including \$243,335 from the State General Fund, which will be funded out of the approved PD waiver appropriation.

H. Use of Federal Reimbursements for General Assistance and MediKan Services (House Committee). The House Committee requested information during Omnibus from SRS and the Division of Health Policy and Finance (DHPF) on the flow of federal reimbursements for services provided to MediKan and General Assistance clients and how the funding is being used. Concern was expressed about the effect of the split between SRS and DHPF and the presumptive eligibility process on the KLS contract.

The federal reimbursement for General Assistance and MediKan are deposited in the respective SRS and DHPF Fee Funds. These reimbursements are not budgeted directly to fund General Assistance cash assistance or MediKan services, rather, they are used as general purpose state funds to reduce the State General Fund need. The majority of the reimbursement is on behalf of medical services: annually, approximately \$6 million is reimbursed for medical assistance as compared with \$1.8 million for cash benefits. Under the assumption that the Presumptive Medicaid Disability Determination policy will commence as planned, SRS is submitting a requested Governor's Budget Amendment to shift the funding for the disability advocacy contract to the Health Policy Authority.

The basis for the requested shift lies in the Kansas Health Policy Authority's new responsibility to perform Presumptive Medicaid Disability Determination determinations. The first step in the Presumptive Medicaid Disability process will be an assessment by the Authority to evaluate the client's eligibility for Medicaid based on federal disability standards. The medical information gathered during the assessment will be critical in the sequential phase - developing the client's case for federal disability eligibility. Securing federal disability eligibility follows directly from the assessment; therefore, the agency believes it would be inefficient to shift this process to SRS after the Presumptive Medicaid Disability Determination. Under the requested budget amendment, the disability advocacy costs will be managed by the Authority as a natural extension of the Presumptive Medicaid Disability Determination.

I. Effect of Implementation of Presumptive Disability on Persons with Mental Illness (House Committee). The House Committee requested definitive answers during Omnibus regarding plans for implementation of a presumptive disability determination process at the Division of Health Policy and Finance (DHPF), particularly as it relates to addressing the needs of people with mental illness who are not presumed eligible under the new system. SRS and DHPF were directed to assess the impact of the presumptive disability process on the mentally ill, develop a plan to address the needs of this population, and report information on the impact of the initiative on the General Assistance program and the current process for receiving federal disability determinations.

One of the purposes of establishing the Presumptive Medicaid Disability Determination program is to align the General Assistance and MediKan programs with the intent of the 1993 Legislature, which sought to design a transitional program for those considered eligible for federal disability benefits. In addition, the

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new process will help provide more immediate access to Medicaid benefits for those who meet federal disability criteria. SRS will work with those customers not presumed disabled in accessing other services on a case-by-case basis depending on their needs. This may include determining eligibility for other available benefits such as food stamps, making referrals to the local community mental health center for services and for aid through the community medication prescription program, linking the individual with the local workforce development center for employment services, providing referrals to vocational rehabilitation (although services may be limited by waiting lists), and linking the individual with local helping agencies. Those who are not presumed disabled and who join the general population served by the public mental health system should need services to a lesser degree since the presumptive determination is accurate in identifying clients with the most severe disabilities. Maintaining the current level of health coverage to those not presumed disabled would be equivalent to reinstating the MediKan Program.

The Presumptive Medicaid Disability Determination policy will impact the General Assistance Program in several ways:

1. The policy is expected to reduce the General Assistance caseload, as shown by the following table:

**General Assistance Caseload
Current Policy vs Presumptive Medicaid Disability Determination Policy
Average Monthly Persons**

<u>Item</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Estimate</u>	<u>FY 2009 Estimate</u>
<u>Current Policy</u>	<u>4,750</u>	<u>4,750</u>	<u>4,750</u>
<u>Presumptive Medicaid Disability Determination</u>	<u>3,911</u>	<u>2,929</u>	<u>2,040</u>
<u>Cumulative Reduction</u>	<u>(839)</u>	<u>(1,821)</u>	<u>(2,710)</u>
<u>Percent Reduction</u>	<u>(17.7)%</u>	<u>(38.3)%</u>	<u>(57.1)%</u>

2. A more comprehensive medical plan will be provided to those who are presumed disabled and remain eligible for General Assistance, since they will receive full Medicaid services.
3. Eligibility for General Assistance will depend on the applicant's medical status to a greater degree, and will be tested in a more accurate manner, than the current incomplete process.
4. The population to be assisted with securing federal disability will be reduced to those most likely to obtain federal disability benefits. This should improve the efficiency of the federal disability advocacy contractor who will pursue federal disability eligibility for a smaller group with medical documentation.

The retroactive federal reimbursement for cash assistance issued to clients determined eligible for federal disability benefits will not change. Currently, the Social Security Administration sends the agency a list of clients who obtain federal disability. General Assistance clients who have become eligible for federal disability benefits are matched against this list. SRS will continue to receive federal reimbursement for cash benefits issued to clients during their application for federal disability. This process will not change, nor should the reimbursement total change significantly.

J. Effect of Federal Deficit Reduction Act of 2005 (House Committee). The House Committee requested information during Omnibus on the anticipated impacts on the agency from the federal Deficit Reduction Act of 2005 enacted this year. The following tables detail the estimated fiscal impact of each of the Congressional actions over the next five fiscal years.

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<u>Changes That Will Affect SRS</u>	<u>All Funds</u>					
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>5-Year Impact</u>
<u>Repeal the Authority to Use Child Support Incentives as State Match</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$5,830,000)</u>	<u>(\$5,830,000)</u>	<u>(\$5,830,000)</u>	<u>(\$17,490,000)</u>
<u>Reduced Match Rate for Child Support Paternity Testing</u>	<u>(\$45,000)</u>	<u>(\$60,000)</u>	<u>(\$60,000)</u>	<u>(\$60,000)</u>	<u>(\$60,000)</u>	<u>(\$285,000)</u>
<u>Restrict the Assignment of Child Support for TANF Families</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$500,000)</u>	<u>(\$500,000)</u>
<u>Restrict Federal Foster Care (Title IV-E) Administration Funding for Children in Unlicensed Relative and Other Placements</u>	<u>(\$8,850,000)</u>	<u>(\$11,800,000)</u>	<u>(\$11,800,000)</u>	<u>(\$11,800,000)</u>	<u>(\$11,800,000)</u>	<u>(\$56,050,000)</u>
<u>Increase in Child Welfare (Title IV-B) Funding</u>	<u>\$163,000</u>	<u>\$217,000</u>	<u>\$217,000</u>	<u>\$217,000</u>	<u>\$217,000</u>	<u>\$1,031,000</u>
<u>Increase in Child Care Federal Funding</u>	<u>\$1,058,845</u>	<u>\$1,411,793</u>	<u>\$1,411,793</u>	<u>\$1,411,793</u>	<u>\$1,411,793</u>	<u>\$6,706,017</u>
<u>Total</u>	<u>(\$7,673,155)</u>	<u>(\$10,231,207)</u>	<u>(\$16,061,207)</u>	<u>(\$16,061,207)</u>	<u>(\$16,561,207)</u>	<u>(\$66,587,983)</u>

The following table presents the maximum penalties and federal funding reductions that may result from Congressional legislation. All amounts are in millions of dollars.

<u>Changes Potentially Affecting SRS</u>	<u>All Funds</u>					
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2006</u>	<u>5-Yr Impact</u>
<u>TANF High Performance Bonus Eliminated</u>	<u>--</u>	<u>(\$5.0)</u>	<u>(\$5.0)</u>	<u>(\$5.0)</u>	<u>(\$5.0)</u>	<u>(\$20.0)</u>
<u>Maximum Penalty for failing TANF Work Participation Requirements:</u>	<u>--</u>					
<u>TANF Block Grant Loss</u>	<u>--</u>	<u>(\$5.1)</u>	<u>(\$7.1)</u>	<u>(\$9.2)</u>	<u>(\$11.2)</u>	<u>(\$32.6)</u>
<u>State Fund Replacement</u>	<u>--</u>	<u>--</u>	<u>(\$5.1)</u>	<u>(\$7.1)</u>	<u>(\$9.2)</u>	<u>(\$21.4)</u>
<u>Subtotal</u>	<u>--</u>	<u>(\$5.1)</u>	<u>(\$12.2)</u>	<u>(\$16.3)</u>	<u>(\$20.4)</u>	<u>(\$54.0)</u>
<u>Maximum Penalty for Failing to Comply with TANF Work Activity Verification Requirements:</u>	<u>--</u>					
<u>TANF Block Grant Loss</u>	<u>--</u>	<u>(\$5.1)</u>	<u>(\$5.1)</u>	<u>(\$5.1)</u>	<u>(\$5.1)</u>	<u>(\$20.4)</u>
<u>State Fund Replacement</u>	<u>--</u>	<u>--</u>	<u>(\$5.1)</u>	<u>(\$5.1)</u>	<u>(\$5.1)</u>	<u>(\$15.3)</u>
<u>Subtotal</u>	<u>--</u>	<u>(\$5.1)</u>	<u>(\$10.2)</u>	<u>(\$10.2)</u>	<u>(\$10.2)</u>	<u>(\$35.7)</u>
<u>Vocational Rehabilitation Literacy Grant</u>	<u>(\$0.2)</u>	<u>(\$0.2)</u>	<u>(\$0.2)</u>	<u>(\$0.2)</u>	<u>(\$0.2)</u>	<u>(\$0.2)</u>
<u>Total</u>	<u>(\$0.2)</u>	<u>(\$15.4)</u>	<u>(\$27.6)</u>	<u>(\$31.7)</u>	<u>(\$35.8)</u>	<u>(\$110.7)</u>

K. Community Support Medication Program Growth (House Committee). The House Committee requested information about past and future growth in the Community Support Medication program. The 2006 Legislature added \$300,000 in FY 2006 and \$250,000 from the State General Fund in FY 2007 in SB 480 which was passed earlier in the session. The Governor had recommended an additional \$250,000 in FY 2007 for the program. Total program funding with these additional appropriations is \$1.1 million in FY 2006 and \$1.3 million in FY 2007, all from the State General Fund.

According to the agency, Community Support Medication Program expenditures are expected to increase in the remainder of FY 2006 and for all of FY 2007 as a result of recent program expansions covering additional medications and extending the length of the enrollment period. The additional appropriation provided by the Legislature will create savings in FY 2006 which can be used to assist with the sustained program growth that is expected in FY 2007.

The agency anticipates additional utilization of the Community Support Medication Program with the implementation of Presumptive Medicaid Disability Determination at the Division of Health Policy and Finance. Under Presumptive Medicaid Disability Determination, persons who do not meet the presumptive disability criteria will not have coverage for their psychotropic medications. A preliminary estimate of the cost for all pharmaceuticals for persons with mental health needs who might not be found to be presumptively eligible is about \$700,000. The additional funds appropriated by the Legislature for the Community Support Medication Program may not be sufficient to support the anticipated psychotropic

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medication costs of these persons. However, a more reliable estimate of the impact is not possible until Presumptive Medicaid Disability Determinations are completed.

L. Addressing Visitation Issues in Child Support Enforcement Cases (Conference Committee).

The House Committee of the Whole inserted a proviso into the appropriations bill for FY 2007 to require SRS to dedicate at least three phone lines at the proposed Child Support Enforcement Customer Service Center to addressing concerns regarding visitation issues. This provision was removed during conference negotiations with an agreement that the visitation issues could be addressed during Omnibus. Specifically, the Conference Committee on SB 480 requested information on options to address visitation issues in the Child Support Enforcement process because visitation issues are often involved in efforts to collect support from non-custodial parents.

According to the agency, use of federal Title IV D Child Support funding for visitation services is prohibited. In the past, the federal government provided grants to states to provide a variety of visitation services. Several years ago, SRS worked with Kansas Legal Services (KLS) to write a grant to provide advice and legal services to non-custodial parents concerning visitation issues. SRS received the funds as required by federal regulations and passed the funds to KLS who provided services. Grant funding ended after one year and is no longer available.

Currently, grant funds for Access and Visitation are received and administered by the Governor's Office of Federal Grants Administration. Grant funds are to be used to establish and administer programs to support and facilitate non-custodial parent visitation of their children. Funds are distributed by the Governor's Office to groups like the YMCA to physically monitor visits between children and parents who may have a propensity toward violence, drug use, or some other potentially harmful behavior. SRS has no oversight of the award.

M. Spring Consensus Caseload Estimates and GBA No. 1, Item 9, Page 6. Representatives of the Division of the Budget, the Legislative Research Department, the Department of Social and Rehabilitation Services, the Division of Health Policy and Finance and the Department of Aging met on April 12, 2006, to revise the FY 2006 and FY 2007 Consensus Caseload estimates made in October 2005. The Spring Consensus Caseload Estimates for FY 2006 are a decrease of \$26.7 million from all funds, including \$4.4 million from the State General Fund, from the currently approved budget. Regular Medical services previously reported under SRS are now split between that agency and the Division of Health Policy and Finance at the Department of Administration under the provisions of 2005 SB 272. The decrease in Nursing Facilities expenditures reflects a lower than anticipated number of individuals served. The reduction in the Temporary Assistance to Families program reflects fewer persons seeking assistance. All funds reductions in the Regular Medical budget at SRS largely reflect a re-estimation of services at Community Mental Health Centers based on more precise data. FY 2006 changes occur in the programs as follows:

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Spring Consensus Caseload Adjustments

	FY 2006	
	All Funds	SGF
<u>Nursing Facilities</u>	\$ (10,620,000)	\$ (4,188,528)
<u>Nursing Facilities - Mental Health</u>	(500,000)	(395,000)
<u>Temporary Assistance for Families</u>	(2,500,000)	0
<u>General Assistance</u>	0	0
<u>Regular Medical Assistance - Division of Health Policy and Finance</u>	0	0
<u>Regular Medical Assistance - Social and Rehabilitation Services</u>	(15,092,761)	(734,517)
<u>Reintegration/Foster Care</u>	2,000,000	968,878
<u>TOTAL</u>	<u>\$ (26,712,761)</u>	<u>\$ (4,349,167)</u>

_____The Spring Consensus Caseload Estimates for FY 2007 are a decrease of \$27,253,552 from all funds, including \$8,210,323 from the State General Fund from the currently approved budget. As in FY 2006, the decrease in Nursing Facilities expenditures reflects lower than anticipated number of individuals served. The reduction in the Temporary Assistance to Families program reflects fewer persons seeking assistance. Also, all funds reductions in the Regular Medical budget at SRS reflect a re-estimation of services at Community Mental Health Centers based on more precise data and moderate adjustments to other regular medical services provided to individuals receiving SRS services. FY 2007 changes occur in the programs as follows:

	FY 2007	
	All Funds	SGF
<u>Nursing Facilities</u>	\$ (3,600,000)	\$ (1,429,560)
<u>Nursing Facilities - Mental Health</u>	(575,000)	(457,250)
<u>Temporary Assistance for Families</u>	(5,000,000)	0
<u>General Assistance</u>	(1,100,000)	(1,100,000)
<u>Regular Medical Assistance - Division of Health Policy and Finance</u>	0	0
<u>Regular Medical Assistance - Social and Rehabilitation Services</u>	(16,978,552)	(5,223,513)
<u>Reintegration/Foster Care</u>	0	0
<u>TOTAL</u>	<u>\$ (27,253,552)</u>	<u>\$ (8,210,323)</u>

- N. GBA No. 1, Item 10, Page 7—Presumptive Disability.
- O. GBA No. 1, Item 14, Page 9—Extended Stays in Level V and VI Facilities.
- P. GBA No. 1, Item 15, Page 10—Federal Title IV-E Shortfall.
- Q. GBA No. 1, Item 16, Page 10—Medicaid Deferrals.
- R. GBA No. 1, Item 17, Page 11—Child Care Assistance.
- S. GBA No. 1, Item 18, Page 11—Physically Disabled Waiver.
- T. GBA No. 1, Item 19, Page 12—Independent Living Center Support.
- U. GBA No. 1, Item 20, Page 12—Pre-K Pilot Initiative.
- V. GBA No. 1, Item 21, Page 13—Medicare Part D Co-payments for Dual-Eligibles.
- W. GBA No. 1, Item 22, Page 13—FTE Position Correction.

The Social Services Budget Committee recommendation (Attachment 7):

- A. Requests that the agency report to the House Appropriations Committee during the 2007 Session on the full range of salaries paid to direct care workers in the community based on the rate study being conducted this year. This information should reflect how funding added

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- for FY 2006 last year was used. The Legislature may want to examine the funding structure for community based services to ensure that funding.
- B. Makes no recommendations at this time as it is awaiting the recommendations from the Appropriations Subcommittee on Level V and Level VI Issues.
 - C. Takes no action on this item.
 - D. Takes no action on this item.
 - E. Requests an interim study by the Legislative Budget Committee to examine the development of a pilot program for children involved in family preservation or reintegration services.
 - F. Requests information on the waiver being prepared by the agency to address access to mental health services. Additionally, recommends the agency report to the Legislative Budget Committee on progress made to address federal "any willing, qualified provider" provisions.
 - G. Takes no action on this item.
 - H. Adds \$150,000 from the State General Fund to increase funding for the Kansas legal Services contract to fully compensate the contractor for work completed and recommends any funding remaining at the end of the fiscal year be transferred to the Health Policy Authority in FY 2007. Responsibility for the contract is shifted to the health Policy Authority in Item N in FY 2007.
 - I. Continues to have concerns with the potential impact of presumptive disability on person with mental illness and the effect on other systems including the public mental health system.
 - J. Takes no action but notes the significant fiscal impacts to the agency based on federal actions and refers the Committee to the attached tables.
 - K. Takes no action on this item but notes that additional utilization of the Community Support Medication Program is anticipated with the implementation of Presumptive Medicaid Disability Determination. Under Presumptive Medicaid Disability Determination, persons who do not meet the presumptive disability criteria will not have coverage for their psychotropic medications. A preliminary estimate of the cost for all pharmaceuticals for persons with mental health needs who might not be found to be presumptively eligible is about \$700,000. The additional funds appropriated by the Legislature for the Community Support Medication Program may not be sufficient to support the anticipated psychotropic medication costs of these persons. However, a more reliable estimate of the impact is not possible until Presumptive Medicaid Disability Determinations are completed.
 - L. Encourages the agency to examine current programs relating to domestic case management and requests suggestions from the agency on ways to improve the current program to assist with visitation issues.
 - M. Adopts the GBA for the SRS caseloads which reduces expenditures by \$16.1 million, including \$160,639 from the State General Fund in FY 2006 and reduces expenditures by \$23.7 million, including \$6.8 million from the State General Fund in FY 2007.
 - N. Adopts a modified GBA and reduces funding from SRS in the amount of \$973,000, including \$475,215 from the State General Fund, to reflect additional funding added by the Legislature in SB 480.
 - O. Adopts the GBA but adds language to the bill to require the agency to make recommendation to House Appropriations and Senate Ways and Means for long term solutions in January 2007. The Budget Committee notes that \$799,188 State General Fund in FY 2006 and \$854,078 State General Fund in FY 2007 should be added to the report to correctly reflect the recommendation.
 - P. Adopts a modified GBA to change the funding amount from \$8.85 million to \$11.8 million.
 - Q. Adopts the GBA, which provides additional funding for medicaid deferrals. The Budget Committee noted that \$2,870,217 All Other Funds should be added to the report.
 - R. Takes no action on this item and refers it for full Appropriations Committee discussion.
 - S. Adopts the GBA which adds \$3.0 million, including \$1.2 million from the State General Fund, to reduce the waiting list in FY 2006 and modifies the GBA to add \$6.0 million, including \$2.4 million from the State General Fund to the currently approved amount, bringing total additional funding to \$8.0 million, including \$3.2 million from the State General Fund in FY 2007. In addition, add language to the bill allowing the agency to decide how the increased funding will be divided between waiting list reduction and salary rate increases and requiring a report to the Legislative Budget Committee by August 2006.
 - T. Adopts the GBA which adds \$250,000 to the currently approved amount, for a total increase of \$500,000 over the Governor's original recommendation for grants for independent living centers.
 - U. Does not adopt the GBA which would have added \$1.0 million to the Governor's recommendation for the new Pre-K pilot program.
 - V. Considered in the Health Policy Authority budget.
 - W. Adopts the GBA, which corrects the agency's position limitation in FY 2006.

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Representative Landwehr moved for the adoption of the Budget Committee report on the Department of Social and Rehabilitation Services for FY 2006 and FY 2007. The motion was seconded by Representative Ballard.

Representative Bethell moved for a substitute motion to amend the Budget Committee report on the Department of Social and Rehabilitation Services for FY 2006 and FY 2007 by adding a proviso to Item F (Attachment 13). The motion was seconded by Representative Landwehr. Motion carried.

Representative Bethell moved for a substitute motion to amend the Budget Committee report on the Department of Social and Rehabilitation Services by requesting an interim study for a long-term solution to the Level 5 and Level 6 issue in the state of Kansas. The motion was seconded by Representative Sharp. Motion carried.

Representative Landwehr moved for a substitute motion to amend the Budget Committee report on the Department of Social and Rehabilitation Services for FY 2007 with a proviso on Item F stating that "any waiver request for mental health changes from the federal government would not be allowed at this time". The motion was seconded by Representative Bethell. Motion carried.

Representative Ballard moved to amend the Budget Committee report on the Department of Social and Rehabilitation Services for FY 2006 and FY 2007 by adopting GBA No. 1, Page 11, Item 17 Child Care Assistance in "Item R". The motion was seconded by Representative Henry. Motion failed on a 11-12 vote.

Representative Landwehr moved for the adoption of the Budget Committee report on the Department of Social and Rehabilitation Services for FY 2006 and FY 2007 as amended. The motion was seconded by Representative Bethell. Motion carried.

SRS Hospitals

A. Enterprise Application Rate Issues (Conference Committee). The House Committee included language in the Mega bill to restrict the state hospitals from paying fees associated with the Enterprise Application Rate (EAR) in FY 2006 and FY 2007. The Committee expressed concern about the ability of the hospitals to pay additional fees in light of their current budget situation. No additional money was recommended by the Governor to pay these increased fees in FY 2006 or FY 2007. The Conference Committee on SB 480 removed the language from the bill and agreed to review the issue during Omnibus.

Beginning in FY 2006, the Division of Information Systems and Communications (DISC) began assessing an Enterprise Application fee to all state agencies. This fee is \$3.75 per employee per payroll period. The rate supports the statewide accounting system (STARS), human resource system (SHARP), Budget Management System (BMS), and Debt Set-Off applications. According to the agency, there are 2,500 employees in the five State Hospitals. This results in an increase of \$217,000 per year in administrative costs and represents a 84 percent increase in fees paid to DISC over FY 2005.

B. Medicare Part D Impact (House Committee). The Budget Committee requested additional information during Omnibus regarding the effect new Federal Medicare Part D provisions will have on the state hospitals. Under the federal provisions, Medicare Part D will pay for prescription drugs for low-income seniors and persons with disabilities who are dually eligible. The impact of the federal changes depends on the type of hospital.

The agency indicates that because the acute inpatient care provided by the state mental health hospitals is covered under Medicare Parts A and B, Medicare Part D has a negligible impact on mental health hospitals.

The number of dually eligible residents who are affected by Medicare Part D is more significant at Developmental Disability hospitals. Approximately 68 percent of the residents at Kansas Neurological Institute (KNI) and Parsons State Hospital and Training Center (PSH) qualify as dual eligibles. At this point in time, State Developmental Disabilities (DD) Hospitals have experienced a savings in pharmaceuticals due to Medicare Part D. According to agency information, KNI and PSH have estimated approximate savings of \$342,000 and \$290,000 respectively in FY 2007. These savings at the state DD hospitals are not subject to Part D's "clawback" provisions which requires states to share their related savings with the federal government.

