

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on January 17, 2007, in Room 514-S of the Capitol.

All members were present except:

- Representative Barbara Ballard - excused
- Representative Jerry Henry - excused
- Representative Kevin Yoder - excused

Committee staff present:

- Alan Conroy, Legislative Research Department
- J. G. Scott, Legislative Research Department
- Becky Krahl, Legislative Research Department
- Aaron Klaassen, Legislative Research Department
- Amy Deckard, Legislative Research Department
- Jim Wilson, Revisor of Statutes
- Nikki Feuerborn, Chief of Staff
- Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

- Stephan Martino, Executive Director, State Racing and Gaming Commission
- John McElroy, Executive Director, State Gaming Agency
- Ed Van Petten, Executive Director, Kansas Lottery Commission
- Don Jordan, Secretary, Department of Social and Rehabilitation Services (SRS)

Others attending:

See attached list.

- Attachment 1 House Budget Committee Information
- Attachment 2 Presentation by Stephen Martino
- Attachment 3 Presentation by John McElroy
- Attachment 4 Presentation by Ed Van Petten
- Attachment 5 Overview of Economic Development Initiatives Fund (EDIF)
- Attachment 6 Presentation by Don Jordan

Representative Feuerborn moved to introduce legislation to (1) incorporate the Governor's proposed FY 2008 budget; (2) Governor's proposed supplemental budget; and (3) Governor's proposed capital improvements. The motion was seconded by Representative Gatewood. Motion carried.

Representative Gatewood moved to introduce legislation regarding a proposed rider to the state's insurance policy to cover mines in Southeast Kansas. The motion was seconded by Representative Lane. Motion carried.

Representative Bethell moved to introduce legislation regarding expansion of services for the medically underinsured. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Bethell moved to introduce legislation regarding the licensing of mental health technicians. The motion was seconded by Representative Holmes. Motion carried.

Representative McLeLand moved to introduce legislation regarding comprehensive accounting for school districts. The motion was seconded by Representative Masterson. Motion carried.

J. G. Scott, Legislative Research Department, explained the functions of the House Budget Committees as advisory committees to the House Appropriations Committee and as standing committees as authorized by House Rule 1105 (Attachment 1).

Chair Schwartz recognized Stephen Martino, Executive Director, State Racing and Gaming Commission, who presented an overview of the racing industry (Attachment 2). Mr. Martino

## CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on January 17, 2007, in Room 514-S of the Capitol.

reported that the trends in live and simulcast horse and dog racing are weakening, indicating that there has been a decline in the industry in each of the past sixteen years. This decline has caused a 40 percent reduction in live parimutuel tax collections and a 18 percent reduction in simulcast parimutuel tax collections. Responding to a question from the Committee, Mr. Martino indicated that the opening of casinos in Northeast Kansas appeared to have been a factor in the decline in racing. Mr. Martino noted that the agency is conducting a comprehensive review of rules and regulations, a review of the internal control policy and holding a series of listening meetings in Abilene, Kansas City and Pittsburg.

Chair Schwartz recognized John McElroy, Executive Director, State Gaming Agency, who presented an overview of the Agency (Attachment 3). Mr. McElroy stated that the Agency is funded by an assessment on the four recognized Kansas Indian tribes who operate the casinos in the State. The agency receives no State General Fund (SGF) funding except for any costs of arbitration, indicating that there were no arbitration costs in FY 2007.

The Chair recognized Ed Van Petten, Executive Director, Kansas Lottery, who presented an update on the agency (Attachment 4). Mr. Van Petten stated that the agency is proposing legislation to:

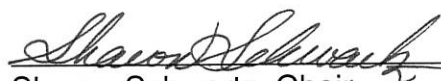
- Eliminate the sunset provision currently in effect which abolishes the lottery on July 1, 2008. Current statute already gives the Legislature the authority to end the lottery operations at any time.
- Eliminate the requirement that retailers post a certificate at their retail locations.
- Delete KSA 74-8705(e) which prohibits the renewal or extension of major procurement contracts.

Mr. Van Petten stated that current sales are 5.61 percent above the previous year's sales; however, sales in Southeast Kansas have declined since the opening of casinos in Oklahoma.

Amy Deckard, Legislative Research Department, presented an overview of the Economic Development Initiatives Fund (EDIF), the revenue flow, expenditures and proposed budget recommendations (Attachment 5).