C. Teacher Salaries. The Department of Education estimates an average statewide salary increase

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for teachers of 5.6 percent in FY 2006 and 3.0 percent in FY 2007. The education contracts in the FY 2006 and FY 2007 hospital budgets reflect no teacher salary increases for Parsons State Hospital and Training Center and Larned State Hospital from FY 2005. The Kansas Neurological Institute and Rainbow Mental Health Facility also have education contracts, but due to the nature of the contracts, adjustments are not necessary. The following table illustrates the State General Fund adjustments necessary to provide uniform salary increases across the institutions:

Percent Increase	Larned State Hospital	Parsons State Hospital and Training Center	TOTAL
0.50%	\$ 2,729	\$ 2,750	\$ 5,479
0.75%	4,094	4,125	8,219
1.00%	5,459	5,500	10,959
1.25%	6,823	6,875	13,698
1.50%	8,188	8,250	16,438
1.75%	9,552	9,625	19,177
2.00%	10,917	11,000	21,917
2.25%	12,282	12,375	24,657
2.50%	13,646	13,750	27,396
2.75%	15,011	15,125	30,136
3.00%	16,376	16,500	32,876
3.25%	17,740	17,875	35,615
3.50%	19,105	19,250	38,355
3.75%	20,469	20,625	41,094
4.00%	21,834	21,999	43,833
4.25%	23,199	23,374	46,573
4.50%	24,563	24,749	49,312
4.75%	25,928	26,124	52,052
5.00%	27,293	27,499	54,792
5.25%	28,657	28,874	57,531
5.50%	30,022	30,249	60,271
5.75%	31,386	31,624	63,010
6.00%	32,751	32,999	65,750
6.25%	34,116	34,374	68,490
6.50%	35,480	35,749	71,229
6.75%	36,845	37,124	73,969
7.00%	\$ 38,210	\$ 38,499	\$ 76,709

D. Categorical Aid. For FY 2006, the budgeted school contracts for the institutions include categorical aid based on a rate of \$18,300 for Parsons State Hospital and Training Center and \$19,000 for Larned State Hospital. Due to the nature of the contract, an adjustment at Rainbow Mental Health Facility is not necessary. KNI has no expenditures for Special Education due to an agreement with USD 609 that the school district would continue to provide education programs for the students who live at KNI in exchange for the use of classrooms in the Wheatland Building for the education programs that the district provides to other Shawnee County school districts. The current FY 2006 categorical aid rate per eligible teaching unit is estimated to be \$20,500. If this rate is maintained, the school contracts for FY 2006 at the institutions would need adjustments. The table below identifies the State General Fund adjustments required:

<u>Institution</u>	<u>FY 2006 Change</u>
Parsons State Hospital and Training Center	\$ 16,004
Larned State Hospital	8,852
<u>TOTAL</u>	<u>\$ 24,856</u>

The current FY 2007 categorical aid rate per eligible teaching unit is estimated to be \$22,994. This rate is based on current law which may change based on Legislative activity this session. If this rate is maintained, the school contracts for FY 2007 at the institutions would need adjustments. The table below identifies the State General Fund adjustments required:

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<u>Institution</u>	<u>FY 2007 Change</u>
<u>Parsons State Hospital and Training Center</u>	\$ 34,147
<u>Larned State Hospital</u>	<u>23,569</u>
<u>TOTAL</u>	<u>\$ 57,716</u>

The Social Services Budget Committee recommendation (Attachment 7):

- A. Takes no action on this item.
- B. Notes that state developmental disability hospitals are anticipating savings totaling \$632,000 due to the implementation of Medicare Part D and that these savings are exempted from “clawback” provision by federal law. The Budget Committee believes that this exemption appears to favor state institutions over private facilities where savings is subject to clawback provisions.
- C. Add \$43,833 from the State General Fund to add funding for teacher salary increases of 4.0 percent at Larned State Hospital (\$21,834) and Parsons State Hospital and Training Center (\$21,999) in FY 2006; add \$54,792 from the State General Fund to add funding for teacher salary increases of 5.0 percent at Larned State Hospital (\$25,928) and Parsons State Hospital and Training Center (\$27,499) for FY 2007.
- D. Add \$24,856 from the State General Fund to adjust the budgets for Larned State Hospital (\$8,852) and Parsons State Hospital and Training Center (\$16,004) to reflect adjustments in categorical aid rates related to the hospital education programs in FY 2006; Adds \$57,716 from the State General Fund to adjust the budgets for Larned State Hospital (\$23,569) and Parsons State Hospital and Training Center (\$34,147) to reflect adjustments in categorical aid rates related to the hospital education programs in FY 2007.

Larned State Hospital

A. Census Estimate for Combined Campus (House Committee). The House Committee requested information during Omnibus regarding the anticipated total number of people living on the combined campus at Larned State Hospital including the corrections and juvenile justice facilities. The information was requested to allow the City of Larned to appropriately calculate the shared cost of a new wastewater treatment plant (WTP) being constructed. In planning its new waste water treatment plant, the City of Larned wanted to include provisions for the building capacity on the Larned State Facilities campus, including the number of day shift staff working in these facilities. The following is the last chart shared with the City of Larned showing the full patient/inmate capacity of all current buildings and the number of day shift staff budgeted for each.

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LARNED STATE FACILITIES FUTURE OCCUPANCY PROJECTIONS

December 7, 2005

	<u>Census Beginning of WTP Planning</u>	<u>Census Projection Provided to the City for WTP Planning</u>
<u>Larned State Hospital</u>		
Patients	345	573
Day Shift Staff	465	713
<u>Subtotal LSH</u>	<u>810</u>	<u>1,286</u>
<u>Larned Juvenile Correctional Facility</u>		
Offenders	122	152
Day Shift Staff	110	86
<u>Subtotal LJCF</u>	<u>232</u>	<u>238</u>
<u>Larned Correctional Mental Health Facility</u>		
Inmates	352	352
Day Shift Staff	175	175
<u>Subtotal LCMHF</u>	<u>527</u>	<u>527</u>
<u>5 Percent Contingency</u>	<u>0</u>	<u>103</u>
<u>GRAND TOTAL</u>	<u>1,569</u>	<u>2,154</u>

B. GBA No. 1, Item 23, Page 13—FTE Position Correction.

The Social Services Budget Committee recommendation (Attachment 7):

- A. Takes no action on this item.
- B. Adopts the GBA for FY 2006 and FY 2007 which corrects the agency's position limitation.

Rainbow Mental Health Facility

A. Trades Incentive Funding (Technical Adjustment). A technical adjustment is required to shift funding for the Trades Incentive recommended by the Legislature from State General Fund financing to the agency fee fund. The result is a State General Fund decrease of \$2,633 and a corresponding increase in the expenditure limitation for the fee fund with no overall change in expenditures.

The Social Services Budget Committee recommendation (Attachment 7):

- A. Makes a technical correction to shift financing for the trades incentive from State General Fund to agency fee funds.

Osawatomie State Hospital

A. GBA No. 1, Item 24, Page 14—Pharmaceutical Costs.

The Social Services Budget Committee recommendation (Attachment 7):

- A. Adopts the GBA, which adds funding for pharmaceutical costs.

Representative Ballard moved for the adoption of the Budget Committee report on the SRS Hospitals, Larned State Hospital, Rainbow Mental Health Facility and Osawatomie State Hospital for FY 2006 and FY 2007. The motion was seconded by Representative Bethell. Motion carried.

Children's Initiatives Fund

A. Adjustment of Tobacco Receipts. On April 11, 2006, staff from the Office of the Attorney General, the Division of the Budget, and the Legislative Research Department met to consider estimated payments for FY 2006 and FY 2007 from tobacco manufacturers pursuant to the Master Settlement Agreement. A downward adjustment of payments to states based on declining market shares of participating manufacturers will result in a lower than anticipated payment to Kansas on April 17, 2006. Based on the

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decisions of tobacco manufacturers regarding payment amounts, the estimated tobacco payments for FY 2006 have been revised downward from \$55.0 million to \$49.9 million, a decrease of \$5.6 million. Based on Children's Initiatives Fund (CIF) expenditures approved by the 2006 Legislature, the decreased revenues will result in a negative ending balance in the CIF of \$4,848,802 in FY 2006 and a negative balance of \$5,100,000 in FY 2007. The FY 2007 balance assumes that receipts in FY 2007 are unchanged from the original estimate.

B. GBA No. 1, Item 13, Page 9—Children's Initiatives Fund/KEY Fund.

The Social Services Budget Committee recommendation (Attachment 7):

- A. Takes no action on this item and recommends consideration in the full Appropriations Committee.
- B. Takes no action on this item and recommends consideration in the full Appropriations Committee.

Representative Ballard moved for the adoption of Budget Committee report on the Children's Initiatives Fund for FY 2006. The motion was seconded by Representative Bethell. Motion carried.

Health Care Stabilization Fund Board

A. Additional Legal Assistant Position (Senate Committee and House Committee). The House and Senate Committees recommended Omnibus review of the agency's request for \$33,342 from special revenue funds and 1.0 FTE for a new legal assistant position. Information provided by the agency indicated that the position is requested due to an increasing workload at the agency. The number of cases and claims handled by the office has increased approximately 63 percent since the beginning of FY 2001. No new positions have been added to the agency since its separation from the Insurance Department in 1995.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. Adds 1.0 FTE legal assistant position and increases special revenue fund expenditures by \$33,342 to support the position.

Representative Pottorff moved for the adoption of the Budget Committee report on the Health Care Stabilization Fund Board for FY 2007. The motion was seconded by Representative Yoder. Motion carried.

Department of Corrections

A. Correction Officers Compensation Package (House Committee and Conference Committee). The House Committee recommended a review of the Correction Officers compensation package. The House Committee deleted \$3,174,296 from the State General Fund which was to combine the Correction Officer IA, IB, and II position classes into a single Corrections Officer class on Pay Grade 20 of the civil service pay matrix. The House pay plan, approved by the Conference Committee, increased the entry level salary for Correction Officers IA from Pay Grade 17, Step 4 (\$24,211) to Pay Grade 17, Step 6 (\$25,438); provided a 2.5 percent increase for all uniformed Correction Officers at the beginning of FY 2007; a 2.5 percent step movement increase effective September 10, 2006; and a 1.5 percent base salary adjustment for a total of 6.5 percent (once the step movement takes place) during FY 2007.

B. Bonding Authority (Conference Committee) and GBA No. 1, Item 38, Page 20. The Conference Committee on SB 480 recommended Omnibus review of the authorization up to \$20.5 million in bonding authority to expand capacity at an existing correctional facility in FY 2007. The current capacity is 9,347 plus an additional 100 contract beds available for use if the inmate population exceeds capacity. The inmate population as of April 14, 2006, is 9,025 inmates. The 2006 projections by the Kansas Sentencing Commission include:

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Total Prison Population			
<u>Fiscal Year</u>	<u>Projection</u>	<u>Existing Capacity</u>	<u>Difference</u>
<u>FY 2006</u>	<u>9,166</u>	<u>9,347</u>	<u>181</u>
<u>FY 2008</u>	<u>9,323</u>	<u>9,347</u>	<u>24</u>
<u>FY 2010</u>	<u>9,450</u>	<u>9,347</u>	<u>(103)</u>
<u>FY 2012</u>	<u>9,591</u>	<u>9,347</u>	<u>(244)</u>
<u>FY 2014</u>	<u>9,732</u>	<u>9,347</u>	<u>(385)</u>
<u>FY 2015</u>	<u>9,749</u>	<u>9,347</u>	<u>(402)</u>

The Department of Corrections indicates that the \$20.5 million in bonding authority would construct two cell houses with 256 medium security inmate beds each, for a total of 512 medium security beds at the El Dorado Correctional Facility. The bonding would also include start-up costs for one of the 256 medium security cell houses at El Dorado Correctional Facility.

C. HB 2555 – Criminal Justice Recodification, Rehabilitation and Restoration Project Committee (Conference Committee). HB 2555 extends the Kansas Criminal Justice Recodification, Rehabilitation and Restoration (3 Rs) Project to July 1, 2007. The Senate version of the bill also contains provisions originally included in SB 213 to address the Kansas Court of Appeals ruling in *State v. Frazier* by amending the definition of drug paraphernalia to remove the word “products”. This changes the sentencing guidelines for a person convicted of possession of drug products from a severity level 4 drug offense to a severity level 1 drug offense. The Conference Committee has tentatively agreed to change the sentencing guidelines' penalty for possession of drug products from a severity level 4 drug offense to a severity level 2 drug offense. The Conference Committee has also tentatively agreed to include the contents of SB 339 to repeal the sunset provision of the Joint Committee on Corrections and Juvenile Justice Oversight. The Kansas Sentencing Commission projects the following bed impact based on the tentative Conference Committee's agreement on the bill:

<u>Fiscal Year</u>	<u>Prison Bed Impact</u>
<u>FY 2007</u>	<u>94</u>
<u>FY 2008</u>	<u>206</u>
<u>FY 2010</u>	<u>469</u>
<u>FY 2012</u>	<u>475</u>
<u>FY 2014</u>	<u>483</u>
<u>FY 2016</u>	<u>492</u>

D. HB 2122 – Increasing the Dollar Threshold for Certain Criminal Offenses (Conference Committee). HB 2122 would raise the dollar threshold level from \$500 to \$1,000 for 20 different criminal offenses to distinguish a misdemeanor from a felony. In 2004, this same threshold level distinction was made for the crime of theft. The Senate version of the bill contains provisions originally included in SB 213 to address the Kansas Court of Appeals ruling in *State v. Frazier* by amending the definition of drug paraphernalia to remove the word “products”. This changes the sentencing guidelines for a person convicted of possession of drug products from a severity level 4 drug offense to a severity level 1 drug offense. The Conference Committee has tentatively agreed to change the sentencing guidelines' penalty for possession of drug products from a severity level 4 drug offense to a severity level 2 drug offense. The Kansas Sentencing Commission projects the following bed impact based on the tentative Conference Committee's agreement on the bill:

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<u>Fiscal Year</u>	<u>Prison Bed Impact</u>
FY 2007	80
FY 2008	190
FY 2010	454
FY 2012	460
FY 2014	472
FY 2016	476

E. HB 2576 – Persistent Sex Offenders (Conference Committee). HB 2576 would establish a mandatory minimum sentence of 25 years without parole on first-time sex offenders where the victim is a child; a minimum 40-year sentence for second-time sex offenders when the victim is a child; and life sentence without the possibility of parole for third-time and subsequent sex offenders regardless of the victim’s age. HB 2576 would also establish life-time supervision and electronic monitoring for sex offenders released by the Kansas Parole Board whose victims are children. The Senate version of the bill also contains provisions originally contained in 2005 SB 243 and 2006 HB 2688 (the Private Contract Prison Act) and 2005 SB 220 (limiting diversions for the crime of domestic battery). The Kansas Sentencing Commission projects the following bed impact for the Senate version of HB 2576:

<u>Fiscal Year</u>	<u>Prison Bed Impact</u>
<u>FY 2007</u>	<u>74</u>
<u>FY 2008</u>	<u>155</u>
<u>FY 2010</u>	<u>338</u>
<u>FY 2012</u>	<u>524</u>
<u>FY 2014</u>	<u>752</u>
<u>FY 2016</u>	<u>1,013</u>

F. House Substitute for SB 431 – Inherently Dangerous Felonies (Conference Committee). The bill as substituted by the House contains provisions included in a number of house bills, including penalties regarding use of bottle rockets (HB 2699), expanding the factors a court would consider to determine whether an object is drug paraphernalia (HB 2701), authorizing discretion to the court to decide whether a drug and alcohol assessment is included in the pre-sentence investigation for offenders who meet the qualifications of the nonprison drug abuse treatment program (SB 351), creation of a nonperson felony for a third or subsequent conviction for driving with a canceled, suspended, or revoked drivers’ license (HB 2938), counterfeiting U.S. currency (HB 2214), registration for convicted felons using a deadly weapon (HB 2754), creating a grant program for communities with high incidents of crime (HB 2885), amendments to current law regarding battery and aggravated battery against a law enforcement officer (HB 2414) and the creation of a new crime of battery against a mental health employee (HB 2891). The original bill established a 12-year “decay” for driving under the influence (DUI) convictions and diversions, so that those convictions or diversions could no longer be counted for suspensions or revocations or as a prior conviction under the DUI law.

The Kansas Sentencing Commission projects the following bed impact for the substitute bill:

<u>Fiscal Year</u>	<u>Prison Bed Impact</u>
<u>FY 2007</u>	<u>57</u>
<u>FY 2008</u>	<u>117</u>
<u>FY 2010</u>	<u>221</u>
<u>FY 2012</u>	<u>260</u>
<u>FY 2014</u>	<u>278</u>
<u>FY 2016</u>	<u>279</u>

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G. GBA No.1, Item 39, Page 20—Contract Bed and RDU Debt Savings.

H. GBA No. 1, Item 41, Page 21—Byrne Grants.

I. GBA No.1, Item 43, Page 22—DUI Treatment Services.

The Public Safety Budget Committee recommendation (Attachment 6):

- A. Did not take any action as SB 480 addressed this issue.
- B. Concurred with the GBA to authorize in FY 2007 up to \$20.5 million in bonding authority to begin expansion at an existing correctional facility.
- C. Did not take any action.
- D. Did not take any action.
- E. Did not take any action.
- F. Did not take any action.
- G. Concurred with the GBA to lapse \$728,000 from the State General Fund in FY 2006 for contract bed savings and \$559,000 in FY 2007 from the State General Fund for debt service payment completion for the Reception and Diagnostic Unit at the El Dorado Correctional Facility.
- H. Did not concur with the GBA to add \$170,120 from the State General Fund for FY 2007. The Budget Committee instead recommended a review of the Total Offender Activity Documentation System and Kansas Adult Supervised Population Electronic Repository and funding of these programs by the Joint Committee of Corrections and Juvenile Justice Oversight.
- I. Concurs with GBA to add \$538,000 from the State General Fund in FY 2006. The Budget Committee did not concur with the GBA to add \$538,000 from the State General Fund in FY 2007. The Budget Committee instead recommended a review of the DUI Treatment Services and funding sources by the Joint Committee on Corrections and Juvenile Justice Oversight.

Representative Tafañelli moved for the adoption of the Budget Committee report on the Department of Corrections for FY 2006 and FY 2007. The motion was seconded by Representative Light. Motion carried.

El Dorado Correctional Facility

A. GBA No.1, Item 42, Page 21—Additional Corrections Counselors.

The Public Safety Budget Committee recommendation (Attachment 6):

- A. Concurred with the GBA to add \$136,460 from the State General Fund to fund 3.0 currently unfunded Correctional Counselor II positions.

Representative Tafañelli moved for the adoption of the Budget Committee report on the El Dorado Correctional Facility for FY 2007. The motion was seconded by Representative Light. Motion carried.

Ellsworth Correctional Facility

A. **Review of Supplemental Request (Senate Committee and House Committee) and GBA No. 1, Item 40, Page 20.** Both the House and Senate Committees recommended a review of the Ellsworth Correctional Facility FY 2006 supplemental request. Ellsworth Correctional Facility requested \$51,000 from the State General Fund to fund the 1.25 percent base salary adjustment for the first 13 pay periods of FY 2006 approved by the Legislature. The Department of Corrections has indicated that it will internally reallocate resources to avoid the need for any new appropriations through transfers between accounts approved by the Director of the Budget.

The Public Safety Budget Committee recommendation (Attachment 6):

- A. Concurred with the GBA to add \$277,000 from the State General Fund to fund the 1.25 percent base salary adjustment approved for FY 2006.

Representative Tafañelli moved for the adoption of the Budget Committee report on the Ellsworth Correctional Facility for FY 2006. The motion was seconded by Representative Light. Motion carried.

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

Lansing Correctional Facility

A. Review Supplemental Request. (Senate Committee and House Committee) and GBA No. 1, Item 40, Page 20. Both the House and Senate Committees recommended a review of the Lansing Correctional Facility FY 2006 supplemental request. Lansing Correctional Facility requested \$161,000 from the State General Fund for FY 2006 for increased utility costs and to fund the 1.25 percent base salary adjustment for the first 13 pay periods of FY 2006. The Department of Corrections has indicated that it will internally reallocate resources to avoid the need for any new appropriations through transfers between accounts approved by the Director of the Budget.

The Public Safety Budget Committee recommendation (Attachment 6):

A. Concurred with the GBA to add \$161,000 from the State General Fund to fund the 1.25 percent base salary adjustment approved for FY 2006.

Representative Tafanelli moved for the adoption of the Budget Committee report for the Lansing Correctional Facility for FY 2006. The motion was seconded by Representative Sharp. Motion carried.

Larned Correctional Mental Health Facility

A. GBA No. 1, Item 42, Page 21—Additional Corrections Counselors.

The Public Safety Budget Committee recommendation (Attachment 6):

A. Concurred with the GBA to add \$45,727 from the State General Fund and 1.0 FTE positions in FY 2007 for an additional Corrections Counselor II position.

Representative Tafanelli moved for the adoption of the Budget Committee report for the Larned Correctional Mental Health Facility for FY 2007. The motion was seconded by Representative Light. Motion carried.

Kansas Parole Board

A. Projected Expenditures of Continuing Education and Training (House Committee). The House Committee requested a review of the Parole Board's projected expenditures of continuing education and training needs for the Board members. The Parole Board estimates additional FY 2007 expenditures of: \$6,040 from the State General Fund for all the board members and one administrator to attend the national annual training conference; \$845 from the State General Fund for the annual Chairs training meeting; and \$400 from the State General Fund for hearing officer training in Kansas City, Missouri. The out-of-state travel expenditure estimates for FY 2006 totals \$7,000 from the State General Fund. The Parole Board's FY 2007 out-of-state travel expenditure request totals \$4,000 from the State General Fund.

B. Projected Expenditures of Public Comment Sessions in Garden City (House Committee). The House Committee requested a review of the Parole Board's projected expenditures to hold public comment sessions in Garden City in FY 2007. Currently, the Parole Board holds public comment sessions in Wichita, Topeka and Kansas City requiring people from western Kansas to travel a great distance to attend and participate in the public comment sessions. The Parole Board estimates expenditures of \$562 for a monthly public comment session in Garden City. Quarterly expenditures are estimated at \$2,248 and the annual projected costs are estimated at \$6,744, all from the State General Fund.

The Public Safety Budget Committee recommendation (Attachment 6):

A. Added \$3,265 from the State General Fund in FY 2007 for continuing education and training for the three Parole Board members.

B. Added \$6,744 from the State General Fund in FY 2007 for the Parole Board to hold monthly public comments sessions in Garden City.

Representative Tafanelli moved for the adoption of the Budget Committee report on the Kansas Parole Board for FY 2007. The motion was seconded by Representative Light. Motion carried.

Kansas Dental Board

A. GBA No. 1, Item 6, Page 4 —Operating Expenditure Shortfall.

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The General Government and Commerce Budget Committee recommendation (Attachment 2):

A. Recommends adopting the GBA, which addresses a funding shortfall.

Representative Pottorff moved for the adoption of the Budget Committee report on the Kansas Dental Board for FY 2007. The motion was seconded by Representative Lane. Motion carried.

Kansas Human Rights Commission

A. **Projected Shortfall in Funding (House Committee).** The House Committee recommended the review of additional funding of \$92,586 in FY 2007 from the State General Fund. The agency reported that additional funding in this amount would be needed to maintain the current level of operations. The agency reported that without additional funding the number of open cases will increase and staff reductions could increase the backlog even more. Reduced staff and fewer case closures could in turn reduce payments of federal funds from the United States Equal Employment Opportunity Commission.

B. **HB 2582 – Racially Restrictive Language in Homeowners' Restrictive Covenants (Governor).** HB 2582 prohibits racially restrictive language in the restrictive covenants of homeowners' associations. The Human Rights Commission estimates expenses of \$1,000 from the State General Fund in FY 2007 associated with inquiries into the restrictive covenants, including postage, printing of information material, and traveling to file injunctions.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

A. Recommends adding \$45,000 from the State General Fund to address a shortfall in funding.

B. Recommends adding \$1,000 from the State General Fund with the proviso that the funding be used specifically for the estimated expenditures related to HB 2582.

Representative Pottorff moved for the adoption of the Budget Committee report on the Kansas Human Rights Commission for FY 2007. The motion was seconded by Representative Yoder. Motion carried.

State Treasurer

A. **SB 332 – Learning Quest (Conference Committee).** The State Treasurer administers the Learning Quest Postsecondary Education Savings Program. The Conference Committee Report on SB 332, if adopted, would establish a program for low income persons to establish Learning Quest accounts, and provide for a state match for contributions to those accounts by the low income persons. The bill would limit appropriations for marketing and administration of the program established by SB 332 to \$50,000. The bill would also provide a mechanism to transfer \$240,000 from the State General Fund to the Kansas Postsecondary Education Savings Program Trust Fund in FY 2007 to provide for the match to the individual contributions.

B. **Service Reimbursement Fee (Technical Adjustment).** The Legislature approved funding for a portion of the State Treasurer's budget to come from a service reimbursement fee charged to other state agencies. Sec. 66(a) of 2006 SB 480 provided for the appropriation from the service reimbursement fund. Sec. 66(b) abolishes the service reimbursement fund and transfers remaining balances to the State General Fund on July 1, 2006. This section (b) should have been stricken from SB 480, and that language needs to be taken out in the Omnibus bill as a technical correction.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

A. Recommends adding \$50,000 from the Postsecondary Education Savings Fund for marketing and advertising expenditures related to SB 332, the Learning Quest bill.

B. Recommends adopting the technical adjustment to continue the service reimbursement fee fund.

Representative Pottorff moved for the adoption of the Budget Committee report on the State Treasurer for FY 2007. The motion was seconded by Representative Lane. Motion carried.

Board of Pharmacy

A. **Software and Maintenance on Licensing Software (House Committee).** The House Committee recommended review of \$17,500 in FY 2007 from special revenue funds requested by the

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agency for software and maintenance on the agency's licensing software. This funding was added by the Conference Committee on SB 480.

The General Government and Commerce Budget Committee took no action (Attachment 2).

Board of Veterinary Examiners

A. Kansas Savings Incentive Program (KSIP) Expenditures (House Committee). The House Committee recommended review of the agency's KSIP expenditures during Omnibus. The agency reported that it has spent \$4,541 from the KSIP account in FY 2006 for board member training. The agency projects an additional \$1,800 from the KSIP account to be spent in FY 2006 for two employee performance recognition bonuses of \$900 each.

B. Fiscal Impact of HB 2833, HB 2834 and HB 2835 Amending the Veterinary Practice Act (House Committee). The House Committee specifically recommended review of the fiscal impact of HB 2833, HB 2834 and HB 2835 during Omnibus. These bills address clean up language to clarify the agency's authority and duties. The agency reported no fiscal impact from HB 2835, which has become law, or HB 2833, which has passed the second house. HB 2834 is still in the House Agriculture Committee.

C. 27th Payroll Period Repayment (Technical Adjustment). Due to an oversight, the language of SB 480, providing for the Board of Veterinary Examiners to repay the State General Fund the funds transferred to cover the 27th payroll period in FY 2006, was inadvertently deleted. To correct this, language should be added back into the Omnibus bill to provide for the agency to repay \$5,481 to the State General Fund in FY 2007.

The Agriculture and Natural Resources Budget Committee recommendation (Attachment 4):

- A. Took no action.
- B. Took no action.
- C. Recommends adopting the technical adjustment for the repayment of \$5,481 from the Board of Veterinary Examiners Fee Fund to the State General Fund.

Representative Powell moved for the adoption of the Budget Committee report on the Board of Veterinary Examiners for FY 2007. The motion was seconded by Representative Williams. Motion carried.

Hearing Aid Board of Examiners

A. 27th Payroll Period Repayment (Technical Adjustment). Due to an oversight, the language of SB 480, providing for the Hearing Aid Board of Examiners to repay the State General Fund the funds transferred to cover the 27th payroll period in FY 2006, was inadvertently deleted. To correct this, language should be added back into the Omnibus bill to provide for the agency to repay \$658 to the State General Fund in FY 2007.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. Recommends adopting the technical adjustment for the repayment of \$658 from the Hearing Aid Board Fee Fund to the State General Fund.

Representative Pottorff moved for the adoption of the Budget Committee report on the Hearing Aid Board of Examiners for FY 2007. The motion was seconded by Representative Lane. Motion carried.

Board of Indigents' Defense Services

A. Additional Funding for FY 2006 (Senate Committee). The Senate Committee recommended a review of whether additional funding would be necessary for the agency in FY 2006 for operations. The agency will also have unplanned capital defense expenditures due the decision of the U.S. Supreme Court to rehear *State v. Marsh* regarding the Kansas death penalty. The agency estimates \$7,700 in unanticipated expenditures for sending the necessary staff to the U.S. Supreme Court, but the agency believes that this expense can be covered by existing resources for capital defense expenditures. The consensus caseload estimating figures are addressed in Item H below.

B. Increased Compensation for Assigned Counsel (Conference Committee). The Conference

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Committee on SB 480 recommended reviewing funding of \$3,200,000 from the State General Fund in FY 2007 for increased assigned counsel expenses if the statutory rate of compensation is increased. The current rate of \$50 per hour would be increased to \$80 per hour in FY 2007 if HB 2129, as amended by the Senate Committee of the Whole, becomes law. The bill is currently in Conference Committee.

C. Additional Public Defender Offices (Senate Committee). The Senate Committee recommended reviewing whether additional public defender offices should be opened. If HB 2129 would become law, it would increase the hourly rate of compensation for assigned counsel attorneys by 60.0 percent, from \$50 to \$80 per hour.

According to the agency, several factors would influence whether additional public defender offices are cost effective. The agency currently has reached agreements with the courts and attorneys in Wyandotte County to handle cases at a reduced rate from the current \$50 per hour. Additionally, public defenders from other offices are handling high level cases in Lawrence and Emporia to save costs. The agency reports that offices would be opened in the locations shown below unless one of the following occurs: (1) The bench and bar enter into an agreement with the agency to maintain their hourly rate at a cost effective level; (2) Qualified attorneys do not apply for the positions; or (3) Public hearings demonstrate that the residents of the judicial district oppose opening a public defender office and the Board accedes.

As shown on the table below, if seven additional offices were opened, the first year cost would be \$3.2 million, and the recurring annual operating cost would be \$2.8 million. At \$80 per hour for assigned counsel, the agency estimates that the cases requiring assigned counsel in these areas would be approximately \$3.5 million per year.

Assigned Counsel vs. Public Defender Cost Comparison

Office Location	Assigned Counsel Cost at \$50/hour	Assigned Counsel Cost at \$80/hour	Public Defender Office Estimate		FTE Attorney Positions
			First Year	Future Years	
Dodge City	\$ 227,319	\$ 363,710	\$ 336,429	\$ 267,429	3.0
Newton*	295,160	472,256	408,135	369,135	3.0
Emporia*	174,317	278,907	408,135	369,135	3.0
Pittsburg/Girard	501,688	799,341	570,670	470,670	6.0
Lawrence	322,334	512,298	548,166	509,514	4.0
Kansas City	677,093	1,083,349	931,170	831,170	8.0
Totals	\$ 2,197,911	\$ 3,509,861	\$ 3,202,705	\$ 2,817,053	27.0

* No Chief Attorney would be assigned to these offices. The Office would be managed by another public defender office.
 The cost at the \$80/hour rate for assigned counsel in the Lawrence and Emporia offices assumes that public defenders continue to handle high level cases in these offices.

D. Funding Related to Mandatory Sentences for Sex Predators (Senate Committee). The Senate Committee recommended reviewing whether additional funding would be needed for the Board of Indigents' Defense Services should mandatory sentences for sex offenders become law. The agency reported that defendants in child sex crime cases usually enter a plea agreement, but that with mandatory sentences most cases would proceed to trial. The agency estimated increased expenditures of \$1,558,000 from the State General Fund in FY 2007 should these cases proceed to trial. The bulk of that expense would be related to expert witnesses who would be necessary for the defense. The agency also estimates 4.0 FTE attorneys would be necessary for these cases as well as additional training for the attorneys who would defend these cases. HB 2576, which establishes mandatory sentences for first time offenses is currently in Conference Committee.

E. Salary Increase for Legal Services for Prisoners (House Committee). The House Committee recommended reviewing additional funding of \$16,687 from the State General Fund in FY 2007 for a 5.0 percent increase in salaries for the staff of Legal Services for Prisoners. A representative from Legal Services for Prisoners reported there has been no salary increase for their staff for several years. Legal Services for Prisoners receives funding as a pass through appropriation in the budget of the Board of Indigents' Defense Services.

F. Appellate Defender Database Funding (House Committee). The House Committee recommended a review during Omnibus of \$25,000 from the State General Fund requested by the agency in FY 2007 for a new database for the Appellate Defender Office and other equipment upgrades. The

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Senate had recommended funding of \$40,000 from the State General Fund for the database, equipment and continuing legal education. The Conference Committee on SB 480 agreed to the Senate position with funding at the \$25,000 level.

G. Additional FTE Attorney Positions (House Committee). The House Committee recommended reviewing additional FTE positions requested by the agency. The agency requested 2.0 FTE positions for the Junction City office, 2.0 FTE for the Wichita office, and 1.0 FTE for the Hutchinson office funded by \$281,721 in FY 2007 from the State General Fund. The Conference Committee on SB 480 recommended the addition of the positions and the funding.

H. Consensus Caseload Estimate. At the April 2006 consensus caseload estimating meeting, no changes to the budgeted assigned counsel amounts were estimated for FY 2006 or FY 2007.

The Public Safety Budget Committee recommendation (Attachment 6):

- A. Took no action
- B. Took no action.
- C. Recommends a proviso that if the rate of compensation for assigned counsel increases, the agency be directed to open additional public defender offices where it is cost effective.
- D. Took no action.
- E. Recommends adding \$16,687 from the State General Fund for legal services for prisoners for salary adjustments.
- F. Took no action.
- G. Took no action.
- H. Took no action.

Representative Tafanelli moved for the adoption of the Budget Committee report for the Board of Indigents' Defense Services for FY 2006 and FY 2007. The motion was seconded by Representative Pilcher-Cool. Motion carried.

Board of Tax Appeals

A. Funding for Case Management System (Senate Committee). The agency had requested a total of \$225,000 in FY 2007 as an enhancement for a case management system. The Governor recommended and the Legislature approved \$75,000 from the State General Fund for a bar code reader. The Senate Committee recommended review of the remaining \$150,000 during Omnibus pending information from the agency on other possible funding sources. The agency reports that other funding is still being sought, and if it is not received, the remaining \$150,000 will be requested in the FY 2008 budget.

B. House Substitute for SB 337– Judges' Salary Increase, Judges' Retirement, Delayed Expansion of the Court of Appeals, and Docket Fees (Conference Committee). SB 337, currently in Conference Committee, would increase the salaries of Kansas District Court Judges by \$9,000 per year. The salaries for the members of the Board of Tax Appeals are based on the salaries of District Court Judges. The agency reports that additional expenditures of \$30,335 in FY 2007 would be necessary to fund the increased salaries and benefits for the three board members. The agency requested that the funding come from the State General Fund due to the heavy reliance on the Filing Fee Fund for other expenditures.

The Revenue, Judicial, Transportation and Retirement Budget Committee recommendation (Attachment 5):

- A. Took no action.
- B. Recommends adding \$30,335 from the State General Fund with a proviso that the funding is contingent upon SB 337 becoming law.

Representative McCreary moved for the adoption of the Budget Committee report on the Board of Tax Appeals for FY 2007. The motion was seconded by Representative Weber. Motion carried.

Department of Labor

A. Vehicle Purchases (Conference Committee). The Senate Committee recommended authorizing the purchase of six vehicles totaling \$79,746 from special revenue funds in FY 2007. The agency had requested 11 vehicles in FY 2007 and the Governor had recommended five vehicles. The Senate Committee noted that the agency reported that 12 vehicles are expected to have passed 100,000 miles by the time the vehicles are able to be replaced. The Conference Committee on SB 480 did not

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include the funding pending review during Omnibus.

B. House Substitute for SB 337—Judges' Salary Increase, Judges' Retirement, Delayed Expansion of the Court of Appeals, and Docket Fees (Conference Committee). SB 337, currently in Conference Committee, would increase the salaries of Kansas District Court Judges by \$9,000 per year. The salaries for the members of the Workers Compensation Board are tied to judicial salaries. The agency estimates an additional \$51,750 from the Workers Compensation Fee Fund would be necessary to cover the increased salaries for the board members and related benefit increases.

C. Impact of HB 2696 – Compensation for Worker's Compensation Administrative Law Judges (Law). The bill would increase salaries for the administrative law judges to 75.0 percent of the salary of a district court judge. The bill has a fiscal impact of \$204,276 from the Workers Compensation Fee Fund in FY 2007 and authority for these additional expenditures would be necessary. This fiscal impact is based upon current judicial salaries. If SB 337 becomes law, the fiscal impact of HB 2696 would increase to \$282,380 from the Workers Compensation Fee Fund.

D. GBA No. 1, Item 29, Page 16 — Unemployment Insurance Modernization Debt.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. Took no action.
- B. Recommends adding \$51,750 from the Workers Compensation fee fund with a proviso that the funding is contingent upon SB 337 becoming law.
- C. Recommends adding \$282,380 from the Workers Compensation Fee Fund for the impact of HB 2696. Add a proviso reducing this to \$204,276 if Sb 337 does not become law.
- D. Recommends adopting the GBA which adjusts expenditures to accurately reflect debt service payments - \$2,259,950 in FY 2006 and \$761,583 in FY 2007.

Representative Pottorff moved for the adoption of the Budget Committee report on the Department of Labor for FY 2006 and FY 2007. The motion was seconded by Representative Lane. Motion carried.

State Historical Society

A. State Historical Society Museum Maintenance (Senate Committee). The Senate Committee recommendation noted that there are many items of repair that are anticipated to be needed within the next few years at the State Historical Society Museum. The Senate Committee recommended that the agency report on the status of the needed repairs. The agency has reported the following priority of repairs at the Museum and the costs associated with repair or replacement.

State Historical Society Museum Repair and Rehabilitation Project Priority

<u>Priority</u>	<u>Project</u>	<u>Repair Cost</u>	<u>Life Expectancy for Repair</u>	<u>Replacement Cost</u>	<u>Life Expectancy for Replacement</u>
<u>1</u>	<u>A/C Cooling Tower</u>	<u>\$ 15,000</u>	<u>2-3 years</u>	<u>\$ 143,000</u>	<u>30 years</u>
<u>2</u>	<u>HVAC Components</u>	<u>25,000</u>	<u>20 years</u>	<u>=</u>	<u>=</u>
<u>3</u>	<u>Roofing</u>	<u>35,000</u>	<u>5-10 years on patches, 1-year leaks</u>	<u>464,248</u>	<u>30 years</u>
<u>4</u>	<u>Humidification System</u>	<u>not recommended</u>	<u>:</u>	<u>464,750</u>	<u>30 years</u>
<u>TOTALS</u>		<u>\$ 75,000</u>		<u>\$ 1,071,998</u>	

B. GBA No. 1, Item 37, Page 19 — Capital Improvements.

The Education Budget Committee recommendation (Attachment 3):

- A. Took no action.
- B. Recommends adoption the GBA to accurately reflect planned projects with a reduction of \$80,509 in FY 2006 and an addition of \$394,400 in FY 2007 from All Other Funds.

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Representative Hutchins moved for the adoption of the Budget Committee report on the State Historical Society for FY 2006 and FY 2007. The motion was seconded by Representative Feuerborn. Motion carried.

Animal Health Department

A. Livestock Commissioner Transportation (House Committee). The House Committee recommended a review of the transportation of the Livestock Commissioner to meetings throughout the State. The Commissioner currently uses a truck that was purchased with federal Homeland Security funds. The House Committee recommended that the agency report on alternatives for transportation of the Livestock Commissioner and that the use of this truck be limited to 5,000 miles per year unless an emergency is declared by the Governor. The agency reported that due to the deployment of an agency employee to Afghanistan, the Livestock Commissioner will have access to a 1/2-ton pickup for travel to meetings and events.

B. Feral Swine Issues (Senate Committee and House Committee). The Senate Committee and House Committee recommended Omnibus review of the feral swine problem and possible solutions by the agency. The agency reported that, through a memorandum of understanding with the United States Department of Agriculture (USDA), Animal and Plant Health Inspector Service and Wildlife Services, a program of control, blood sampling, mapping, risk assessment, aerial hunting and information coordination will be conducted. The agency reported expenditures of \$125,000 from the State General Fund would be needed in FY 2007 for this program. Wildlife Services would provide manpower, travel and subsistence, transportation and supplies, and aerial hunting. The agency would provide testing for disease, cooperate in informational meetings and prioritize action. If funding is not approved, the agency will still work with the USDA on the memorandum of understanding; however, the program would be operated at a reduced level.

The Agriculture and Natural Resources Budget Committee recommendation (Attachment 4):

- A. Recommends removing the 5,000 mile per year limitation for the use of the truck funded by federal Homeland Security money.**
- B. Recommends adding \$42,000 from the State General Fund to fund a portion of the memorandum of understanding with the United States Department of Agriculture.**

Representative Powell moved for the adoption of the Budget Committee report on the Animal Health Department for FY 2007. The motion was seconded by Representative Williams.

Representative Powell moved for a substitute motion to amend the Budget Committee report by adding \$7,552 to Item B for a total of \$49,552. The motion was seconded by Representative Williams. Motion carried.

Representative Powell moved for the adoption of the Budget Committee report on the Animal Health Department for FY 2007 as amended. The motion was seconded by Representative Williams. Motion carried.

Department of Revenue

A. SB 418 – Family and Personal Protection Act (Law). SB 418 would require the Department of Revenue to produce identification (ID) cards for those individuals authorized to carry concealed weapons or to allow the notations to be made directly on the individual's driver's license. The Department noted that the cost to implement placing a concealed carry indication on driver's license or ID cards will cost \$50,000 from the Vehicle Operating Fund for payments to the vendor to create the new format. In addition, the increase in expenditures would require an increase in the transfer into this fund from the State Highway Fund in FY 2007.

B. SB 544 – E-85 Motor Fuel (Law). SB 544 provides for a reduction in the motor vehicle fuel tax rate for E-85 fuels. The agency noted that the cost to implement the law includes \$45,564 in salary and wages to fill a vacant FTE position and \$5,390 in related operating expenditures, for a total of \$50,954 from the Division of Vehicles Operating Fund. The increase in expenditures would require an increase in the transfer into this fund from the State Highway Fund in FY 2007.

C. SB 365 – Tax Refunds (Conference Committee). SB 365 would create a stand alone Kansas estate tax for three years; provide a property tax exemption for certain machinery and equipment; and would expand the Homestead Property Tax Refund program. The Department has indicated the bill would require

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\$28,000 from the State General Fund in FY 2007 to allow temporary staff to be hired to process the additional Homestead Property Tax Returns for either version of the bill.

D. SB 506 – Registered Offenders (Conference Committee). SB 506 would require the Department to produce ID cards for those individuals designated as a registered offender and to allow the notations to be made directly on the individual's driver's license. The Department noted that the cost to implement placing the indication on driver's license or ID cards will cost \$100,000 from the Vehicle Operating Fund in FY 2007 for payments to the vendor to create the new format. In addition, the increase in expenditures would require an increase in the transfer into this fund from the State Highway Fund in FY 2007 for either version of the bill.

E. GBA No. 1, Item 5, Page 5 — Ethanol Producer Incentives.

The Revenue, Judicial, Transportation and Retirement Budget Committee recommendation (Attachment 5):

- A. Recommends the addition of \$50,000 from the Division of Vehicles Operating Fund and a corresponding increase in the transfer from the State Highway Fund to provide for expenditures associated with SB 418.**
- B. Recommends the addition of \$50,954 from the Division of Vehicles Operating Fund and a corresponding increase in the transfer from the State Highway Fund to provide for expenditures associated with SB 544.**
- C. Recommends the addition of \$28,000 from the State General Fund and proviso making the funding contingent upon passage of SB 365.**
- D. Recommends the addition of \$100,000 from the Division of Vehicles Operating Fund and a corresponding increase in the transfer from the State Highway Fund. Additionally, the Budget Committee recommends the inclusion of a proviso making the funding contingent upon passage of SB 506 upon passage of SB 506 and a proviso directing that the amount of the transfer from the State Highway Fund is only for the amount certified by the Department of Revenue as having been expended in an effort to comply with the provisions of the bill.**
- E. Recommends adoption of the GBA to fully fund ethanol producer incentives.**

Representative McCreary moved for the adoption of the Budget Committee report on the Department of Revenue for FY 2007. The motion was seconded by Representative Gatewood. Motion carried.

Kansas Corporation Commission

A. Kansas Electric Transmission Authority Funding (House Committee). The House Committee recommended review of the addition of \$40,000 from a non-specific funding source for the Kansas Electric Transmission Authority (KETA). The Conference Committee on SB 480 concurred with the addition of \$30,000 from the Public Service Regulation Fund in FY 2007. The House Committee requested information regarding the potential other funding sources for the purpose including federal funds. The agency has indicated that there may be limited opportunities for KETA to apply for federal grant funding to support its designated functions; however, no federal funding has been received or applied for at this time. The agency indicated that its request would be for funding from the State General Fund.

B. Additional Vehicle Replacements (House Committee). The House Committee recommended review of the addition of \$46,500 from fee funds to fund the purchase of three additional replacement vehicles in addition to the seven recommended for purchase by the Governor. The House Committee had noted that the majority of vehicles used by this agency are taken off road, therefore the need for reliability is increased. The agency has indicated that these vehicles are trucks that are used in the field daily and which have met the established criteria for replacement.

C. Substitute for SB 449 – Video Competition Act (Law). Substitute for SB 449 creates statewide franchising for cable operators and other video service providers other than those using wireless technology. The agency indicates that the cost to enact the new legislation will be \$40,000 from the Public Service Regulation Fund in FY 2007 to pay the cost of administration and personnel for the new function. The agency indicated it will utilize an existing FTE position. The agency does expect an indeterminate increase in revenue, depending on the number of applications received.

The Agriculture and Natural Resources Budget Committee recommendation (Attachment 4):

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- A. **Recommends the addition of \$40,000 from the Public Service Regulation Fund and amends the proviso included in SB 480 to allow for additional KETA activities.**
- B. **Recommends the addition of \$46,500 from the Conservation Fee Fund for the replacement of three trucks.**
- C. **Recommends the addition of \$40,000 from the Public Service Regulation Fund to implement the provisions of Substitute for SB 446. The Committee also requests that the agency report back to the 2007 Legislature regarding its new functions in connection to this bill.**

Representative Powell moved for the adoption of the Budget Committee report on the Kansas Corporation Commission for FY 2007. The motion was seconded by Representative Williams. Motion carried.

Department on Aging

A. Senior Care Act (House Committee). The House Committee requested a review of the Senior Care Act (SCA) and its cost effectiveness as a program. The Department indicated that SCA provides for the development of a coordinated system of in-home services for people 60 years of age or older who face difficulties in self-care and independent living and have not yet exhausted their financial resources to prevent inappropriate or premature institutionalization. More than 6,000 seniors statewide received one or more services during FY 2005. The overall average age of SCA customers in FY 2005 was 80. Over 75 percent of the customers were women.

The SCA program has four funding sources, including Social Service Block Grant dollars, State General Funds, local match, and customer contributions. Total funding from all four sources in FY 2005 was \$7,424,665. The cost per person, per year, was approximately \$1,200, and according to the Department's Quality Assurance Review report, 58 percent of SCA customers reported that the services received allowed them to stay in their home. The approximate cost per person per year from state funds was \$1,080. There is not projected to be a waiting list for SCA services in FY 2007.