Chair Schwartz recognized Don Jordan, Acting Secretary, Department of Social and Rehabilitation Services (SRS), who presented an overview of the agency including their mission and vision, guiding principles and an explanation of the various services (Attachment 6).

The meeting was adjourned at 10:55 a.m. The next meeting of the Committee will be held on January 18, 2007.

  
Sharon Schwartz, Chair

**House Appropriations Committee**  
**January 17, 2007**  
**9:00 A.M.**

NAME	REPRESENTING
Ed Med	LGR
John McElroy	KSGA
Michael Hopper	Kearney & Assoc
Leslie Torres	SILCK
Anne Marie Reaghey	SRIL
Mike Hammond	ACMHEK
Lindsey Douglas	Hein Law Firm
Gause Wingert	Ruffin Comp.
STEPHEN MARINO	KS RACING & GAMING COMM.
PAT EAKES	KS Comm. on Disability Concerns
Kevin Siek	TILRC
Mike Huttless	KAMU
Ed Van Patten	Lottery
MARK P MARTE	Conlee Consulting Group
DICK CARTER	TIAC
Sheena Smith	KS Chamber
Kevin B. Bane	Joseph / Mollender Leg. Cons
Mary Ellen Conlee	Youthville



## House Budget Committee Information

House Budget Committees are unique committees that serve two functions:

- As an advisory committee to the Appropriations committee; and
- As a standing committee related to their assigned budget area (ie., education)

### Advisory Committee

- Makes recommendations to Committee on Appropriations on agency budgets
- Can receive information
- Can receive bills referred by the Chair of Appropriations
- After consideration of bills referred by the Chair of Appropriations, can make recommendations to Chair of Appropriations
- Can make recommendations for the introduction of bills to the Chair of Appropriations, exempt from the deadlines for introduction and consideration of bills

### Standing Committee

- Can introduce bills or resolutions, excluding any bill or resolution with one or more line items of appropriation
- Can receive bills referred by the Speaker
- After consideration of bills referred by the Speaker, can report its recommendation to the Speaker
- Are subject to deadlines for introduction and consideration of bills

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HOUSE APPROPRIATIONS

DATE 1-17-2007  
ATTACHMENT 1



## HOUSE RESOLUTION No. 6001—

A RESOLUTION relating to the organization of the House of Representatives.

*Be it resolved by the House of Representatives of the State of Kansas:* That the Chief Clerk of the House of Representatives notify the Senate that the House is organized with the following officers:

Melvin Neufeld, speaker,  
 Donald L. Dahl, speaker pro tem,  
 Raymond F. Merrick, majority leader,  
 Dennis McKinney, minority leader,  
 Janet Jones, chief clerk,  
 Wayne Owen, sergeant at arms,  
 and awaits the pleasure of the Senate.

## INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

On emergency motion of Rep. Merrick, **HR 6002**, by Reps. Neufeld and McKinney, as follows, was introduced and adopted:

## HOUSE RESOLUTION No. 6002—

A RESOLUTION relating to assignment of seats of the House of Representatives.

*Be it resolved by the House of Representatives of the State of Kansas:* That the speaker be assigned seat No. 3; the speaker pro tem be assigned seat No. 2; the majority leader be assigned seat No. 4; the minority leader be assigned seat No. 5; and the remaining members of the house be assigned the following seats: Aurand 116, Ballard 35, Beamer 67, Bethell 106, Bowers 85, Brown 101, Brunk 114, Burgess 109, Burroughs 8, Carlin 21, Carlson 28, Colloton 82, Colyer 113, Craft 107, Crow 16, Crum 44, Davis 22, Dillmore 78, Donohoe 111, Faber 15, Faust-Goudeau 56, Feuerborn 19, Flaharty 95, Flora 51, Frownfelter 71, Fund 62, Garcia 34, Gatewood 59, George 48, Goico 64, Gordon 46, Goyle 93, Grange 43, Grant 40, Hawk 53, Hayzlett 27, Henderson 75, Henry 7, Hill 69, Hodge 104, Holland 90, Holmes, C. 119, Holmes, M. 24, Horst 63, Huebert 50, Humerickhouse 42, Huntington 47, Johnson 121, Kelley 86, Kelsey 81, Kiegerl 14, King 108, Kinzer 103, Knox 123, Kuether 52, Landwehr 79, Lane 76, Light 68, Loganbill 54, Long 60, Lukert 92, Mah 72, Mast 87, Masterson 41, McCray-Miller 39, McLachlan 20, McLeland 45, Menghini 74, Metsker 66, Morrison, Jim 99, Morrison, Judy 11, Moxley 102, Myers 9, Neighbor 55, O'Neal 13, Olson 112, Otto 124, Owens 120, Palmer 37, Patton 65, Pauls 94, Peck 61, Peterson 18, Phelps 36, Pottorff 88, Powell 25, Powers 125, Proehl 80, Rardin 33, Rhoades 84, Roth 49, Ruff 96, Ruiz 91, Sawyer 17, Schroeder 10, Shultz 12, Schwartz 1, Sharp 105, Siegfried 30, Sloan 118, Spalding 29, Storm 32, Svaty 77, Swanson 100, Swenson 122, Tafanelli 23, Tietze 89, Treaster 70, Trimmer 58, Vickrey 115, Ward 6, Watkins 97, Wetta 57, Whitham 26, Wilk 117, Williams 38, Winn 73, Wolf, B. 110, Wolf, K. 83, Worley 31, Yoder 98.