B. Program of All Inclusive Care for the Elderly (PACE) (Senate Committee and House Committee) and GBA No. 1, Item 25, Page 14. The Senate Committee and the House Committee requested a review of the Program of All Inclusive Care for the Elderly (PACE) including the existing PACE programs, the level of need for PACE programs, the potential expansion into Wyandotte County, and the approved expansion in Topeka. The Committees noted that funding for PACE was removed from the consensus caseload process starting in October 2005. Additionally, the Committees noted that the 2005 Legislature expanded the program by 150 slots, to be split between the existing program in Wichita and a new site to be established in Topeka. The expansion was not funded in the Governor's FY 2007 recommendation. The House Committee noted that a commitment was made to provide funding for this purpose and that it received testimony indicating that private entities have already expended or contracted for over \$2 million in moneys related to the approved expansion. The Department indicated that Via Christi, in Wichita, is currently operating Healthcare Outreach Program for the Elderly (HOPE), the only PACE program in Kansas. The 2005 Legislature approved an additional 150 PACE slots with 75 allocated to HOPE and 75 for a new PACE program in Topeka. The PACE program in Topeka would be operated by Midland Hospice.

PACE is long-term managed care with a broad array of health services and supplies reimbursed by Medicare and Medicaid through capitated rates. The rates include a negotiated savings from what Medicare/Medicaid fee-for-service programs would typically reimburse. When Medicaid recipients enroll in PACE, the individuals give up their Medicaid card and choice of health care providers. HOPE in Wichita provides the health care needs of its participants either through the Via Christi service delivery network or through contracts with other providers.

According to the agency, the PACE option in Wichita has proven to be successful. HOPE began in September 2002 and by June 2003 had 62 participants enrolled. There were 116 enrolled by June 2004 and 162 enrolled by June 2005. The growth has slowed down due to the present adult day health center facility being at near capacity. HOPE plans to move into a new adult day health center facility in September 2006. It is anticipated that HOPE will be near the maximum of 275 enrollees by end of FY 2007.

Similar trends are expected at the new Topeka PACE site. It is projected Midland Hospice will average 35 participants a month over the course of the first year. The total enrolled by June 2007, with steady monthly growth, is expected to be closer to the 75 maximum enrollees. If approved, the 200 PACE slots in Wyandotte County would be slower to fill in FY 2007. The PACE application and Medicaid capitated rates would need to be developed and approved by the Division of Health Policy and Finance and the Centers for Medicare and Medicaid Services (CMS). The Medicare capitated rate would be determined by

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CMS.

The Governor's recommendation for FY 2007 included funding at the FY 2006 level for the Wichita program. The Department indicated it requested a Governor's Budget Amendment (GBA) for FY 2007 to fund the expansion for the Wichita program and the new program to be located in Topeka. The Kansas Department on Aging budget included an enhancement request for 200 PACE slots for Wyandotte County.

The following summary reflects the projected caseload and expenditures for the existing PACE project and the expansion:

	<u>Estimated Monthly Caseload</u>	<u>GBA Request</u>	<u>Estimated Total Annual Cost</u>	<u>Estimated State General Fund</u>
<u>Governors Recommendation:</u>				
<u>Via Christi-HOPE</u>	<u>194</u>		<u>\$3,700,000</u>	<u>\$1,469,270</u>
	-			
<u>Requested GBA:</u>				
<u>Via Christi-HOPE Expansion</u>	<u>59</u>	<u>1,375,584</u>		-
<u>Midland Hospice (monthly avg.)</u>	<u>35</u>	<u>701,400</u>		-
<u>Total GBA Request</u>			<u>2,076,984</u>	<u>824,770</u>
			-	
<u>Wyandotte County Expansion:</u>	<u>200</u>		<u>4,380,000</u>	<u>1,739,298</u>
<u>Total Projected PACE Budget for FY 2007 with Expansion:</u>			<u>\$10,156,984</u>	<u>\$4,033,338</u>

C. Targeted Case Management (TCM) Provider Rate Increase (Senate Committee and House Committee). The Senate Committee requested a review of the addition of \$396,216, including \$156,268 from the State General Fund, to increase Targeted Case Management (TCM) provider rates by six percent for FY 2007. The House Committee requested a review of information received during testimony that all Area Agencies on Aging (AAAs) are currently losing money by providing Targeted Case Management Services. The House Committee requested that the agency report back with its findings.

The Department has indicated that the current rate for TCM service is \$40 per hour. With a six percent increase, the rate would be \$42.40 per hour. The Department also indicated that the Medicaid rate paid to the 11 AAAs as Medicaid-enrolled providers of Targeted Case Management for the Home and Community Based Services/Frail Elderly waiver is a fee-for-service program. As such, the Department does not require an annual cost report to be submitted, specific to Targeted Case Management. The AAAs hire qualified employees or contract with qualified individuals to provide case management services. Historically, approximately 80 percent of the Frail Elderly monthly caseload receives 2.5 hours of case management per month.

D. Home and Community-Based Services for the Frail Elderly (HCBS/FE) Provider Rate Increase (Senate Committee). The Senate Committee requested a review of the addition of \$4,127,400, including \$1,627,847 from the State General Fund, to increase Home and Community-Based Services for the Frail Elderly (HCBS/FE) waiver provider rates by six percent. The Department provided the following information regarding the current rates per service and the rate with the six percent increase.

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<u>HCBS/FE Service Rates</u>	<u>Current</u>	<u>6% Increase</u>
<u>Attendant Care Level I</u>	<u>\$12.72 / hr</u>	<u>\$13.48 / hr</u>
<u>Attendant Care Level II</u>	<u>\$14.08 / hr</u>	<u>\$14.92 / hr</u>
<u>Attendant Care – Self Directed</u>	<u>\$11.96 / hr</u>	<u>\$12.68 / hr</u>
<u>Sleep Cycle Support</u>	<u>\$21.20 / night</u>	<u>\$22.47 / night</u>
<u>Personal Emergency Response – rental</u>	<u>\$25.00 / month</u>	<u>\$26.50 / month</u>
<u>Personal Emergency Response – install</u>	<u>\$53.00 / one time lifetime</u>	<u>\$56.18 / one time lifetime</u>
<u>Assistive Technology</u>	<u>\$7,500 / lifetime</u>	<u>\$7,500 / lifetime</u>
<u>Adult Day Care – (half day or full day)</u>	<u>\$20.67 or \$41.34</u>	<u>\$21.91 or \$43.82</u>
<u>Wellness Monitoring</u>	<u>\$37.10 / visit</u>	<u>\$39.33 / visit</u>
<u>Nursing Evaluation</u>	<u>\$37.10 / visit</u>	<u>\$39.33 / visit</u>
<u>Medication Reminder</u>	<u>\$15.00 / month</u>	<u>\$15.90 / month</u>

E. Mental Health Pilot Project (House Committee). The House Committee requested a review of the addition of \$85,000 from the State General Fund in FY 2007 for a mental health pilot project as requested in the Department's enhancement package submitted with its budget request. The House Committee requested that the agency engage in discussions with the AAAs and the community mental health centers (CMHCs) regarding the need and the potential benefits of the project. The agency is directed to report back during Omnibus. The Department indicated that the enhancement request was for a one-year mental health and aging pilot in Kansas. The proposal is to identify one rural and one urban area of the state and screen seniors over the age of 60 who need mental health services, with a focus on depression. The Department indicated that there is a growing recognition for the need to address the mental health needs of older adults as well as their physical health needs. Additional funding to support an aging specialist in each of the CMHCs has been proposed by the provider network and the Area Agencies on Aging. Funding constraints have not allowed a statewide approach, so a pilot program was instead requested. The Department indicates it will continue to discuss possible options with providers and other members of the aging network to address how best to meet the mental health needs of older adults.

F. Senior Health Insurance Counseling for Kansans (SHICK) Program (House Committee). The House Committee requested that the Department report back regarding the potential to transfer the Senior Health Insurance Counseling for Kansans (SHICK) program back the Insurance Department. The House Committee noted that the program was moved from the Insurance Department to the Department on Aging in FY 2003 via a memorandum of understanding between the agencies. The House Committee requested a review of the placement of this program.

The Department indicated that Centers for Medicare and Medicaid Services (CMS) staff informed it that the federal enabling legislation, Section 4360 of OBRA 1990 (P.L.101-508) prescribes that the State Health Insurance Program (SHIP) grant should be administered by either the State Agency on Aging or the Office of the Insurance Commissioner. The Governor's Office decides which of these state agencies administer the SHIP grant. At present, 16 of 54 SHIPs nationwide are administered by the Office of the Insurance Commissioner.

G. Nutrition Program Funding (House Committee). The House Committee requested a review of the nutrition funding for FY 2007. The Department indicated that Federal Fiscal Year (FFY) 2007 funding for the congregate and home delivered meal programs, which in turn, provide funding to nutrition programs such as Meals on Wheels, is not yet available. Based on past experience, the Department will receive the actual FFY 2007 Older Americans Act federal funding award in January or February of 2007.

The FFY 2006 Older Americans Act award for nutrition funding in Kansas resulted in a 0.41 percent decrease in the congregate and home delivered meal programs. The Department indicated that it is working closely with the Area Agencies on Aging to sustain current meal program activity.

H. Impact of Federal Deficit Reduction Act of 2005 (House Committee). The House Committee requested a review of the potential impact of the Federal Deficit Reduction Act (DRA) of 2005. The Department indicated that a five-page report available on CMS's website titled "Roadmap for Medicaid Reform" states the DRA reflects a growing consensus on transforming the long-term supports provided under Medicaid, reforming State programs from being institutionally-based and provider-driven, to person-centered and consumer-controlled. It recognizes the role of Medicaid in supporting individuals in their desire to attain and retain independence and self-care in their own homes and communities. The Department indicated that the tools available as a result of the DRA of 2005 provide an opportunity for states to expand

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coverage for individuals with disabilities, increase access to community supports, and promote personal responsibility, independence and choice. A significant change, which would impact the Medicaid Home and Community Based Services Frail Elderly waiver and the Nursing Facility program, both administered by the Department, is the option for states to amend their State plan to offer home and community-based services without waivers. This option amends the eligibility requirement that an individual can receive community services only if he or she needs an institutional level of care. It appears states will be allowed to limit the number of people eligible for these services, and therefore, not create an entitlement.

I. Spring Consensus Caseload Estimates and GBA No. 1, Item 9, Page 6. The FY 2006 Spring Consensus Caseload Estimate for Nursing Facilities is a decrease of \$10.6 million, including \$4.2 million from the State General Fund from the approved budget. The change reflects a lower than anticipated number of individuals served.

The FY 2007 Spring Consensus Caseload Estimate for Nursing Facilities is a decrease of \$3.6 million, including \$1.4 million from the State General Fund from the approved budget. The change reflects a continuation of a decreased number of individuals served.

These items are included in the Spring Consensus Caseload Items under the Department of Social and Rehabilitation Services.

The Social Services Budget Committee recommendation (Attachment 7):

- A. Information only.
- B. Recommends the adoption of the GBA which provides funding for expansion of the program.
- C. No action taken.
- D. Believes that it is in appropriate to micro manage the hourly rates paid to providers.
- E. Strongly recommends that the agency continue discussions with all stakeholders and requests that the agency report to the 2007 Legislature regarding what is working in other areas on this topic and if the pilot project would be possible within existing resources.
- F. Requests that the Department on Aging and the Insurance Department report to the 2007 Legislature regarding the appropriate placement for this program.
- G. Has two recommendations on this item: Add \$23,736 from the State General Fund in FY 2007 to replace the decrease in federal funding for the existing nutrition programs; and add \$25,000 from the State General Fund for a new pilot project "Senior Citizen Rural Nutrition Program" which would be based on the same standards as the existing Income Tax Check off for Meals on Wheels. Additionally, requests that the Department report to the 2007 Legislature regarding the progress of the pilot program.
- H. Informational only.
- I. No action taken.

Representative Ballard moved for the adoption of the Budget Committee report on the Department on Aging for FY 2006 and FY 2007. The motion was seconded by Representative Bethell.

Representative Landwehr moved for a substitute motion to amend the Budget Committee report by amending Item C to add \$350,000 All Funds for the Targeted Case Management Provider Rate Increase. The motion was seconded by Representative Henry. Motion carried.

Representative Landwehr moved for a substitute motion to amend the Budget Committee report by adding a proviso (Attachment 14). The motion was seconded by Representative Bethell. Motion carried.

Representative Ballard moved for the adoption of the Budget Committee report on the Department on Aging for FY 2006 and FY 2007 as amended. The motion was seconded by Representative Bethell. Motion carried.

Kansas Guardianship Program

A. Increase Monthly Stipends (House Committee). The House Committee recommended review of the addition of \$160,080 from the State General Fund in FY 2007 to increase monthly stipends to volunteers who serve as guardians or conservators by \$10 per month. The additional funds would be used to increase the stipends from the current \$20 to \$30 per month. The stipends are used to offset personal expenses incurred while serving as a volunteer.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

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- A. **Recommends the addition of \$80,040 from the State General Fund to raise the monthly stipend rate from \$20 to \$25.**

Representative Lane moved for the adoption of the Budget Committee report for the Kansas Guardianship Program for FY 2007. The motion was seconded by Representative Pottorff. Motion carried.

Commission on Veterans Affairs

A. Cost to Reclassify Veteran Service Representatives (Conference Committee) and GBA No. 1, Item 30, Page 16. The Conference Committee on SB 480 recommended review of the costs to reclassify veteran service representatives. The agency has indicated that the cost to reclassify 25.0 Veteran Service Representative I positions (Range 20) to Human Service Specialist positions (Range 21) and 2.0 Veteran Service Representative II positions (Range 22) to Program Consultant I positions (Range 24) would cost \$48,478 from the State General Fund in FY 2007. The agency had initially requested additional funding for further reclassification of its employees but has since indicated that further review must be taken prior to any reclassification action.

B. Persian Gulf War Initiative Board (Senate Committee). The Senate Committee requested an update on the Persian Gulf War Initiative Board from the agency during Omnibus. The agency provided a response to the Subcommittee members in February 2006 regarding the categories of expenditures of the Board which include travel and conference calls. Additionally, the Board outlined its priorities for the upcoming year including monitoring and requesting federal funding and reviewing the possibility of funding for a needs analysis for issues of returning veterans.

C. Additional Funding (Senate Committee). The Senate Committee requested a review of the agency's request for additional funding for the Kansas Veterans' Home and the Kansas Soldiers' Home for FY 2006 and FY 2007. The Senate Committee requested the agency provide revised information regarding the need for additional funding for salaries and wages at the Kansas Veterans Home in FY 2006. Additionally, the Senate Committee requested a review of the need for additional funding in FY 2007 for utility costs at the Kansas Soldiers' Home and salaries and wages expenditures at the Kansas Veterans' Home.

The agency requested an enhancement package in its budget submission for \$81,076 from the State General Fund for increased utility costs at the Kansas Soldiers' Home in FY 2007. The agency indicated that the utility costs at the Soldiers' Home for November 2005 through February 2006 was an increase of \$52,986 from the same time period in FY 2005. This increase was lower than originally anticipated due to a relatively mild winter. The agency is concerned regarding the utility costs for FY 2007 and requests additional funding for this purpose.

The agency requested supplemental funding of \$512,780 from the State General Fund in FY 2006 for projected salaries and wages shortfalls at the Kansas Veterans Home. Additionally, the agency requested an enhancement package in its budget submission of \$684,134 from the State General Fund in FY 2007 for projected salaries and wages shortfalls at the Kansas Veterans Home. The agency indicated that it is concerned about the funding level for FY 2007, but will address the issue in the next budget cycle.

D. SB 396 – Veterans Claims Assistance Grant Program (Governor) and GBA No. 1, Item 31, Page 17. SB 396 creates a new Veterans Claims Assistance Grant Program which would provide funding, subject to appropriation, to various Veteran Service Organizations (VSO) who meet a series of requirements. The Kansas Commission on Veterans Affairs would be responsible to implement the new grant program. The agency has indicated that the administrative costs for the new program would total \$35,300 from the State General Fund in FY 2007. This amount includes \$30,000 for the development of a claims database, and \$5,300 for costs associated with the advisory board established by the bill. The agency indicated that its estimate for the amount to be distributed as grants to the VSOs is \$677,200 from the State General Fund in FY 2007.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. **Recommends the adoption of the GBA, which increases salaries for veteran service representatives.**
B. **Informational only.**
C. **Recommended no action be taken.**
D. **Recommends adoption of the GBA, which provides grants to veterans service organizations.**

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

Representative Lane moved for the adoption of the Budget Committee report on the Commission on Veterans Affairs for FY 2007. The motion was seconded by Representative Pottorff.

Representative Tafanelli moved for a substitute motion for a proviso concerning the funding of service grants for veterans service organization (Attachment 15). The motion was seconded by Representative Light. Motion carried.

Representative Lane moved for the adoption of the Budget Committee report on the Commission on Veterans Affairs for FY 2007 as amended. The motion was seconded by Representative Pottorff. Motion carried.

Department of Administration

A. Enhancement Funding for Public Broadcasting (Conference Committee). The Conference Committee on SB 480 recommended review during Omnibus of enhancement funding requested for public broadcasting that was not recommended by the Governor. The Governor's FY 2007 recommendation included \$100,000 from the State General Fund for enhancement funding of operating grants. The Conference Committee agreed to add \$325,000 from the State General Fund for a tower project in Hutchinson that both the Senate and House had included. Other funding recommended by the Senate that was not added by the Conference Committee to SB 480 included \$25,000 from the State General Fund for operating grants and \$192,170 from the State General Fund for equipment at KPTS TV in Wichita. In addition, the agency's enhancement request also included \$602,125 from the State General Fund for equipment at KTWU TV in Topeka that neither chamber recommended during the regular Session.

B. DISC Enterprise Application Rate Fee (Conference Committee). The Conference Committee on SB 480 suggested review of the Division of Information Systems and Communication's (DISC) Enterprise Application Rate (EAR) and possible refunds in FY 2006 to the SRS hospitals of these fees. The EAR was instituted in FY 2006 as a cost recovery method for funding the DISC costs for the State Human Resource and Payroll System (SHaRP), the State Accounting and Reporting System (STARS), and the State Budget Management System (BMS). The EAR rate is \$3.75 per employee per pay period for all state agencies, except the rate for Regents institutions is \$2.00 per employee per pay period. The EAR provided DISC with fee revenue to offset a \$2.7 million State General Fund reduction in funding.

C. Medicare Part D Signup Reimbursements (Senate Committee and House Committee). The House and Senate Committees asked for an update of the Medicare Part D signups and possible federal reimbursement of the \$500,000 from the State General Fund added to the Long Term Care Ombudsman's Office in FY 2006 to assist eligible Medicare beneficiaries with enrollment in Part D. The Secretary on Aging reports regarding Medicare Part D that efforts are underway to determine what documentation must be submitted in order to claim reimbursement for the \$500,000 from the State General Fund spent for administrative expenses in assisting persons in signing up for Part D benefits. The deadline for claiming reimbursement for administrative costs has been extended to May 5, 2006.

D. Comparison of Rental Rate Changes in Capitol Complex (Senate Committee). The Senate Committee asked for comparative information about rental rate increases over the past three years in the Capitol Complex. The Division of Facilities Management prepared a spreadsheet for FY 2004 to FY 2007 showing the type of space and location occupied by agencies, the square footage assigned, the annual rental charges, and a comparison of the changes over the years. The listing by building and agency is provided separately.

E. GBA No. 1, Item 2 — Capitol Area Master Plan.

F. GBA No. 1, Item 3 — Facility Construction Services.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. Recommends adding State General Fund financing in FY 2007 for the following: operating grants, \$25,000; KPTS Wichita, \$192,170, and KTWU Topeka, \$150,000.**
- B. Recommends no action.**
- C. Recommends no action.**
- D. Recommends no action.**
- E. Does not recommend the GBA for \$100,000 from the State General Fund in FY 2007 for professional fees to update the capitol complex master plan.**

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

- F. **Recommends adoption of the proviso authorizing collection of fees in FY 2007 from the Regents Institutions for facility construction service provided at buildings constructed with non-state funds.**

Representative Lane moved for the adoption of the Budget Committee report on the Department of Administration for FY 2006 and FY 2007. The motion was seconded by Representative Yoder. Motion carried.

Kansas Racing and Gaming Commission

A. State Racing Fund Cash Flow and Emergency Funding (Conference Committee). The Conference Committee on SB 480 requested Omnibus review of the FY 2006 and FY 2007 financing for the racing operations budget in the Kansas Racing and Gaming Commission. The Conference Committee recommended review of contingent State General Fund financing of \$250,000 from the State General Fund in FY 2006, subject to release by the State Finance Council, if a race track closing disrupted revenues to the State Racing Fund.

In addition, the Conference Committee deleted \$200,000 recommended by the Governor in FY 2007 from the Economic Development Initiatives Fund (EDIF) and recommended Omnibus review of alternative funding sources. The Conference Committee also recommended review of contingent State General Fund financing of \$250,000 from the State General Fund in FY 2007, subject to release by the State Finance Council, if a race track closing disrupted revenues to the State Racing Fund.

Revenues to the State Racing Fund continue to decrease in FY 2006, with an ending balance of \$182,295 on March 31, 2006. Parimutuel racing taxes deposited in the State Racing Fund through March 31, 2006, totaled \$1,663,542, compared with \$1,784,836 for the same period in FY 2005, reflecting decreases in both live and simulcast racing. Expenditures from the State Racing Fund for March 2006 totaled \$184,263 for racing operations, compared with parimutuel tax revenue of \$186,083 for March 2005.

FY 2007 cash flow projections for the State Racing Fund recommended by the Governor include no anticipated beginning cash balance, revenues of \$2.4 million, and expenditures of \$2.4 million. A \$200,000 transfer from the EDIF was recommended by the Governor in FY 2007 to supplement the State Racing Fund, with \$39,829 allocated to the Governor's 2.5 percent pay plan for employees in racing operations. The Conference Committee deleted this \$200,000 in EDIF financing.

B. Pay Plan Financing (Technical Adjustment). The Conference Committee on SB 480 agreed on two adjustments in financing for racing operations that resulted in an expenditure reduction of \$39,829 being counted twice, once as a salary plan adjustment and once as a consequence of deleting a \$200,000 transfer from the Economic Development Initiatives Fund. In addition to adding \$39,829 from special revenue funds to the approved expenditures to correct the double reduction, consideration needs to be given to alternative financing for racing operations pay plan adjustments.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. **Recommends adding \$200,000 from the State General Fund in FY 2006, with reappropriation to FY 2007, subject to release by State Finance council, for emergencies such as a track closing, and \$500,000 from the State General Fund in FY 2007 for operating expenditures of racing operations.**
- B. **Recommends the technical adjustment to avoid double counting a reduction in SB 480.**

Representative Lane moved for the adoption of the Budget Committee report on the Kansas Racing and Gaming Commission for FY 2006 and FY 2007. The motion was seconded by Representative Pottorff. Motion carried.

Kansas Public Employees Retirement System

A. House Substitute for SB 270 – Kansas School Retirement System (KSRS) Benefit Enhancement (Governor). Substitute for SB 270, the KPERS Omnibus bill, contains a number of provisions, including a benefit enhancement for a group of KSRS retirees. The bill raises the minimum monthly benefit for KSRS retirees with 20 or more years of credited service from \$500 to \$625 in FY 2007, and from \$625 to \$750 in FY 2008. The actuarial cost estimate for this benefit increase is \$300,000 from the State General Fund in order to make a one-time FY 2007 contribution to KPERS to offset the anticipated

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

increase in unfunded liability. The one-time \$300,000 contribution would fund the enhanced benefit payments in FY 2007 and in subsequent fiscal years.

The Revenue, Judicial, Transportation and Retirement Budget Committee recommendation (Attachment 5):

- A. **Recommends adding \$300,000 from the State General Fund to pay the actuarial one-time cost of the multiyear benefit increases.**
- B. **Recommends adding a proviso directing a 2006 Interim review by the Joint Committee on Pensions, Investments and Benefits of the state's deferred compensation program and to make recommendations about possible changes in the plan or its administration.**

Representative McCreary moved for the adoption of the Budget Committee report on the Kansas Public Employees Retirement System for FY 2007. The motion was seconded by Representative Gatewood. Motion carried.

Department of Wildlife and Parks

A. Proviso Prohibiting Pumping of Groundwater (Conference Committee). The Conference Committee on SB 480 recommended review during Omnibus of a proviso concerning pumping of groundwater. As passed by the House, the proviso would have prohibited the agency from pumping groundwater to any playa or other wetlands property owned by the agency. The agency indicates that the proviso could impact the McPherson wetlands and two playa lakes in Ford County.

The Division of Water Resources in the Kansas Department of Agriculture designates "Intensive Groundwater Use Control Areas" known as IGUCAs in Kansas and those areas are defined statutorily in the Groundwater Management District Act. Currently, eight such IGUCAs have been established. Similar areas, which are not properly IGUCAs, have been established under regulations by the Chief Engineer, i.e., the Equus Beds and Lyons Special Water Quality Use Areas (SWQUA). A map of these areas is provided separately. Both playa lakes in Ford County and the McPherson wetlands appear to be in or near the areas designated as IGUCAs.

The Legislature, as recently as the 2001 Session, included a proviso restricting the use of groundwater by the Department of Wildlife and Parks. At that time, the Legislature prohibited the pumping of groundwater on any new lands acquired that were adjacent to playa lakes properties already owned by the agency, and other wetlands areas were not addressed in the provisos prior to the 2006 Session.

The 2001 proviso read: "For the fiscal year ending June 30, 2002, any expenditures by the above agency from any moneys appropriated for fiscal year 2002, for land acquisition related to the playa lakes project shall be for lands which are adjacent to playa lakes properties that are already owned by the state: *Provided*, That no expenditures shall be made by the above agency from any moneys appropriated from the state general fund or any special revenue fund for fiscal year 2002 for pumping of groundwater on any such newly-acquired properties."

B. Additional Motor Vehicle Replacement Funding (Conference Committee). The Conference Committee on SB 480 recommended Omnibus review of \$97,000 from the State General Fund for FY 2007 replacement vehicles at State Parks (\$85,000 for 5 trucks) and central administration (\$12,000 for matching other special revenue funds for 4 trucks). The Governor's recommended FY 2007 budget did not include the \$97,000 from the State General Fund. The Senate Committee added the \$97,000 vehicle enhancement funding, the House Committee suggested Omnibus review of this item, and the Conference Committee agreed to review the requested funding during Omnibus.

C. Reduction of Motor Vehicle Fleet (Senate Committee and House Committee). The Department of Wildlife and Parks is being asked to reduce 25 motor vehicles from its fleet in order to help meet the goal to reduce the state's basic fleet by 200 vehicles before July 1, 2006. Some of these older vehicles are used by seasonal and temporary employees at the State Parks. The agency is reviewing the situation and how to provide alternative transportation for seasonal and temporary employees. A management meeting was held for April 10-11, 2006 to address this issue. A total of six vehicles at State Parks will be replaced and the other 19 reduced from the rest of the agency.

D. GBA No. 1, Item 52 — Program Omissions.

E. GBA No. 1, Item 53 — Open Access to the State Parks.

The Agriculture and Natural Resources Budget Committee recommendation (Attachment 4):

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

- A. **Recommends a modified proviso that would prohibit the agency from pumping groundwater only on lands within the region of the High Plains Aquifer.**
- B. **Recommends adding \$151,700, including \$97,000 from the State General Fund and \$54,700 from the Wildlife Fee Fund, for nine replacement vehicles in FY 2007.**
- C. **Recommends a modification of the Governor's proposed reduction of 200 motor vehicles by July 1, 2006, and to allow the agency to retain 25 older vehicles that were scheduled for disposal without replacements. A retention policy should allow useful vehicles to be kept for seasonal and part-time staff where justified, such as in this agency which previously lost 47 vehicles from its fleet as part of the statewide reduction.**
- D. **Recommends adding the enhancement expenditures of \$741,000 in FY 2007 recommended by the GBA.**
- E. **Recommends to not adopt the GBA on state parks.**
- F. **Recommends adding \$500,000 from the State General Fund in FY 2007 and for the agency to offer half-price admission to the State Parks during the period of January 1, 2007, to June 30, 2007. Both annual permits and daily fees would be reduced to one-half price during the trial period.**

Representative Powell moved for the adoption of the Budget Committee report on the Department of Wildlife and Parks for FY 2006 and FY 2007. The motion was seconded by Representative Williams. Motion carried.

Vehicle Purchases

A. State Motor Vehicle Replacement Policy, Purchases, and Reductions (Conference Committee). The Conference Committee on SB 480 removed almost all funding for FY 2007 replacement vehicle purchases in most state agencies and asked for Omnibus review. A listing of FY 2007 motor vehicles by agency is provided separately.

The Director of the Budget reviews and approves all replacement vehicle purchases. The Governor's state vehicle policy for replacement passenger cars, light trucks, and vans, implemented in conjunction with a vehicle purchase moratorium that expired in November of 2005, states:

- (1) A new vehicle can be purchased only to replace another vehicle in the fleet.
- (2) The replacement vehicle must have reached 100,000 miles for cars and 140,000 miles for pickup trucks.
- (3) The vehicle purchased must be similar in type and size to its replacement.

Excluding Highway Patrol and Regents universities, the Governor's recommended FY 2007 vehicle replacement purchases from all funds totaled \$6,119,380, including \$864,621 from the State General Fund. The 2006 Legislature deleted \$5,947,784, including \$827,496 from the State General Fund, in FY 2007 for most state vehicle replacement purchases to be reviewed during Omnibus. An additional \$347,246, including \$221,000 from the State General Fund, for vehicle purchases was identified for review during Omnibus.

In addition, the Governor's FY 2007 Budget Report states the intent to reduce the basic state vehicle fleet (excluding the Highway Patrol and Regents universities) from 4,279 to 3,402 by July of 2006. A total of 677 vehicles were sold in February of 2004 and an additional 200 vehicles will be removed from the basic state fleet by July of 2006. The Budget Director indicates reductions are anticipated as follows in certain state agencies: Transportation, about 65; Corrections, about 50; SRS and state hospitals, about 60; Wildlife and Parks, about 25; and the Juvenile Justice Authority, from five to ten.

The General Government and Commerce Budget Committee recommendation (Attachment 2):

- A. **Concurs with the Governor's vehicle replacement policy in FY 2007 and recommends the addition of \$5,908,906, including \$827,496 from the State General Fund, for 149 cars and 190 trucks recommended by the Governor in FY 2007.**
- B. **New Item - Sale of Motor Vehicles. Recommends adding a proviso to sweep from all state agencies, except the Highway Patrol and Regents institutions, the proceeds from the sale of motor vehicles, for transfer upon certification by the Budget Director, to the State General fund. Federal funds and other special revenue fee funds would be excluded from sweeps, if prohibited by federal and state laws.**

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on April 19, 2006 in Room 514-S of the Capitol.

A copy of FY 2007 Motor Vehicles by Agency was distributed to the Committee (Attachment 16).

Representative Lane moved for the adoption of the Budget Committee report on Vehicle Purchases for FY 2007. The motion was seconded by Representative Pottorff. Motion carried.

OTHER ACTIONS OF THE COMMITTEE:

Representative McCreary moved to add an amendment to transfer \$300,000 from the professional development aid account of the state general fund of the Department of Education to the Challenger Learning Center in Wellington, Kansas (Attachment 17). The motion was seconded by Representative Light. Motion carried.


Representative Powell moved to add an amendment to allow county commissioners to reduce property taxes through the local ad valorem tax reduction fund (Attachment 18). The motion was seconded by Representative Schwartz. Motion carried.

Note: It was noted that the fiscal note on the amendment is over \$54 million for FY 2007.

Representative Pilcher-Cook moved to add a conceptual amendment to "indicate that it is the Legislature's intent and they strongly encourage the county commissioners to use these funds to reduce property taxes". The motion was seconded by Representative Landwehr. Motion carried.

Representative Landwehr moved to recommend the Omnibus bill, HB 3021, favorable for passage as introduced and allow for technical corrections as necessary. The motion was seconded by Representative Pilcher-Cook. Motion carried.

The meeting was adjourned at 7:00 p.m. The next meeting of the Committee will be on "call of the Chair".



Melvin Neufeld, Chairman

HOUSE APPROPRIATIONS COMMITTEE

April 19, 2006

9:00 A.M.

NAME	REPRESENTING
Brend Amort	Pfizer
Lois Weeks	SRS
Aaron Dunkel	KDHE
Vicki Lynn Hetsel	Budget
Joe Furd	KWO
Ron Seiber	Hein Law Firm
Kyle Smith	KBI
MARK BORAN/AK	CAPITOL STRATEGIOS
Steve Solomon	TFI Family Services
Heather Morgan	JJA
Kim Fowler	Judicial
Jerry Sloan	Judicial Branch
Mary Ann Bankiewicz	KGFA/KARA
Jessee Kaufman	KF Coop Council
Dick Kweyth	KDWP
Becky Lassiter	Commerce
Marty Jantz	DOT
Dodie Wellshen	Patrick Hurley & Co.
George Webb	KOVA
Edoby W. H. H.	KS + 10
Christy Arney	SOS
Dennis Williams	KDOC
Ruth Plunk	Ks Human Rights Com.

HOUSE APPROPRIATIONS COMMITTEE

April 19, 2006

9:00 A.M.

NAME	REPRESENTING
Jan Brack	KSC
Ethan Erickson	KDOT
Joshie Nuffley	KCC
R. A. May	LGA
ERIC RUCKER	A.G.

House Budget Committee Recommendations

Legislative Branch

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
Legislature				
FY 2007				
A. Non-session Expense Allowance - Page 1, Item A. The Budget Committee recommends adding the technical change language that corrects the number of non-session expense allowance payments from four biweekly pay periods after April 1 to five biweekly pay periods.	0	0	0	0.0
B. Legislative Computers and the Microsoft Office Suite - Page 1, Item B. The Budget did not address this Senate issue.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>

HOUSE APPROPRIATIONS

DATE 4-19-2006

ATTACHMENT 1

House Budget Committee Recommendations

General Government and Commerce

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<u>Secretary of State</u>				
FY 2007				
A. Funding for Production and Distribution of Certain Publications - Page 1, Item A. The Budget Committee took no action on a possible proviso incorporating the provisions of SB 275 because the bill has passed.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Insurance Department</u>				
FY 2006				
A. Addition of Funding to Adjust the Approved Salary and Wage Shrinkage Rate - Page 2, Item A. The Budget Committee does not add funding to adjust the agency's shrinkage rate because the agency advised the Budget Committee that it could manage with the currently approved rate.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0
FY 2007				
A. Addition of Funding to Adjust the Approved Salary and Wage Shrinkage Rate - Page 2, Item A. The Budget Committee does not add funding to adjust the agency's shrinkage rate because the agency advised the Budget Committee that it could manage with the currently approved rate.	0	0	0	0.0
B. New Item. At the agency's request, the Budget Committee deletes 3.7 FTE positions which have remained vacant and unfunded for some time.	0	0	0	(3.7)
TOTAL	\$0	\$0	\$0	(3.7)
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(3.7)</i>
<u>Attorney General</u>				
FY 2007				
A. Workers Compensation Fraud Investigations - Page 5, Item A. The Budget Committee does not add funding to establish the statewide workers compensation fraud and abuse telephone hotline, pursuant to HB 2797.	0	0	0	0.0
B. Internet Training Education for Kansas Kids - Page 5, Item B. The Budget Committee recommends the addition of \$175,000 for Internet Training Education for Kansas Kids (formerly Young Kansans-Safe Kids Programs) to match grants to Boys and Girls Clubs.	175,000	0	175,000	0.0
C. SB 418--Personal and Family Protection Act - Page 6, Item C. The Budget Committee recommends the addition of \$260,000 for start-up funding and 5.0 FTE positions for SB 418 (Personal and Family Protection Act) and recommends that start-up money be paid back when fee revenues allow.	260,000	0	260,000	5.0
D. Senate Substitute for HB 2105 - Abuse, Neglect and Exploitation of Persons with Disabilities Unit--Page 7, Item D and GBA No. 1, Page 5, Item 8. The Budget Committee recommends the addition of 2.5 FTE positions and \$350,000 to create the Abuse, Neglect and Exploitation of Persons with Disabilities Unit and specify by proviso that \$277,500 be contracted with Disability Rights Center of Kansas. The Budget Committee does not recommend the GBA.	350,000	0	350,000	2.5
E. Revised Tobacco Payment Estimate - Page7, Item E. The Budget Committee notes the information item about revised tobacco payments.	0	0	0	0.0
TOTAL	\$785,000	\$0	\$785,000	7.5
<i>Agency Subtotal</i>	<i>\$785,000</i>	<i>\$0</i>	<i>\$785,000</i>	<i>7.5</i>

HOUSE APPROPRIATIONS

DATE 4-19-2006
ATTACHMENT 2

House Budget Committee Recommendations

General Government and Commerce

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<u>Department of Commerce</u>				
FY 2006				
F. Spirit Aerosystems - GBA No. 1, Page 3, Item 4. The Budget Committee concurs with the GBA in FY 2006, which adjusts reportable expenditures.	0	(1,400,000)	(1,400,000)	0.0
TOTAL	\$0	(\$1,400,000)	(\$1,400,000)	0.0
FY 2007				
A. After School Grant Program - Page 32, Item A. The Budget Committee does not recommend restoration of \$1.25 million, including \$750,000 from the State General Fund for the After School Grant Program in FY 2007.	0	0	0	0.0
B. Additional Funding for the Older Kansans Employment Program (OKEP) - Page 32, Item B. The Budget Committee does not recommend additional funding for OKEP in FY 2007.	0	0	0	0.0
C. Agency Reduced Resource Packages - Page 32, Item C. The Budget Committee does not recommend further reductions to the agency budget in FY 2007.	0	0	0	0.0
D. Kansas Quick Careers (KQC) - Page 32, Item D. The Budget Committee recommends funding the program from current resources in FY 2007.	0	0	0	0.0
E. House Substitute for SB 475 - State Affordable Airfare Fund - Page 33, Item E. The Budget Committee did not recommend funding for the State Affordable Airfare Fund in FY 2007.	0	0	0	0.0
F. Spirit Aerosystems - GBA No. 1, Page 3, Item 4. The Budget Committee concurs with the GBA in FY 2007 which adjusts reportable expenditures.	0	(2,800,000)	(2,800,000)	0.0
TOTAL	\$0	(\$2,800,000)	(\$2,800,000)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$4,200,000)</i>	<i>(\$4,200,000)</i>	<i>0.0</i>
<u>Kansas Inc.</u>				
FY 2007				
A. Kansas Center for Entrepreneurship and Kansas Bioscience Authority Evaluations - Page 33, Item A. The Budget Committee adds \$25,000 from the State General Fund to replace special revenue funds for statutorily required evaluations of the Kansas Center for Entrepreneurship and the Kansas Bioscience Authority in FY 2007.	25,000	(25,000)	0	0.0
TOTAL	\$25,000	(\$25,000)	\$0	0.0
<i>Agency Subtotal</i>	<i>\$25,000</i>	<i>(\$25,000)</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Dental Board</u>				
FY 2007				
A. Operating Expenditure Shortfall - GBA No. 1, Page 4, Item 6. The Budget Committee recommends adopting the GBA, which addresses a funding shortfall.	0	8,000	8,000	0.0
TOTAL	\$0	\$8,000	\$8,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$8,000</i>	<i>\$8,000</i>	<i>0.0</i>
<u>Health Care Stabilization Fund Board</u>				
FY 2007				
A. Additional Legal Assistant Position - Page 48, Item A. The Budget Committee adds 1.0 FTE legal assistant position and increases special revenue fund expenditures by \$33,342 to support the position.	0	33,342	33,342	1.0
TOTAL	\$0	\$33,342	\$33,342	1.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$33,342</i>	<i>\$33,342</i>	<i>1.0</i>

House Budget Committee Recommendations *

General Government and Commerce

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<u>Kansas Human Rights Commission</u>				
FY 2007				
A. Projected Shortfall in Funding - Page 53, Item A. The Budget Committee recommends adding \$45,000 from the State General Fund to address a shortfall in funding.	45,000	0	45,000	0.0
B. HB 2582 - Racially Restrictive Language in Homeowner's Restrictive Covenants - Page 53, Item B. The Budget Committee recommends adding \$1,000 from the State General Fund with the proviso that the funding be used specifically for the estimated expenditures related to HB 2582.	1,000	0	1,000	0.0
TOTAL	\$46,000	\$0	\$46,000	0.0
<i>Agency Subtotal</i>	<i>\$46,000</i>	<i>\$0</i>	<i>\$46,000</i>	<i>0.0</i>
<u>State Treasurer</u>				
FY 2007				
A. SB 332 - Learning Quest - Page 53, Item A. The Budget Committee recommends adding \$50,000 from the Postsecondary Education Savings Fund for marketing and advertising expenditures related to SB 332, the Learning Quest bill.	0	50,000	50,000	0.0
B. Service Reimbursement Fee - Page 53, Item B. The Budget Committee recommends adopting the technical adjustment to continue the service reimbursement fee fund.	0	0	0	0.0
TOTAL	\$0	\$50,000	\$50,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$50,000</i>	<i>\$50,000</i>	<i>0.0</i>
<u>Board of Pharmacy</u>				
FY 2007				
A. Software and Maintenance on Licensing Software - Page 53, Item A. The House Budget Committee took no action.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Hearing Aid Board of Examiners</u>				
FY 2007				
A. 27th Payroll Period Repayment - Page 54, Item A. The Budget Committee recommends adopting the technical adjustment for the repayment of \$658 from the Hearing Aid Board Fee Fund to the State General Fund.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Labor</u>				
FY 2006				
D. Unemployment Insurance Modernization Debt - GBA No. 1, Page 16, Item 29. The Budget Committee recommends adopting the GBA which adjusts expenditures to accurately reflect debt service payments.	0	2,259,950	2,259,950	0.0
TOTAL	\$0	\$2,259,950	\$2,259,950	0.0
FY 2007				
A. Vehicle Purchases - Page 56, Item A. The Budget Committee took no action.	0	0	0	0.0
B. House Substitute for SB 337 - Judges' Salary Increase, Judges' Retirement, Delayed Expansion of the Court of Appeals, and Docket Fees - Page 56, Item B. The Budget Committee recommends adding \$51,750 from the Workers Compensation fee fund with the proviso that the funding is contingent upon SB 337 becoming law.	0	51,750	51,750	0.0

House Budget Committee Recommendations

General Government and Commerce

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
C. HB 2696 - Compensation for Worker's Compensation Administrative Law Judges - Page 56, Item C. The Budget Committee recommends adding \$204,276 from the Workers Compensation Fee Fund for the impact of HB 2696. Add a proviso increasing this amount to \$282,380 contingent upon SB 337 becoming law.	0	204,276	204,276	0.0
D. unemployment Insurance Modernization Debt - GBA No. 1, Page 16, Item 29. The Budget Committee recommends adopting the GBA which adjusts expenditures to accurately reflect debt service payments.	0	761,583	761,583	0.0
TOTAL	\$0	\$1,017,609	\$1,017,609	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$3,277,559</i>	<i>\$3,277,559</i>	<i>0.0</i>

Kansas Guardianship Program

FY 2007

A. Increase Monthly Stipends - Page 62, Item A. The Budget Committee recommends the addition of \$80,040 from the State General Fund to raise the monthly stipend rate from \$20 to \$25.	80,040	0	80,040	0.0
TOTAL	\$80,040	\$0	\$80,040	0.0
<i>Agency Subtotal</i>	<i>\$80,040</i>	<i>\$0</i>	<i>\$80,040</i>	<i>0.0</i>

Commission on Veterans Affairs

FY 2007

A. Veteran Services Representative Salary Increase - GBA No. 1, Page 16, Item 30. The Budget Committee recommends the adoption of the GBA, which increases salaries for veteran services representatives.	40,000	0	40,000	0.0
B. Persian Gulf War Initiative Board - Page 63, Item B. Informational Only	0	0	0	0.0
C. Additional Funding - Page 63, Item C. The Budget Committee recommended no action be taken.	0	0	0	0.0
D. Veterans Organization Grants - GBA No. 1, Page 17, Item 31. The Budget Committee recommends adoption of the GBA, which provides grants to veterans service organizations.	500,000	0	500,000	0.0
TOTAL	\$540,000	\$0	\$540,000	0.0
<i>Agency Subtotal</i>	<i>\$540,000</i>	<i>\$0</i>	<i>\$540,000</i>	<i>0.0</i>

Department of Administration

FY 2006

B. DISC Enterprise Application Rate Fee - Page 64, Item B. The Budget Committee recommends no action.	0	0	0	0.0
C. Medicare Part D Signup Reimbursements - Page 64, Item C. The Budget Committee recommends no action.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0

FY 2007

A. Enhancement Funding for Public Broadcasting - Page 64, Item A. The Budget Committee recommends adding State General Fund financing in FY 2007 for the following: operating grants, \$25,000; KPTS Wichita, \$192,170, and KTWU Topeka, \$150,000.	367,170	0	367,170	0.0
D. Comparison of Rental Rate Changes in Capitol Complex - Page 64, Item D. The Budget Committee recommends no action.	0	0	0	0.0
E. Capitol Area Master Plan - GBA No. 1, Page 2, Item 2. The Budget Committee does not recommend the \$100,000 from the State General Fund in FY 2007 for professional fees to update the master plan.	0	0	0	0.0

House Budget Committee Recommendations

General Government and Commerce

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
F. Facility Construction Services - GBA No. 1, Page 2, Item 3. The Budget Committee recommends adoption of the proviso authorizing collection of fees in FY 2007 from the Regents institutions for facility construction services provided at buildings constructed with non-state funds.	0	0	0	0.0

TOTAL	\$367,170	\$0	\$367,170	0.0
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<i>Agency Subtotal</i>	\$367,170	\$0	\$367,170	0.0
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Kansas Racing and Gaming Commission

FY 2006

A. State Racing Fund Cash Flow and Emergency Funding - Page 64, Item A. The Budget Committee recommends adding \$200,000 from the State General Fund in FY 2006, with reappropriation to FY 2007, subject to release by State Finance Council, for emergencies such as a track closing.	200,000	0	200,000	0.0
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TOTAL	\$200,000	\$0	\$200,000	0.0
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FY 2007

A. State Racing Fund Cash Flow and Emergency Funding - Page 64, Item A. The Budget Committee recommends adding \$500,000 from the State General Fund in FY 2007 for operating expenditures of racing operations.	500,000	0	500,000	0.0
B. Pay Plan Financing (Technical Adjustment) - Page 65, Item B. The Budget Committee recommends the technical adjustment to avoid double counting a reduction in SB 480.	0	39,829	39,829	0.0

TOTAL	\$500,000	\$39,829	\$539,829	0.0
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<i>Agency Subtotal</i>	\$700,000	\$39,829	\$739,829	0.0
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Vehicle Purchases

FY 2007

A. State Motor Vehicle Replacement Policy, Purchases and Reductions - Page 64, Item A. The Budget Committee concurs with the Governor's vehicle replacement policy in FY 2007 and recommends the addition of \$5,908,906, including \$827,496 from the State General Fund, for 149 cars and 190 trucks recommended by the Governor in FY 2007.	827,496	5,081,410	5,908,906	0.0
B. New Item - Sales of Motor Vehicles. The Budget Committee recommends adding a proviso to sweep from all state agencies, except the Highway Patrol and Regents institutions, the proceeds from the sales of motor vehicles, for transfer upon certification by the Budget Director, to the State General Fund. Federal funds and other special revenue funds would be excluded from sweeps if prohibited by federal or state laws.	0	0	0	0.0

TOTAL	\$827,496	\$5,081,410	\$5,908,906	0.0
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<i>Agency Subtotal</i>	\$827,496	\$5,081,410	\$5,908,906	0.0
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Economic Development Initiatives Fund

FY 2007

A. SB 388 - Biodeiesel Fuel Producer Production Incentive - Page 33, Item A. The Budget Committee notes the impact of SB 388 on EDIF funding for state agencies in FY 2007.	0	0	0	0.0
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TOTAL	\$0	\$0	\$0	0.0
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<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
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House Budget Committee Recommendations

Education

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<u>School for the Blind</u>				
FY 2007				
A. Official Hospitality - Page 2, Item A. The Budget Committee did not take action on this item.	0	0	0	0.0

TOTAL	\$0	\$0	\$0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>

<u>School for the Deaf</u>				
FY 2007				
A. Tuck-Point and Sealing Repairs - Page 2, Item A. The Budget Committee adds \$140,000 from the State Institutions Building Fund for tuck-point and seal repairs of the Roth Complex in FY 2007.	0	140,000	140,000	0.0

TOTAL	\$0	\$140,000	\$140,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$140,000</i>	<i>\$140,000</i>	<i>0.0</i>

<u>Board of Healing Arts</u>				
FY 2007				
A. Administrative Assistant Position. Page 2, Item A. The Budget Committee adds language that allows the agency to hire a non-FTE unclassified Administrative Assistant employee in FY 2007. This is a technical correction to carry out the intent of SB 480.	0	0	0	0.0
B. Cashflow Problem Proviso - GBA No. 1, Page 5, Item 7. The Budget Committee does not adopt the GBA which adds a proviso that allows the agency to meet budgeted expenditures in FY 2007 through a temporary loan from the State General Fund.	0	0	0	0.0

TOTAL	\$0	\$0	\$0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>

<u>Department of Education</u>				
FY 2006				
B. Revised School Finance Estimates-Page 8, Item B, and GBA No. 1, Page 17, Item 32. The Budget Committee adopts the Governor's recommendation to capture \$5,845,000 in school finance savings and recommends that the savings be reappropriated to FY 2007.	(5,845,000)	0	(5,845,000)	0.0
C. Revised KPERS-School Estimates, Page 8, Item C, and GBA No. 1, Page 18, Item 33. The Budget Committee approves the Governor's recommendation to add \$632,231 for KPERS-School..	632,231	0	632,231	0.0

TOTAL	(\$5,212,769)	\$0	(\$5,212,769)	0.0
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FY 2007				
A. Three-Year Phase - In of All-Day Kindergarten - Page 8, Item A. The Budget Committee does not recommend the three-year phase in of all-day kindergarten.	0	0	0	0.0
B. Revised School Finance Estimates--Page 8, Item B, and GBA No. 1, Page 17, Item 32. The Budget Committee adopts the Governor's recommendation to capture net savings in school finance of \$5,308,000.	(5,308,000)	0	(5,308,000)	0.0
C. Revised KPERS-School Estimates, Page 8, Item C, and GBA No. 1, Page 8, Item 33. The Budget Committee approves the Governor's recommendation to capture \$925,383 in savings in KPERS-School.	(925,383)	0	(925,383)	0.0

HOUSE APPROPRIATIONS

DATE 4-19-2006
ATTACHMENT 3

House Budget Committee Recommendations

Education

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
D. Accountability Study (Technical Amendment)-Page 9, Item D. The Budget Committee recommends a technical adjustment to add \$250,000 from the State General Fund for an accountability study which already has been approved but was omitted from SB 480.	0	0	0	0.0
E. Funding for Special Education from the Children's Initiatives Fund-Page 9, Item E. The Budget Committee recommends that \$9,029,045 in funding from the Children's Initiatives Fund be replaced with an equal amount of funding from the State General Fund for the four-year-old at-risk program, parent education, and special education.	9,029,045	(9,029,045)	0	0.0
F. School Finance Message - GBA No. 1, Page 18, Item 34. The Budget Committee notes the message from the Governor to work together to resolve school finance.	0	0	0	0.0
G. New Item - Tutor.com-. The Budget Committee recommends that \$265,000 from existing resources of the State Department of Education be used to fund the State Library budget for Tutor.com.	0	0	0	0.0

TOTAL	\$2,795,662	(\$9,029,045)	(\$6,233,383)	0.0
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<i>Agency Subtotal</i>	<i>(\$2,417,107)</i>	<i>(\$9,029,045)</i>	<i>(\$11,446,152)</i>	<i>0.0</i>
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Board of Regents

FY 2007

A. Technical College Funding - Page 20, Item A. The Budget Committee adds language holding several technical colleges harmless during a change in the allocation process of state funds, but does not add any additional funding.	0	0	0	0.0
B. Administrative Assistant Position - Page 21, Item B. The Budget Committee does not add funding for a new administrative assistant position.	0	0	0	0.0
C. Capacity in Masters-level Nursing Programs - Page 21, Item C. The Budget Committee shifts \$200,000 from the Nursing Service Scholarship Program to be used to build capacity at Masters-level nursing programs. The proposal includes a dollar-for-dollar match by the university receiving the funds.	0	0	0	0.0
D. SB 139 - Page 22, Item D. The Budget Committee does not add funding for SB 139 which establishes the Kansas Academy of Math and Science.	0	0	0	0.0
E. HB 2578 - Page 22, Item E. The Budget Committee adds a total of \$386,115 from the State General Fund for HB 2578 which establishes two scholarship programs.	386,115	0	386,115	0.0
F. New Item. The Budget Committee adds a proviso creating a legislative committee to study KAN-ED during the 2006 interim.	0	0	0	0.0

TOTAL	\$386,115	\$0	\$386,115	0.0
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<i>Agency Subtotal</i>	<i>\$386,115</i>	<i>\$0</i>	<i>\$386,115</i>	<i>0.0</i>
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State Universities

FY 2007

A. Preliminary Planning Funds - Page 22, Item A. The Budget Committee does not add funding for preliminary planning of capital improvement projects at the state universities.	0	0	0	0.0
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TOTAL	\$0	\$0	\$0	0.0
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<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
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KSU - Veterinary Medical Center

FY 2007

A. Increasing Veterinary Graduates - Page 23, Item A. The Budget Committee received information concerning the agency's plan to increase number of large animal veterinarians.	0	0	0	0.0
B. HB 3005 - Page 23, Item B. The Budget Committee does not add funding for HB 3005 which establishes the Veterinary Training Program for Rural Kansas.	0	0	0	0.0

House Budget Committee Recommendations

Education

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
TOTAL	\$0	\$400,000	\$400,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$800,000</i>	<i>\$800,000</i>	<i>0.0</i>

House Budget Committee Recommendations

Agriculture and Natural Resources

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<u>Kansas State Fair Board</u>				
FY 2007				
A. Sheep Barn Project - Page 3, Item A. The Budget Committee does not take any action on this item and recommends that the Joint Committee on State Building Construction review the Sheep Barn project at its April 27, 2006 meeting.	0	0	0	0.0
B. RV Park Fees - Page 3, Item B. The Budget Committee received information from the agency regarding the possibility of increasing RV park fees by an additional \$120 for a 12 night period.	0	0	0	0.0
C. Premium Parking - Page 4, Item C. The Budget Committee received information from the agency regarding its plans for charging for premium parking during the 2006 State Fair.	0	0	0	0.0

TOTAL	\$0	\$0	\$0	0.0
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Agency Subtotal \$0 \$0 \$0 0.0

Dept. of Health and Environment - Environment

FY 2007				
A. HB 2756 - Kansas Storage Tank Act - Page 14, Item A. The Budget Committee recommends adding expenditures of \$5,166,560 from the Kansas Essential Fuels Supply Trust Fund in FY 2007 and the transfer of \$250,000 from the Aboveground Petroleum Storage Tank Release Trust Fund for the implementation of HB 2756.	0	5,166,560	5,166,560	0.0
B. SB 386 Air Quality - Page 15, Item B. The Budget Committee recommends adding expenditures of \$91,152 from the Air Quality Fee Fund for the implementation of SB 386.	0	91,152	91,152	0.0

TOTAL	\$0	\$5,257,712	\$5,257,712	0.0
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Agency Subtotal \$0 \$5,257,712 \$5,257,712 0.0

State Conservation Commission

FY 2007				
A. Water Rights Purchase Program - Page 18, Item A. The Budget Committee recommends the addition of \$786,268 from the State Water Plan Fund for the Water Transition Assistance Program pending the passage of HB 2710. Note - this funding would be from the "regular" State Water Plan Fund account, not the Water Conservation Reserve Account.	0	786,286	786,286	0.0
B. Conservation Reserve Enhancement Program - Page 18, Item B. The Budget Committee does not recommend funding for the Conservation Reserve Enhancement Program.	0	0	0	0.0
C. Conservation Easements - Page 19, Item C. The Budget Committee does not recommend funding for Conservation Easements.	0	0	0	0.0
D. Quick Response Areas - Page 19, Item D. The Budget Committee does not recommend funding for the Water Resources Cost Share - Quick Response Areas.	0	0	0	0.0

TOTAL	\$0	\$786,286	\$786,286	0.0
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Agency Subtotal \$0 \$786,286 \$786,286 0.0

Kansas Water Office

FY 2006				
A. Water Conservation Projects Fund Feasibility Studies - Page 19, Item A. The Budget Committee recommends adding \$11,978 from the Water Conservation Projects Fund to reimburse the ditch companies. The Budget Committee also recommends that the \$181,058 included in SB 480 for the ditch companies be budgeted as separate line items.	0	11,978	11,978	0.0

TOTAL	\$0			
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House Budget Committee Recommendations

Agriculture and Natural Resources

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
B. New Item - Vehicles. The Budget Committee adds \$38,878 from the State Water Plan Fund to purchase two vehicles related to the Modeling Engineer and Field Compliance Staff enhancement in FY 2007.	0	38,878	38,878	0.0

TOTAL	\$20,000	\$38,878	\$58,878	0.0
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<i>Agency Subtotal</i>	\$20,000	\$38,878	\$58,878	0.0
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Board of Veterinary Examiners

FY 2007

A. Kansas Savings Incentive Program (KSIP) Expenditures - Page 53, Item A. The Budget Committee took no action.	0	0	0	0.0
B. Fiscal Impact of HB 2833, HB 2834 and HB 2835 Amending the Veterinary Practice Act - Page 54, Item B. The Budget Committee took no action.	0	0	0	0.0
C. 27th Payroll Period Repayment - Page 54, Item C. The Budget Committee recommends adopting the technical adjustment for the repayment of \$5,481 from the Board of Veterinary Examiners Fee Fund to the State General Fund.	0	0	0	0.0

TOTAL	\$0	\$0	\$0	0.0
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<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
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Animal Health Department

FY 2007

A. Livestock Commissioner Transportation - Page 57, Item A. The Budget Committee recommends removing the 5,000 mile per year limitation for the use of the truck funded by federal Homeland Security money.	0	0	0	0.0
B. Feral Swine Issues - Page 57, Item B. The Budget Committee recommends adding \$42,000 from the State General Fund to fund a portion of the memorandum of understanding with the United States Department of Agriculture.	42,000	0	42,000	0.0

TOTAL	\$42,000	\$0	\$42,000	0.0
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<i>Agency Subtotal</i>	\$42,000	\$0	\$42,000	0.0
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Kansas Corporation Commission

FY 2007

A. Kansas Electric Transmission Authority Funding - Page 58, Item A. The Budget Committee recommends the addition of \$40,000 from the Public Service Regulation Fund and amends the proviso included in SB 480 to allow for additional KETA activities.	0	40,000	40,000	0.0
B. Additional Vehicle Replacements - Page 59, Item B. The Budget Committee recommends the addition of \$46,500 from the Conservation Fee Fund for the replacement of three trucks.	0	46,500	46,500	0.0
C. Substitute for SB 449 - Video Competition Act - Page 59, Item C. The Budget Committee recommends the addition of \$40,000 from the Public Service Regulation Fund to implement the provisions of Substitute for SB 446. The Committee also requests that the agency report back to the 2007 Legislature regarding its new functions in connection to this bill.	0	40,000	40,000	0.0

TOTAL	\$0	\$126,500	\$126,500	0.0
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<i>Agency Subtotal</i>	\$0	\$126,500	\$126,500	0.0
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House Budget Committee Recommendations

Agriculture and Natural Resources

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
Department of Wildlife and Parks				
FY 2006				
C. Reduction of Motor Vehicle Fleet - Page 66, Item C. The Budget Committee recommends a modification of the Governor's proposed reduction of 200 motor vehicles by July 1, 2006, and to allow the agency to retain 25 older vehicles that were scheduled for disposal without replacements. A retention policy should allow useful vehicles to be kept for seasonal and parttime staff where justified, such as in this agency which previously lost 47 vehicles from its fleet as part of the statewide reductions.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0
FY 2007				
A. Proviso Prohibiting Pumping of Groundwater - Page 65, Item A. The Budget Committee recommends a modified proviso that would prohibit the agency from pumping groundwater only on lands within the region of the High Plains Aquifer.	0	0	0	0.0
B. Additional Motor Vehicle Replacement Funding - Page 66, Item B. The Budget Committee recommends adding \$151,700, including \$97,000 from the State General Fund and \$54,700 from the Wildlife Fee Fund, for nine replacement vehicles in FY 2007.	97,000	54,700	151,700	0.0
D. Program Omissions - GBA No. 1, Page 26, Item 52. The Budget Committee recommends adding the enhancement expenditures of \$741,000 in FY 2007 recommended by the Governor.	0	741,000	741,000	0.0
E. Open Access to State Parks - GBA No. 1, Page 27, Item 53. The Budget Committee recommends to not not adopt the GBA.	0	0	0	0.0
F. Half-Price Access to State Parks - Page 66, Item F (New). The Budget Committee recommends adding \$500,000 from the State General Fund in FY 2007 and for the agency to offer half-price admission to the State Parks during the period of January 1, 2007, to June 30, 2007. Both annual permits and daily fees would be reduced to half-price during the trial period.	500,000	0	500,000	0.0
TOTAL	\$597,000	\$795,700	\$1,392,700	0.0
<i>Agency Subtotal</i>	<i>\$597,000</i>	<i>\$795,700</i>	<i>\$1,392,700</i>	<i>0.0</i>

House Budget Committee Recommendations
Revenue, Judicial, Transportation, and Retirement

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
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Judicial Council

FY 2007

A. House Substitute for SB 337 - Commission on Judicial Performance - Page 4, Item A. The Budget Committee does not add funding or positions for SB 337 which establishes the Commission on Judicial Performance in FY 2007.	0	0	0	0.0
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TOTAL	\$0	\$0	\$0	0.0
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<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
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Judicial Branch

FY 2007

A. Additional Judges and Nonjudicial Positions - Page 9, Item A. The Budget Committee recommends \$143,186 for the salary of a district court judge in Miami County and requests an interim study of personnel needs of the judicial districts, including caseloads per district and caseloads per county in each district.	143,186	0	143,186	1.0
B. Additional Staff for the Court of Appeals - Page 9, Item B. The Budget Committee recommends \$73,771 for 1.0 FTE Research Attorney II for the Court of Appeals.	73,771	0	73,771	1.0
C. SB 180-Docket Fee Increases and Authority to Establish Docket Fees Reserved for Legislature--Page 9, Item C. The Budget Committee recommends the addition of \$3,700,000 to replace the Emergency Surcharge, assuming the passage of SB 180.	3,700,000	0	3,700,000	0.0
D. House Substitute for SB 337 - Judges' Salary Increase, Judges' Retirement, Delayed Expansion of the Court of Appeals, and Docket Fees--Page 10, Item D. The Budget Committee recommends \$2,779,858 for judges' salary increases but does not recommend funding for retired judges' health insurance benefits.	2,779,858	0	2,779,858	0.0
E. Correct Posting Error (Technical Adjustment) - Page 10, Item E. The Budget Committee recommends that a posting error in SB 480 be corrected by deleting \$430,089 from the State General Fund.	0	0	0	0.0

TOTAL	\$6,696,815	\$0	\$6,696,815	2.0
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<i>Agency Subtotal</i>	\$6,696,815	\$0	\$6,696,815	2.0
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Board of Tax Appeals

FY 2007

A. Funding for Case Management System - Page 56, Item A. The House Budget Committee took no action.	0	0	0	0.0
B. House Substitute for SB 337, Judge's Salary Increase, Judge's Retirement, Delayed Expansion of the Court of Appeals, and Docket Fees - Page 56, Item B. The House Budget Committee recommends adding \$30,005 from the State General Fund with the proviso that the funding is contingent upon SB 337 becoming law.	30,335	0	30,335	0.0

TOTAL	\$30,335	\$0	\$30,335	0.0
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<i>Agency Subtotal</i>	\$30,335	\$0	\$30,335	0.0
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Department of Revenue

FY 2007

A. SB 418 - Family and Personal Protection Act - Page 58, Item A. The Budget Committee recommends the addition of \$50,000 from the Division of Vehicles Operating Fund and a corresponding increase in the transfer from the State Highway Fund to provide for expenditures associated with SB 418.	0	50,000	50,000	0.0
B. SB 544- E-85 Motor Fuel - Page 58, Item B. The Budget Committee recommends the addition of \$50,954 from the Division of Vehicles Operating Fund and a corresponding increase in the transfer from the State Highway Fund to provide for expenditures associated with SB 544.	0	50,954	50,954	0.0

HOUSE APPROPRIATIONS

DATE 4-19-2006
ATTACHMENT 5

House Budget Committee Recommendations

Public Safety

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
Adjutant General				
FY 2006				
E. Disaster Relief - GBA No. 1, Page 24, Item 47. The Budget Committee concurred with the Governor to add \$9,673,000, including \$1,138,000 from the State General Fund, in FY 2006 for disaster relief funding.	1,138,000	8,535,000	9,673,000	0.0

TOTAL	\$1,138,000	\$8,535,000	\$9,673,000	0.0
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FY 2007				
A. Forbes Field Positions - Page 15, Item A. The Budget Committee recommends the addition of two FTE positions at Forbes Field totaling \$80,266, including \$20,067 from the State General Fund, for a Plumber position and a Fire Protection Systems Specialist position.	20,067	60,199	80,266	2.0
B. Armory Maintenance and Repair - Page 15, Item B. The Budget Committee did not recommend additional funding for Armory maintenance and repair.	0	0	0	0.0
C. Disaster Funding - Page 15, Item C. See item E (FY 2006 above).	0	0	0	0.0
D. Utilities - Page 15, Item D. The Budget Committee did not consider this item as it was recommended for consideration by the Senate.	0	0	0	0.0
F. Homeland Security Funding Switch - GBA No. 1, Page 24, Item 48. The Budget Committee did not recommend the funding switch and recommends an interim study to analyze federal Homeland Security fund expenditures across all state agencies.	0	0	0	0.0

TOTAL	\$20,067	\$60,199	\$80,266	2.0
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<i>Agency Subtotal</i>	<i>\$1,158,067</i>	<i>\$8,595,199</i>	<i>\$9,753,266</i>	<i>2.0</i>
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Kansas Bureau of Investigation

FY 2007				
A. IMA Building and Great Bend Laboratory - Page 16, Item A. The Budget Committee recommends adding bonding authority of \$354,475 to the bonding authority included in SB 480. Of this amount \$180,200 would be for renovations for the laboratory in the Headquarters building and \$174,275 would be for additional expenditures related to the second floor of the Great Bend Laboratory.	0	0	0	0.0
B. Agent Salary Increase - Page 16, Item B. The Budget Committee did not recommend the salary increase for agents.	0	0	0	0.0
C. Funding Increase - Page 16, Item C. The Budget Committee did not recommend this item.	0	0	0	0.0
D. Automated Fingerprint Identification System - Page 16, Item D. The Budget Committee recommends a proviso stating that the State General Fund approved expenditures for the system will be lapsed if federal funds become available for the payment on the system. If federal funds are not available, approval for the expenditure of the State General Fund will be subject to the State Finance Council.	0	0	0	0.0
E. Offender Registration Unit - Page 16, Item E. The Budget Committee took no action on this item as it was recommended for consideration by the Senate.	0	0	0	0.0
F. Special Agent Positions - Page 16, Item F. The Budget Committee took no action on this item as it was recommended for consideration by the Senate.	0	0	0	0.0
G. HB 2554 - DNA Specimen Collections - Page 17, Item G. The Budget Committee took no action on this item pending the decision of the Conference Committee on HB 2554.	0	0	0	0.0
H. SB 418 - Personal and Family Protection Act, Page 17, Item H. The Budget Committee recommends adding 4.0 FTE positions for the implementation of SB 418 with expenditures of \$120,568 from the Record Check Fee Fund.	0	120,568	120,568	4.0

TOTAL	\$0	\$120,568	\$120,568	4.0
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HOUSE APPROPRIATIONS

DATE 4-19-2006

ATTACHMENT 6

House Budget Committee Recommendations

Public Safety

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<hr/>				
<i>Agency Subtotal</i>	\$0	\$120,568	\$120,568	4.0
<hr/>				
Highway Patrol				
FY 2007				
A. State Highway Fund Transfers - Page 17, Item A. The Budget Committee recommends this item making a technical adjustment to the Kansas Highway Patrol budget.	0	0	0	0.0
B. Additional Salaries and Wages Expenditures - GBA No. 1, Page 25, Item 49. The Budget Committee recommends adding \$111,938 from the State General Fund for salaries for the Capitol Area Security Police and \$181,344 from the Kansas Highway Patrol Operations Fund for salaries for the Motor Carrier Inspectors in FY 2007.	111,938	181,344	293,282	0.0
C. Homeland Security Funding Switch - GBA No. 1, Page 25, Item 50. The Budget Committee did not recommend the funding switch and recommends an interim study to analyze federal Homeland Security fund expenditures across all state agencies.	0	0	0	0.0
<hr/>				
TOTAL	\$111,938	\$181,344	\$293,282	0.0
<hr/>				
<i>Agency Subtotal</i>	\$111,938	\$181,344	\$293,282	0.0
<hr/>				
Emergency Medical Services Board				
FY 2007				
A. Statewide Data Collection System - Page 18, Item A. This item was resolved by the Conference Committee on SB 480 and was for information purposes.	0	0	0	0.0
<hr/>				
TOTAL	\$0	\$0	\$0	0.0
<hr/>				
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<hr/>				
Sentencing Commission				
FY 2006				
A. Johnson County Therapeutic Community and GBA No. 1, Page 26, Item 51 - 2003 SB 123 Payments for Johnson County - Page 18, Item A. The Budget Committee concurs with the Governor and adds \$87,500 from the State General Fund for payments under the provisions of 2003 SB 123 for the Johnson County Therapeutic Community	87,500	0	87,500	0.0
<hr/>				
TOTAL	\$87,500	\$0	\$87,500	0.0
<hr/>				
FY 2007				
B. Program Consultant Position - Page 18, Item B. The Budget Committee does not recommend addition of the Program Consultant Position.	0	0	0	0.0
<hr/>				
TOTAL	\$0	\$0	\$0	0.0
<hr/>				
<i>Agency Subtotal</i>	\$87,500	\$0	\$87,500	0.0
<hr/>				
Juvenile Justice Authority				
FY 2006				
D. Level V and VI Length of Stay - Page 24, Item D and GBA No. 1, Page 22, Item 44. The Budget Committee adopts the GBA to add \$657,879 from the State General Fund for Level V and VI services.	657,879	0	657,879	0.0
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TOTAL	\$657,879	\$0	\$657,879	0.0
<hr/>				
FY 2007				
A. Multisystemic Therapy - Page 24, Item A. The Budget Committee did not take any action.	0	0	0	0.0
B. Costs Associated with DISC Services - Page 24, Item B. The Budget Committee did not take any action.	0	0	0	0.0

House Budget Committee Recommendations

Public Safety

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
C. Parenting with Love and Limits - Page 24, Item C. The Budget Committee did not take any action.	0	0	0	0.0
D. Level V and VI Length of Stay - Page 24, Item D and GBA No. 1, Page 22, Item 44 . The Budget Committee adopts the GBA to add \$2,490,132 from the State General Fund for Level V and VI services and Targeted Case Management.	2,490,132	0	2,490,132	0.0
E. Review Services at Larned Juvenile Correctional Facility and Placement at the Facility for Level V and VI Youth in Custody - Page 25, Item E. The Budget Committee did not take any action.	0	0	0	0.0
TOTAL	\$2,490,132	\$0	\$2,490,132	0.0

Agency Subtotal \$3,148,011 \$0 \$3,148,011 0.0

Beloit Juvenile Correctional Facility

FY 2007

A. Funding for Vocational Instructors - Page 25, Item A. The Budget Committee did not take any action.	0	0	0	0.0
B. Education Contract Savings - GBA No. 1, Page 23, Item 46. The Budget Committee adopts the GBA, and recommends the Joint Committee on Corrections and Juvenile Justice Oversight review the virtual schooling program and its progress during the interim.	(400,488)	0	(400,488)	0.0
TOTAL	(\$400,488)	\$0	(\$400,488)	0.0

Agency Subtotal (\$400,488) \$0 (\$400,488) 0.0

Larned Juvenile Correctional Facility

FY 2006

A. Medical Care - Page 25, Item A and GBA No. 1, Page 23, Item 45. The Budget Committee does not adopt the GBA and recommends a transfer of \$125,000 from the Social Services budget to the Juvenile Justice Authority to fund extraordinary medical and pharmaceutical costs.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0

FY 2007

A. Medical Care - Page 25, Item A and GBA No. 1, Page 23, Item 45. The Budget Committee does not adopt the GBA and recommends consideration of a transfer of \$125,000 from the Department of Social and Rehabilitation Services budget to the Juvenile Justice Authority to fund extraordinary medical and pharmaceutical costs.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0

Agency Subtotal \$0 \$0 \$0 0.0

Juvenile Correctional Facilities

FY 2007

Virtual Schooling - Page 25, Item A. The Budget Committee did not take any action.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0

Agency Subtotal \$0 \$0 \$0 0.0

Department of Corrections

FY 2006

G. Contract Bed Savings - GBA No.1, Page 20, Item 39. The Budget Committee concurred with the GBA to lapse \$728,000 from the State General Fund in FY 2006 for contract bed savings.	(728,000)	0	(728,000)	0.0
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House Budget Committee Recommendations

Public Safety

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
I. DUI Treatment Services - GBA No 1, Page 22, Item 43. The Budget Committee concurred with the GBA to add \$538,000 from the State General Fund in FY 2006.	538,000	0	538,000	0.0

TOTAL	(\$190,000)	\$0	(\$190,000)	0.0
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FY 2007

A. Corrections Officers Compensation Package - Page 49, Item A. The Budget Committee did not take any action as SB 480 addressed this issue.	0	0	0	0.0
B. Bonding Authority - Page 49, Item B and Bonding Authority for Prisons - GBA No. 1, Page 20, Item 38. The Budget Committee concurred with the GBA to authorize in FY 2007 up to \$20.5 million in bonding authority to begin expansion at an existing correctional facility.	0	0	0	0.0
C. HB 2555 - Criminal Justice Recodification, Rehabilitation and Restoration Project - Page 49, Item C. The Budget Committee did not take any action.	0	0	0	0.0
D. HB 2122 - Increasing the Dollar Threshold for Certain Criminal Offenses - Page 50, Item D. The Budget Committee did not take any action.	0	0	0	0.0
E. HB 2576 - Persistent Sex Offenders - Page 50, Item E. The Budget Committee did not take any action.	0	0	0	0.0
F. House Substitute for SB 431 - Inherently Dangerous Felonies - Page 51, Item F. The Budget Committee did not take any action.	0	0	0	0.0
G. RDU Savings - GBA No.1, Page 20, Item 39. The Budget Committee concurred with the GBA to lapse \$559,000 from the State General Fund in FY 2007 for debt service payment completion for the Reception and Diagnostic Unit at the El Dorado Correctional Facility.	(559,000)	0	(559,000)	0.0
H. Byrne Grants - GBA No. 1, Page 21, Item 41. The Budget Committee did not concur with the GBA to add \$170,120 from the State General Fund for FY 2007. The Budget Committee instead recommended a review of the Total Offender Activity Documentation System and Kansas Adult Supervised Population Electronic Repository and funding of these programs by the Joint Committee of Corrections and Juvenile Justice Oversight.	0	0	0	0.0
I. DUI Treatment Services - GBA No 1, Item 43, Page 22. The Budget Committee did not concur with the GBA to add \$538,000 from the State General Fund in FY 2007. The Budget Committee instead recommended a review of the DUI Treatment Services program and funding sources by the Joint Committee on Corrections and Juvenile Justice Oversight.	0	0	0	0.0

TOTAL	(\$559,000)	\$0	(\$559,000)	0.0
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<i>Agency Subtotal</i>	(\$749,000)	\$0	(\$749,000)	0.0
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Ellsworth Correctional Facility

FY 2006

A. Review of Supplemental Request - Page 52, Item A and Salary Shortfall and GBA No.1, Page 20, Item 40. The Budget Committee concurred with the GBA to add \$277,000 from the State General Fund to fund the 1.25 percent base salary adjustment approved for FY 2006.	277,000	0	277,000	0.0
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TOTAL	\$277,000	\$0	\$277,000	0.0
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<i>Agency Subtotal</i>	\$277,000	\$0	\$277,000	0.0
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Lansing Correctional Facility

FY 2006

A. Review of Supplemental Request - Page 52, Item A and Salary Shortfall - GBA No. 1, Page 20, Item 40. The Budget Committee concurred with the GBA to add \$161,000 from the State General Fund to fund the 1.25 percent base salary adjustment approved for FY 2006.	161,000	0	161,000	0.0
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House Budget Committee Recommendations

Public Safety

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
TOTAL	\$161,000	\$0	\$161,000	0.0

Agency Subtotal \$161,000 \$0 \$161,000 0.0

Kansas Parole Board

FY 2007

- | | | | | |
|---|-------|---|-------|-----|
| A. Projected Expenditures of Continuing Education and Training - Page 52, Item A. The Budget Committee added \$3,265 from the State General Fund in FY 2007 for continuing education and training for the three Parole Board members. | 3,265 | 0 | 3,265 | 0.0 |
| B. Projected Expenditures for Public Comment Sessions in Garden City - Page 52, Item B. The Budget Committee added \$6,744 from the State General Fund in FY 2007 for the Parole Board to hold monthly public comments sessions in Garden City. | 6,744 | 0 | 6,744 | 0.0 |

TOTAL	\$10,009	\$0	\$10,009	0.0
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Agency Subtotal \$10,009 \$0 \$10,009 0.0

Board of Indigents' Defense Services

FY 2006

- | | | | | |
|---|---|---|---|-----|
| A. Additional Funding for FY 2006 - Page 54, Item A. The Budget Committee took no action. | 0 | 0 | 0 | 0.0 |
|---|---|---|---|-----|

TOTAL	\$0	\$0	\$0	0.0
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FY 2007

- | | | | | |
|---|--------|---|--------|-----|
| B. Increased Compensation for Assigned Counsel - Page 54, Item B. The Budget Committee took no action. | 0 | 0 | 0 | 0.0 |
| C. Additional Public Defender Offices - Page 54, Item C. The Budget Committee recommends a proviso that if the rate of compensation for assigned counsel increases, the agency be directed to open additional public defender offices where it is cost effective. | 0 | 0 | 0 | 0.0 |
| D. Funding Related to Mandatory Sentences for Sex Predators - Page 55, Item D. The Budget Committee took no action. | 0 | 0 | 0 | 0.0 |
| E. Salary Increase for Legal Services for Prisoners - Page 55, Item E. The Budget Committee recommends adding \$16,687 from the State General Fund for Legal Services for Prisoners for salary adjustments. | 16,687 | 0 | 16,687 | 0.0 |
| F. Appellate Defender Database Funding - Page 55, Item F. The House Budget Committee took no action. | 0 | 0 | 0 | 0.0 |
| G. Additional FTE Attorney Positions - Page 56, Item G. The House Budget Committee took no action. | 0 | 0 | 0 | 0.0 |
| H. Consensus Caseload Estimate - Page 56, Item H. The House Budget Committee took no action. | 0 | 0 | 0 | 0.0 |

TOTAL	\$16,687	\$0	\$16,687	0.0
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Agency Subtotal \$16,687 \$0 \$16,687 0.0

El Dorado Correctional Facility

FY 2007

- | | | | | |
|--|---------|---|---------|-----|
| A. Additional Corrections Counselors - GBA No. 1, Page 20, Item 39. The Budget Committee concurred with the GBA to add \$136,460 from the State General Fund to fund 3.0 currently unfunded Correctional Counselor II positions. | 136,460 | 0 | 136,460 | 0.0 |
|--|---------|---|---------|-----|

TOTAL	\$136,460	\$0	\$136,460	0.0
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Agency Subtotal \$136,460 \$0 \$136,460 0.0

6-5

House Budget Committee Recommendations

Public Safety

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
Larned Correctional Mental Health Facility				
FY 2007				
A. Additional Corrections Counselors - GBA No.1, Page 21, Item 42. The Budget Committee concurred with the GBA to add \$45,727 from the State General Fund and 1.0 FTE position in FY 2007 for an additional Corrections Counselor II position.	45,727	0	45,727	1.0
TOTAL	\$45,727	\$0	\$45,727	1.0
<i>Agency Subtotal</i>	<i>\$45,727</i>	<i>\$0</i>	<i>\$45,727</i>	<i>1.0</i>

House Budget Committee Recommendations

Social Services

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
Dept. of Health and Environment - Health				
FY 2006				
A. Laboratory Funding - Page 10, Item A. The Budget Committee recommends not adding \$500,000 from the State General Fund for rent at the laboratory at Forbes Field and including a proviso stating that the Department of Administration cannot bill the agency for the \$500,000 in rent for FY 2006.	0	0	0	0.0
B. Agency Rental Charges in State-Owned Buildings - Page 11, Item B. see item A.	0	0	0	0.0
R. PKU/Hemophilia - GBA No. 1, Page 15, Item 27. The Budget Committee adopts the GBA to add \$100,000 from the State General Fund and delete \$100,000 from the Maternal and Child Health Service Block Grant Fund for PKU/Hemophilia in FY 2006.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0
FY 2007				
C. Sudden Infant Death Syndrome - Page 11, Item C. The Budget Committee recommends adding \$50,000 from the State General Fund for Sudden Infant Death Syndrome, including a proviso stating that the funding will be provided with a dollar for dollar match requirement.	50,000	0	50,000	0.0
D. Domestic Violence Support Personnel Training - Page 11, Item D. The Budget Committee recommends adding \$225,000 from the State General Fund for domestic violence support personnel training with a proviso stating that the funding will be provided with a dollar for dollar match requirement. The Budget Committee also directs the agency and provider community to report back to the Budget Committee on the use of the funding.	225,000	0	225,000	0.0
E. Domestic Violence Grants - Page 11, Item E. This item was resolved in SB 480.	0	0	0	0.0
F. Primary Health Care Community-Based Services - Page 11, Item F. The Budget Committee directs the agency and the provider community to report back to the 2007 Legislature on the status and funding of primary health care community-based services.	0	0	0	0.0
G. Youth Mentoring Program - Page 11, Item G. The Budget Committee directs the agency and mentoring programs to provide additional information on the use of the proposed \$250,000 from the State General Fund prior to consideration of the bill by the full House.	0	0	0	0.0
H. Pregnancy Maintenance Initiative - Page 11, Item H. The Budget Committee recommends adding \$200,000 from the State General Fund for the Pregnancy Maintenance Initiative, including a proviso stating that the funding will be allocated with a dollar for dollar match requirement. The Budget Committee directs the agency to report back to the 2007 Legislature on the use of the additional funding.	200,000	0	200,000	0.0
I. Newborn Hearing Loaner Program - Page 12, Item I. The Budget Committee recommends adding \$50,000 from the State General Fund for the Newborn Hearing Loaner Program.	50,000	0	50,000	0.0
J. Child Care/Foster Care Licensing Vehicles - Page 12, Item J. The Budget Committee recommends the addition of four vehicles for Child Care/Foster Care Licensing including \$52,000 from the State General Fund.	52,000	0	52,000	0.0
K. Advanced Education General Dentistry Residency Program - Page 12, Item K. The Budget Committee recommends adding \$415,000 from the State General Fund each year for the next three fiscal years for the Advanced Education General Dentistry Residency Program with a proviso stating that the program report back to the Committee on the status of the program prior to February 1 for the next three years.	415,000	0	415,000	0.0
L. Vehicle Use - Page 12, Item L. This item was for informational purposes.	0	0	0	0.0
M. Newborn Screening Panel - Page 12, Item M. The Budget Committee recommends a proviso creating an advisory committee to develop newborn screening guidelines and recommendations and report back to the House Appropriations and Senate Ways and Means Committees during the 2007 Legislative Session.	0	0	0	0.0

House Budget Committee Recommendations

Social Services

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
N. HB 2752 - Trauma Program and Registry: Meningitis Vaccination - Page 12, Item N. The Budget Committee recommends adding \$85,000 from the Trauma Fund for the implementation of HB 2752.	0	85,000	85,000	0.0
O. House Substitute for SB 579 - Treatment for Individuals with Certain Genetic Diseases - Page 13, Item O. The Budget Committee recommends deleting \$42,000 from the Children's Initiatives Fund for savings resulting from the passage of House Sub. For SB 579.	0	(42,000)	(42,000)	0.0
P. SB 528 - Termination of Pregnancies - Page 14, Item P. The Budget Committee did not consider funding for SB 528 pending the decision of the Conference Committee on that bill.	0	0	0	0.0
Q. Avian Flu Vaccine - GBA No. 1, Page 15, Item 26. The Budget Committee recommends a modified proviso directing the agency to present the expenditures request to the Legislative Budget Committee prior to consideration of the funding by the State Finance Council for Avian Flu Vaccine expenditures. The Budget Committee concurs with the Governor on the remainder of the amendment.	0	0	0	0.0
S. Infant Toddler (Tiny-K) Program - GBA No. 1, Page 16, Item 28. The Budget Committee concurs with the Governor to add \$250,000 from the State General Fund for the Infant Toddler Program in FY 2007.	250,000	0	250,000	0.0

TOTAL	\$1,242,000	\$43,000	\$1,285,000	0.0
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<i>Agency Subtotal</i>	<i>\$1,242,000</i>	<i>\$43,000</i>	<i>\$1,285,000</i>	<i>0.0</i>
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Division of Health Policy and Finance

FY 2006

A. Enhanced Care Management Project -Page 26, Item A and GBA No. 1, Page 9, Item 12. The Budget Committee concurs with the GBA to fund the project in FY 2006.	554,000	554,000	1,108,000	0.0
B. Dental Programs in Title XIX (Medicaid) and Title XXI (SCHIP) - Page 27, Item B. The Budget Committee recommends no action in FY 2006.	0	0	0	0.0
C. Spring Consensus Caseload Estimates - Page 27, Item C and GBA No. 1, Page 6, Item 9. The Budget Committee concurs with the GBA which makes no adjustments to approved expenditures in FY 2006.	0	0	0	0.0
D. Presumptive Eligibility - GBA No. 1, Page 8, Item 11. The Budget Committee does not concur with the GBA which would have added administrative costs of \$557,017 to implement presumptive eligibility in FY 2006.	0	0	0	0.0

TOTAL	\$554,000	\$554,000	\$1,108,000	0.0
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<i>Agency Subtotal</i>	<i>\$554,000</i>	<i>\$554,000</i>	<i>\$1,108,000</i>	<i>0.0</i>
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Health Policy Authority

FY 2006

A. Business Health Partnership - Page 28, Item A. The Budget Committee does not recommend restoration of funding of \$500,000 from the State General Fund for the Business Health Partnership in FY 2006.	0	0	0	0.0
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TOTAL	\$0	\$0	\$0	0.0
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FY 2007

A. Business Health Partnership - Page 28, Item A. The Budget Committee recommends a reduction of \$500,000 from the State General Fund in FY 2007 to eliminate the Business Health Partnership.	(500,000)	0	(500,000)	0.0
B. Healthy Kansas First 5 - Page 28, Item B. The Budget Committee does not recommend restoration of funding of \$3.5 million from the State General Fund for Healthy Kansas First 5 in FY 2007.	0	0	0	0.0

House Budget Committee Recommendations

Social Services

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
C. Enhanced Care Management Project - Page 29, Item C and GBA No. 1, Page 9, Item 12. The Budget Committee concurs with the GBA which adds funding for the project in FY 2007.	0	0	0	0.0
D. Presumptive Eligibility - Page 29, Item D. The Budget Committee makes no recommendation for Presumptive Eligibility in FY 2007.	0	0	0	0.0
E. Dental Programs in Title XIX (Medicaid) and Title XXI (SCHIP) - Page 27, Item B. The Budget Committee recommends no action in FY 2007.	0	0	0	0.0
F. Effect of the Federal Deficit Reduction Act - Page 30, Item F. The Budget Committee recommends no action in FY 2007.	0	0	0	0.0
G. Presumptive Disability - Page 30, Item G and GBA No. 1, Page 7, Item 10. The Budget Committee adds \$975,000, including \$477,215 from the State General Fund to shift the Kansas Legal Services (KLS) contract from SRS to the Health Policy Authority in FY 2007 and concurs in part with the GBA.	477,215	497,785	975,000	0.0
H. Spring Consensus Caseload Estimates and GBA No. 1, Item 9, Page 6 - Page 31, Item H. The Budget Committee concurs with the GBA which makes no adjustments to approved expenditures in FY 2007.	0	0	0	0.0
I. Correction to Reportable Expenditures - GBA No. 1, Page 2, Item 1. The Budget Committee concurs with the GBA which adjusts reportable expenditures in FY 2007.	0	(800,218)	(800,218)	0.0
J. Medicare Part D Co-payments for Dual-Eligibles - GBA No. 1, Item 21, Page 13 - The Budget Committee makes no recommendation on the GBA for FY 2007.	0	0	0	0.0
K. New Item - The Budget Committee recommends the addition of proviso language requiring the Health Policy Authority to conduct a survey of the cost of dispensing pharmaceutical products and services within the Kansas Medicaid program in FY 2007.	0	0	0	0.0
L. New Item - The Budget Committee recommends the addition of proviso language requiring the Health Policy Authority to study rebates for the state pharmaceutical purchasing program in FY 2007.	0	0	0	0.0

TOTAL	(\$22,785)	(\$302,433)	(\$325,218)	0.0
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<i>Agency Subtotal</i>	(\$22,785)	(\$302,433)	(\$325,218)	0.0
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Social and Rehabilitation Services

FY 2006

H. Use of Federal Reimbursements for General Assistance and Medikan Services - Page 40, Item H. The Budget Committee adds \$150,000 from the State General Fund to increase funding for the Kansas Legal Services contract to fully compensate the contractor for work completed and recommends any funding remaining at the end of the fiscal year be transferred to the Health Policy Authority in FY 2007. Responsibility for the contract is shifted to the Health Policy Authority in Item N in FY 2007.	150,000	0	150,000	0.0
M. Spring Consensus Caseload Estimates and GBA No. 1, Page 6, Item 9. The Budget Committee adopts the GBA for the SRS caseloads for FY 2006 which reduces expenditures by \$16.1 million, including \$160,639 from the State General Fund.	(160,639)	(15,932,122)	(16,092,761)	0.0
O. Extended Stays in Level V and VI Facilities - GBA No. 1, Page 9, Item 14. The Budget Committee adopts the GBA but adds language to the bill to require the agency to make recommendation to House Appropriations and Senate Ways and Means for long term solutions in January 2007.	0	0	0	0.0
Q. Medicaid Deferrals - GBA No. 1, Page 10, Item 16. The Budget Committee adopts the GBA, which provides additional funding for Medicaid deferrals.	3,000,000	(3,000,000)	0	0.0
R. Child Care Assistance - GBA No. 1, Page 11, Item 17. The Budget Committee takes no action on this item and refers it for full Appropriations Committee discussion.	0	0	0	0.0
S. Physically Disabled Waiver - GBA No. 1, Page 11, Item 18. The Budget Committee adopts the GBA which adds \$3.0 million, including \$1.2 million from the State General Fund, to reduce the waiting list.	1,183,200	1,816,800	3,000,000	0.0

House Budget Committee Recommendations

Social Services

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
W. FTE Position Correction - GBA No. 1, Page 13, Item 22. The Budget Committee adopts the GBA, which corrects the agency's position limitation.	0	0	0	(192.5)
TOTAL	\$4,172,561	(\$17,115,322)	(\$12,942,761)	(192.5)
FY 2007				
A. Hourly Rates for Persons Providing Medicaid Waiver Services - Page 35, Item A. The Budget Committee requests that the agency report to the House Appropriations Committee during the 2007 Session on the full range of salaries paid to direct care workers in the community based on the rate study being conducted this year. This information should reflect how funding added for FY 2006 last year was used. The Legislature may want to examine the funding structure for community based services to ensure that funding added for salary increases reaches the direct care workers.	0	0	0	0.0
B. Issues Regarding Level V and Level VI Services - Page 36, Item B. The Budget Committee makes no recommendations at this time as it is awaiting the recommendations from the Appropriations Subcommittee on Level V and Level VI Issues.	0	0	0	0.0
C. Temporary Assistance for Needy Families Block Grant Funding - Page 36, Item C. The Budget Committee takes no action on this item.	0	0	0	0.0
D. Child Welfare Services Funding - Page 37, Item D. The Budget Committee takes no action on this item.	0	0	0	0.0
E. Parenting Education Program Proposal - Page 38, Item E. The Budget Committee requests an interim study by the Legislative Budget Committee to examine the development of a pilot program for children involved in family preservation or reintegration services.	0	0	0	0.0
F. Access to Mental Health Service Providers - Page 39, Item F. The Budget Committee requests information on the waiver being prepared by the agency to address access to mental health services. Additionally, the Budget Committee recommends the agency report to the Legislative Budget Committee on progress made to address federal "any willing, qualified provider" provisions.	0	0	0	0.0
G. "Money Follows the Person Proviso" - Page 39, Item G. The Budget Committee takes no action on this item.	0	0	0	0.0
I. Effect of Implementation of Presumptive Disability on Persons with Mental Illness - Page 40, Item I. The Committee continues to have concerns with the potential impact of presumptive disability on person with mental illness and the effect on other systems including the public mental health system.	0	0	0	0.0
J. Effect of Federal Deficit Reduction Act of 2005 - Page 41, Item J. The Budget Committee takes no action but notes the significant fiscal impacts to the agency based on federal actions and refers the Committee to the attached tables.	0	0	0	0.0
K. Community Support Medication Program Growth - Page 42, Item K. The Budget Committee takes no action on this item but notes that additional utilization of the Community Support Medication Program is anticipated with the implementation of Presumptive Medicaid Disability Determination. Under Presumptive Medicaid Disability Determination, persons who do not meet the presumptive disability criteria will not have coverage for their psychotropic medications. A preliminary estimate of the cost for all pharmaceuticals for persons with mental health needs who might not be found to be presumptively eligible is about \$700,000. The additional funds appropriated by the Legislature for the Community Support Medication Program may not be sufficient to support the anticipated psychotropic medication costs of these persons. However, a more reliable estimate of the impact is not possible until Presumptive Medicaid Disability Determinations are completed.	0	0	0	0.0
L. Addressing Visitation Issues in Child Support Enforcement Cases - Page 43, Item L. The Budget Committee encourages the agency to examine current programs relating to domestic case management and requests suggestions from the agency on ways to improve the current program to assist with visitation issues.	0	0	0	0.0
M. Spring Consensus Caseload Estimates and GBA No. 1, Page 6, Item 9. The Budget Committee adopts the GBA for the SRS caseloads for FY 2007 which reduces expenditures by \$23.7 million, including \$6.8 million from the State General Fund.	(6,780,763)	(16,872,789)	(23,653,552)	0.0

House Budget Committee Recommendations

Social Services

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
N. Presumptive Disability - GBA No. 1, Page 7, Item 10. The Budget Committee adopts a modified GBA and reduces funding from SRS in the amount of \$973,000, including \$475,215 from the State General Fund, to reflect additional funding added by the Legislature in SB 480.	(475,215)	(497,785)	(973,000)	0.0
O. Extended Stays in Level V and VI Facilities - GBA No. 1, Page 9, Item 14. The Budget Committee adopts the GBA but adds language to the bill to require the agency to make recommendation to House Appropriations and Senate Ways and Means for long term solutions in January 2007.	0	0	0	0.0
P. Federal Title IV-E Shortfall - GBA No. 1, Page 10, Item 15. The Budget Committee adopts a modified GBA to change the funding amount from \$8.85 million to \$11.8 million.	11,800,000	(11,800,000)	0	0.0
Q. Medicaid Deferrals - GBA No. 1, Page 10, Item 16. The Budget Committee adds \$4,648,786 from the State General Fund to cover anticipated deferrals in FY 2007.	4,648,786	(4,648,786)	0	0.0
R. Child Care Assistance - GBA No. 1, Page 11, Item 17. The Budget Committee takes no action on this item and refers it for full Appropriations Committee discussion.	0	0	0	0.0
S. Physically Disabled Waiver - GBA No. 1, Page 11, Item 18. The Budget Committee modifies the GBA to add \$6.0 million, including \$2.4 million from the State General Fund, to the currently approved amount, bringing total additional funding to \$8.0 million, including \$3.2 million from the State General Fund. In addition, add language to the bill allowing the agency to recommend how the increased funding will be divided between waiting list reduction and salary rate increases and requiring a report to the Legislative Budget Committee by August 2006.	2,400,000	3,600,000	6,000,000	0.0
T. Independent Living Center Support - GBA No. 1, Page 12, Item 19. The Budget Committee adopts the GBA which adds \$250,000 to the currently approved amount, for a total increase of \$500,000 over the Governor's original recommendation for grants for independent living centers.	250,000	0	250,000	0.0
U. Pre-K Pilot Initiative - GBA No. 1, Page 12, Item 20. The Budget Committee does not adopt the GBA which would have added \$1.0 million to the Governor's recommendation for the new Pre-K pilot program.	0	0	0	0.0
V. Medicare Part D Co-payments for Dual Eligibles - GBA No. 1, Page 13, Item 21. This item is considered in the Health Policy Authority budget.	0	0	0	0.0

TOTAL	\$11,842,808	(\$30,219,360)	(\$18,376,552)	0.0
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<i>Agency Subtotal</i>	\$16,015,369	(\$47,334,682)	(\$31,319,313)	(192.5)
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SRS Hospitals

FY 2006

C. Teacher Salary Increases for FY 2006 - Page 45, Item C. Add \$43,833 from the State General Fund to add funding for teacher salary increases of 4.0 percent at Larned State Hospital (\$21,834) and Parsons State Hospital and Training Center (\$21,999).	43,833	0	43,833	0.0
D. Categorical Aid - Page 46, Item D. Add \$24,856 from the State General Fund to adjust the budgets for Larned State Hospital (\$8,852) and Parsons State Hospital and Training Center (\$16,004) to reflect adjustments in categorical aid rates related to the hospital education programs.	24,856	0	24,856	0.0

TOTAL	\$68,689	\$0	\$68,689	0.0
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FY 2007

A. Enterprise Application Rate Issues - Page 45, Item A. The Budget Committee takes no action on this item.	0	0	0	0.0
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House Budget Committee Recommendations

Social Services

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
B. Medicare Part D Impact - Page 45, Item B. The Budget Committee notes that state developmental disability hospitals are anticipating savings totaling \$632,000 due to the implementation of Medicare Part D and that these savings are exempted from "clawback" provision by federal law. The Budget Committee believes that this exemption appears to favor state institutions over private facilities where savings is subject to clawback provision.	0	0	0	0.0
C. Teacher Salary Increases for FY 2007 - Page 45, Item C. Add \$54,792 from the State General Fund to add funding for teacher salary increases of 5.0 percent at Larned State Hospital (\$25,928) and Parsons State Hospital and Training Center (\$27,499).	54,792	0	54,792	0.0
D. Categorical Aid - Page 46, Item D. Add \$57,716 from the State General Fund to adjust the budgets for Larned State Hospital (\$23,569) and Parsons State Hospital and Training Center (\$34,147) to reflect adjustments in categorical aid rates related to the hospital education programs.	57,716	0	57,716	0.0
TOTAL	\$112,508	\$0	\$112,508	0.0

Agency Subtotal \$181,197 \$0 \$181,197 0.0

Larned State Hospital

FY 2006

B. FTE Position Correction - GBA No. 1, Page 13, Item 23. The Budget Committee adopts the GBA for FY 2006 which corrects the agency's position limitation.	0	0	0	2.0
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TOTAL	\$0	\$0	\$0	2.0
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FY 2007

A. Census Estimate for Combined Campus - Page 47, Item A. The Budget Committee takes no action on this item.	0	0	0	0.0
B. FTE Position Correction - GBA No. 1, Page 13, Item 23. The Budget Committee adopts the GBA for FY 2007, which corrects the agency's position limitation.	0	0	0	14.0

TOTAL	\$0	\$0	\$0	14.0
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Agency Subtotal \$0 \$0 \$0 16.0

Osawatomie State Hospital

FY 2006

A. Pharmaceutical Costs - GBA No. 1, Page 14, Item 24 - The Budget Committee adopts the GBA, which adds funding for pharmaceutical costs.	297,220	0	297,220	0.0
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TOTAL	\$297,220	\$0	\$297,220	0.0
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Agency Subtotal \$297,220 \$0 \$297,220 0.0

Rainbow Mental Health Facility

FY 2007

A. Trades Incentive Funding - Page 48, Item A. The Budget Committee makes a technical correction to shift financing for the trades incentive from State General Fund to agency fee funds.	(2,633)	2,633	0	0.0
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TOTAL	(\$2,633)	\$2,633	\$0	0.0
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Agency Subtotal (\$2,633) \$2,633 \$0 0.0

Department on Aging

FY 2007

A. Senior Care Act - Page 58, Item A. Informational only.	0	0	0	0.0
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**Social Services Budget Committee
Information on Budget Deficit Reduction Act of 2005**

The following tables detail the estimated fiscal impact of each of the Congressional actions over the next 5 fiscal years.

Changes That Will Affect SRS	All Funds					
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	5-Year Impact
Repeal the Authority to Use Child Support Incentives as State Match	\$0	\$0	(\$5,830,000)	(\$5,830,000)	(\$5,830,000)	(\$17,490,000)
Reduced Match Rate for Child Support Paternity Testing	(\$45,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$285,000)
Restrict the Assignment of Child Support for TANF Families	\$0	\$0	\$0	\$0	(\$500,000)	(\$500,000)
Restrict Federal Foster Care (Title IV-E) Administration Funding for Children in Unlicensed Relative and Other Placements	(\$8,850,000)	(\$11,800,000)	(\$11,800,000)	(\$11,800,000)	(\$11,800,000)	(\$56,050,000)
Increase in Child Welfare (Title IV-B) Funding	\$163,000	\$217,000	\$217,000	\$217,000	\$217,000	\$1,031,000
Increase in Child Care Federal Funding	\$1,058,845	\$1,411,793	\$1,411,793	\$1,411,793	\$1,411,793	\$6,706,017
Total	(\$7,673,155)	(\$10,231,207)	(\$16,061,207)	(\$16,061,207)	(\$16,561,207)	(\$66,587,983)

The following table presents the maximum penalties and federal funding reductions that may result from Congressional legislation. All amounts are in millions of dollars.

Changes Potentially Affecting SRS	All Funds					5-Yr Impact
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2006	
TANF High Performance Bonus Eliminated	--	(\$5.0)	(\$5.0)	(\$5.0)	(\$5.0)	(\$20.0)
Maximum Penalty for failing TANF Work Participation Requirements:	--					
TANF Block Grant Loss	--	(\$5.1)	(\$7.1)	(\$9.2)	(\$11.2)	(\$32.6)
State Fund Replacement	--	--	(\$5.1)	(\$7.1)	(\$9.2)	(\$21.4)
Subtotal	--	(\$5.1)	(\$12.2)	(\$16.3)	(\$20.4)	(\$54.0)
Maximum Penalty for Failing to Comply with TANF Work Activity Verification Requirements:	--					
TANF Block Grant Loss	--	(\$5.1)	(\$5.1)	(\$5.1)	(\$5.1)	(\$20.4)
State Fund Replacement	--	--	(\$5.1)	(\$5.1)	(\$5.1)	(\$15.3)
Subtotal	--	(\$5.1)	(\$10.2)	(\$10.2)	(\$10.2)	(\$35.7)
Total	(\$0.2)	(\$15.4)	(\$27.6)	(\$31.7)	(\$35.8)	(\$110.7)

Attorney General

There is hereby appropriated for the above agency from the State General Fund for the fiscal years specified:

FY 2006

Abuse, Neglect and Exploitation of Persons with Disabilities Unit.....\$122,000

Provided, That the Attorney General is hereby authorized to contract with other agencies or organizations to provide services related to the investigation or litigation of findings related to abuse, neglect, or exploitation of persons with disabilities; *Provided further*, That the Attorney General is hereby authorized to employ an inspector general who shall be an attorney in the classified service who shall be authorized to oversee, audit, investigate, and provide a performance review of the administration of the state Medicaid program, mediKan program, and the state children's health insurance program.

FY 2007

Abuse, Neglect and Exploitation of Persons with Disabilities Unit.....\$228,000

Provided, That the Attorney General is hereby authorized to contract with other agencies or organizations to provide services related to the investigation or litigation of findings related to abuse, neglect, or exploitation of persons with disabilities; *Provided further*, That the Attorney General is hereby authorized to employ an inspector general who shall be an attorney in the classified service who shall be authorized to oversee, audit, investigate, and provide a performance review of the administration of the state Medicaid program, mediKan program, and the state children's health insurance program.

Total new positions: 2.5 FTE:

0.5 attorney for abuse and exploitation

1.0 Inspector General (who is an attorney) who will start January 2007

1.0 investigator

Proviso in the Board of Regents

During the fiscal year ending June 30, 2007, expenditures shall be made by the legislature for a committee composed of members of the House of Representatives and the Senate to study KAN-ED during the 2006 interim. Membership of this committee shall include members of the House Appropriations, Education, Health and Human Services, and Utilities Committees; the Senate Ways and Means, Education, Public Health and Welfare, Commerce, and Utilities Committees; and the Joint Committee on Information Technology. The purpose of this committee is to study: the original objectives and goals of KAN-ED and whether those objectives and goals have been accomplished; any changes, including statutory changes, needed to make KAN-ED a more viable product; consolidation of KAN-ED with other state networks; the funding of KAN-ED; and the possible addition of other entities to the list of those served by KAN-ED.

HOUSE APPROPRIATIONS

DATE 4-19-2006

ATTACHMENT 9



KANSAS BOARD OF REGENTS

1000 SW JACKSON • SUITE 520 • TOPEKA, KS 66612-1368

TELEPHONE – 785-296-3421
FAX – 785-296-0983
www.kansasregents.org

March 31, 2006

Senator Stephen Morris
Senate President
Statehouse, Room 371-E
Topeka, KS 66612

Dear Senator Morris:

Thank you for your careful consideration of House Substitute for Substitute for Senate Bill 85, legislation that, among other things, would grant interest ownership to the six state universities.

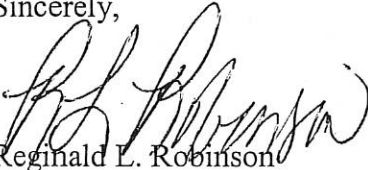
As you know, the issue of interest ownership has been a long sought-after policy objective of the Board of Regents, and this legislation sends a clear signal to students and their parents that the full purchasing power of their tuition and fee payments will be leveraged for the betterment of the university they attend.

In addition, I am grateful for your recognition of the growing and dangerous deferred maintenance backlog on the campuses of the six state universities. That is why I am pleased that you would suggest that the interest generated from this legislation be dedicated to addressing this maintenance backlog.

If the Senate sees fit to concur with House Substitute for Substitute for Senate Bill 85, and the legislation is ultimately signed into law, the Board of Regents will, for a period of five years, dedicate the interest earnings to deferred maintenance projects on the campuses that generated those dollars. The Board will formalize this commitment and will initiate this practice beginning in FY 2008, the effective date of the legislation, and ending in FY 2013. However, if a comprehensive deferred maintenance package is approved by the Legislature before FY 2013, we understand that the five-year commitment will be re-visited.

Again, thank you for your leadership, your consideration of this important legislation, and your continued support of higher education in Kansas.

Sincerely,


Reginald L. Robinson
President & CEO

HOUSE APPROPRIATIONS

DATE 4-19-2006
ATTACHMENT 10

Proviso - Notwithstanding any law or Regent policy, no monies shall be expended by any Regent institution for the purpose of granting in-state tuition rates at any Kansas Regent* University, community college or technical school, or other institution under the control of the Board of Regents for the purpose of granting in-state tuition rates for undocumented non-residents or undocumented US citizens, nor shall any monies be expended for the purpose of providing educational services at any institution under the Board of Regents for undocumented non-residents or undocumented non U.S. citizens who have been granted tuition rates at a level lower than that charged at the out-of-state level

HOUSE APPROPRIATIONS

DATE 4-19-2006

ATTACHMENT 11

Board of Healing Arts

The Budget Committee wishes to make the full Appropriations Committee aware of its concerns regarding the two Omnibus items for the Board of Healing Arts. The Governor's Budget Amendment (Item 7, Page 5) includes a proviso to deal with the agency's cashflow problems for FY 2007. However, 2006 SB 480 (Megal bill) added \$33,958 from the Healing Arts Fee Fund for an Administrative Assistant position in FY 2007. The Budget Committee feels that the additional position compounds the cashflow problems the agency will experience in FY 2007 and requests the full Committee to consider these items.

HOUSE APPROPRIATIONS

DATE 4-19-2006

ATTACHMENT 12

OMNIBUS state medicaid plan Bethell.wpd

Sec. 1. (a) During the fiscal years ending June 30, 2006, and June 30, 2007, notwithstanding the provisions of any other statute or any rules and regulations adopted thereunder to the contrary, no expenditures shall be made from any moneys appropriated for the Kansas health policy authority, department of administration, department of social and rehabilitation services, or the department on aging from the state general fund or any special revenue fund for fiscal year 2006 or fiscal year 2007 by 2006 Senate Bill No. 480 or by this or other appropriation act of the 2006 regular session of the legislature to prepare, propose, adopt or submit any amendment, addition or other change in the state medicaid plan except upon specific approval of any such amendment, addition or other change in the state medicaid plan by appropriation or other act of the legislature: *Provided further*, That no such amendment, addition or other change in the state medicaid plan shall be proposed to the federal government by the secretary of social and rehabilitation services, the secretary of aging, the director of health policy and finance of the department of administration or the Kansas health policy authority, or by any officer or employee of the respective officer or agency except upon specific approval of any such amendment, addition or other change in the state medicaid plan by appropriation or other act of the legislature.

HOUSE APPROPRIATIONS

DATE 4-19-2006ATTACHMENT 13

Agree with the Consensus Casebook Estimate however, as a matter of policy, instead of lapsing the savings identified in the estimate as contained in GBA 2001.

Item 9, Page 6 for both FY 2006 and FY 2007, reappropriate \$10.62 million, including \$4,188,528 from the State General Funds, into FY 2007 and utilize that saving in addition to the saving identified in FY 2007 of \$3.6 million, including \$1,429,560 from the State General Funds, to fund the following items:

① Rebase WF reimbursement rates: Remove proviso contained in SB 480 that directs the agency to utilize 2001 cost data for this purpose and add a proviso directing the agency to utilize ^{the average of 2003, 2004 & 2005} cost data as the basis for reimbursement purposes. ^{in FY 2007} The estimated cost is \$3.7 million in FY 2007.

② Eliminate 85% Rule: Include proviso that directs the agency to eliminate the 85% rule for nursing facility reimbursement. ^{in FY 2007} The estimated cost is \$4.3 million in FY 2007.

③ Increase amount included in quality initiative incentives within the Dept of Behavioral Health \$1.22 million, ^{including approx 488,000 SGE} Current amount include Department is \$1 million for FY 20.

Proposed Omnibus Provisio

KANSAS COMMISSION ON VETERANS AFFAIRS

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Service grants to veterans service organizations	
For the fiscal year ending June 30, 2007	\$500,000

Provided, That expenditures from the service grants for veterans service organizations account of the state general fund shall be made only for the purpose of providing operating expenses to veterans service organizations to award service grants to aid veterans in obtaining federal benefits *Provided however*, That no expenditures shall be made by the Kansas commission on veterans affairs from the service grants to veterans service organizations account of the state general fund for operating expenditures or overhead for administering the grants in accordance with the provisions of 2006 House Substitute for Senate Bill No. 396.

HOUSE APPROPRIATIONS

DATE 4-19-2006
ATTACHMENT 15

FY 2007 Motor Vehicle Omnibus Review Items

	Governor's Replacement Recommendation				Gen Govt Budget Cmt Recs				Other Budget Cmt Review			
	SGF	AF	Vans &		SGF	AF	Vans &		SGF	AF	Var	
	FY 07	FY 07	Cars	Trucks	FY 07	FY 07	Cars	Trucks	FY 07	FY 07	Cars Tru	
State Bank Commissioner	0	32,800	0	2	0	32,800	0	2	--	--	--	
Board of Cosmetology	0	12,000	1	0	0	12,000	1	0	--	--	--	
Board of Mortuary Arts	0	12,500	1	0	0	12,500	1	0	--	--	--	
Board of Pharmacy	0	20,000	1	0	0	20,000	1	0	--	--	--	
Judicial Branch	16,400	16,400	0	1	16,400	16,400	0	1	--	--	--	
Corporation Commission	1) 0	105,500	1	6	0	105,500	1	6	0	46,500	0	
Department of Administration	11,731	32,731	5	0	11,731	32,731	5	0	--	--	--	
Department of Revenue	11,630	135,086	8	2	11,630	135,086	8	2	--	--	--	
Kansas Lottery	0	121,600	1	7	0	121,600	1	7	--	--	--	
Racing and Gaming Commission	0	40,000	2	0	0	40,000	2	0	--	--	--	
Department of Commerce	0	37,500	3	0	0	37,500	3	0	--	--	--	
Department of Labor	2) 0	66,454	5	0	0	66,454	5	0	0	79,746	6	0
Commission on Veterans Affairs	32,800	32,800	0	2	32,800	32,800	0	2	--	--	--	
Department of Health and Environment	3) 260,000	545,600	35	0	260,000	545,600	35	0	104,000	104,000	8	0
Department on Aging	101,214	202,428	18	0	101,214	202,428	18	0	--	--	--	
Social and Rehabilitation Services	183,830	292,488	20	0	183,830	292,488	20	0	--	--	--	
Department of Education	17,300	65,100	0	4	17,300	65,100	0	4	--	--	--	
School for the Deaf	32,800	32,800	0	2	32,800	32,800	0	2	--	--	--	
School for the Blind	4) 32,800	32,800	0	1	0	0	0	0	--	--	--	
Department of Corrections	0	80,000	6	0	0	80,000	6	0	--	--	--	
Juvenile Correctional Complex	19,000	19,000	0	1	19,000	19,000	0	1	--	--	--	
Kansas Bureau of Investigation	5) 0	129,500	7	0	0	0	0	0	--	--	--	
Adjutant General	6) 4,325	48,174	0	3	0	0	0	0	--	--	--	
State Fire Marshall	0	158,715	0	8	0	158,715	0	8	--	--	--	
Department of Agriculture	7) 121,791	346,679	11	12	121,791	346,679	11	12	0	38,928	0	2
Animal Health Department	19,000	19,000	0	1	19,000	19,000	0	1	--	--	--	
Department of Wildlife and Parks	8) 0	781,725	0	42	0	781,725	0	42	97,000	97,000	0	9
Department of Transportation	0	2,700,000	31	100	0	2,700,000	31	100	--	--	--	
Totals	\$ 864,621	\$ 6,119,380	156	194	\$ 827,496	\$ 5,908,906	149	190	\$ 201,000	\$ 366,174	14	14

- Notes:**
- 1) Corporation Commission -- House Committee recommended review of \$46,500 from special revenue funds for 3 trucks.
 - 2) Department of Labor -- Conference Committee recommended to review additional funding of \$79,746 from special revenue funds for 6 cars.
 - 3) Department of Health and Environment -- Conference Committee recommended to review additional funding of \$104,000 from SGF for 8 cars in Child Care/Foster Care Licensing.
 - 4) School for the Blind -- Legislature approved shifting \$32,800 from SGF to FY 2006 for 1 van.
 - 5) Kansas Bureau of Investigation -- Funding of \$129,500 from special revenue funds for 7 cars left in approved budget.
 - 6) Adjutant General -- Funding of \$48,174, including \$4,325 from SGF, for 3 trucks left in approved budget.
 - 7) Department of Agriculture -- Additional funding of \$38,928 from special revenue funds for 2 new (not replacement) trucks.
 - 8) Department of Wildlife and Parks -- Conference Committee recommended to review additional funding of \$97,000 from SGF, with 5 trucks in State Parks and 4 trucks in Administration with a \$12,000 match.

HOUSE APPROPRIATIONS
 DATE 4-19-2006
 ATTACHMENT 16

Proposed House Omnibus Section

(a) On July 1, 2006, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$300,000 from the professional development aid account of the state general fund of the department of education to the Challenger Learning Center in Wellington, Kansas.

(b) Any teacher employed by a school district in Kansas who teaches in the areas of math or science may submit an application for a scholarship to Challenger Learning Center in Wellington, Kansas. Subject to the limitations of appropriations therefor, such scholarship shall be in an amount to be determined by the Challenger Learning Center for the purpose of paying the costs of obtaining training at the learning center. The application shall be prepared in such form and manner as required by the learning center and shall be submitted at a time to be determined and specified by the learning center.

(c) The learning center shall establish standards and criteria for reviewing, evaluating and approving applications for scholarships submitted pursuant to this section. All scholarships shall be awarded by the learning center in accordance with the standards and criteria established by the learning center. The learning center shall determine the amount of scholarships and shall be responsible for payment thereof.

HOUSE APPROPRIATIONS

DATE 4-19-2006
ATTACHMENT 17

Proposed House Omnibus Section

Sec. __. On July 1, 2006, K.S.A. 2005 Supp. 79-2959 as amended by section 160 of 2006 Senate Bill No. 480 is hereby amended to read as follows: 79-2959. (a) There is hereby created the local ad valorem tax reduction fund. All moneys transferred or credited to such fund under the provisions of this act or any other law shall be apportioned and distributed in the manner provided herein.

(b) On January 15 and on July 15 of each year, the director of accounts and reports shall make transfers in equal amounts which in the aggregate equal 3.63% of the total retail sales and compensating taxes credited to the state general fund pursuant to articles 36 and 37 of chapter 79 of Kansas Statutes Annotated and acts amendatory thereof and supplemental thereto during the preceding calendar year from the state general fund to the local ad valorem tax reduction fund, except that ~~no moneys shall be transferred from the state general fund to the local ad valorem tax reduction fund during state fiscal years 2007 and 2008~~ the amount of the transfer on each such date shall be \$27,340,500. during fiscal years 2007 and 2008. All such transfers are subject to reduction under K.S.A. 75-6704 and amendments thereto. All transfers made in accordance with the provisions of this section shall be considered to be demand transfers from the state general fund.

(c) The state treasurer shall apportion and pay the amounts transferred under subsection (b) to the several county treasurers on January 15 and on July 15 in each year as follows: (1) Sixty-five percent of the amount to be distributed shall be apportioned on the basis of the population figures of the counties certified to the secretary of state pursuant to K.S.A. 11-201 and amendments thereto on July 1 of the preceding year; and (2) thirty-five percent of such amount shall be apportioned on the basis of the equalized assessed tangible valuations on the tax rolls of the counties on November 1 of the preceding year as certified by the director of property valuation.

Sec. __. On July 1, 2006, K.S.A. 2005 Supp. 79-2959, as amended by section 160 of 2006 Senate Bill No. 480 is hereby repealed.

HOUSE APPROPRIATIONS

DATE 4-19-2006
ATTACHMENT 18

KSU Veterinary Medical Center

ADD \$112,850 from the State General Fund
for the Veterinary Training Program for Rural Kansas.
This funding will provide scholarships of \$20,000
for five first-year veterinary students and
\$12,850 for administrative costs.

HOUSE APPROPRIATIONS

DATE 4-19-2006
ATTACHMENT 19