The first three seats south of the center aisle in the last row are reserved for the sergeants at arms.

## INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

On emergency motion of Rep. Merrick, **HR 6003**, by Reps. Neufeld and McKinney, as follows, was introduced and adopted:

## HOUSE RESOLUTION No. 6003—

A RESOLUTION relating to the rules of the House of Representatives for the 2007-2008 biennium.

*Be it resolved by the House of Representatives of the State of Kansas:* That except as otherwise hereinafter provided, the rules of the House of Representatives for the 2005-2006 biennium in effect at the time of adjournment sine die of the 2006 regular session of the legislature shall constitute the temporary rules of the House of Representatives for the 2007 regular session until permanent rules are adopted; and

*Be it further resolved:* That Rule 1101 of the 2005-2006 biennium shall be replaced by the following Rule 1101 which shall constitute a temporary rule of the House of Representatives for the 2007 regular session until permanent rules are adopted:

**Rule 1101. Standing Committees; Names and Members.** The standing committees of the House shall be the following and have the number of members indicated for each:

1. Agriculture and Natural Resources .....	19
2. Appropriations .....	23
3. Calendar and Printing .....	7
4. Commerce and Labor .....	19
5. Economic Development and Tourism .....	17
6. Education .....	23
7. Elections and Governmental Organization .....	17
8. Energy and Utilities .....	21
9. Federal and State Affairs .....	23
10. Government Efficiency and Technology .....	15
11. Health and Human Services .....	21
12. Insurance and Financial Institutions .....	15
13. Interstate Cooperation .....	7
14. Judiciary .....	19
15. Rules and Journal .....	5
16. Taxation .....	23
17. Transportation .....	19
18. Veterans, Military and Homeland Security .....	17

(b) The house standing committee on economic development and tourism shall constitute the successor committee to the house standing committee on tourism and the house standing committee on tourism and parks for purposes of references in statutory or other documents. The house standing committee on economic development and tourism shall constitute the successor committee to the house standing committee on economic development and the house standing committee on new economy for purposes of references in statutory or other documents. The house standing committee on judiciary shall constitute the successor committee to the house standing committee on corrections and juvenile justice for purposes of references in statutory or other documents. The house standing committee on agriculture and natural resources shall constitute the successor committee to the house standing committee on environment for purposes of references in statutory or other documents. The house standing committee on insurance and financial institutions shall constitute the successor committee to the house standing committee on financial institutions and the house standing committee on insurance for purposes of references in statutory or other documents. The house standing committee on education shall constitute the successor committee to the house standing committee on higher education for purposes of references in statutory or other documents.

*Be it further resolved:* That Rule 1105 of the 2005-2006 biennium shall be replaced by the following rule 1105 which shall constitute a temporary rule of the House of Representatives for the 2007 regular session until permanent rules are adopted:

**Rule 1105. Budget Committees.** (a) There is hereby created the following budget committees of the committee on appropriations which shall have the number of members indicated for each:

1. Agriculture and natural resources budget committee .....	9
2. Education budget committee .....	9
3. General government budget committee .....	9
4. Legislative budget committee .....	8
5. Social services budget committee .....	9
6. Transportation and public safety budget committee .....	9

(b) Members of the budget committees are not required to be members of the committee on appropriations. The Speaker shall designate the number of members of each budget committee who are not members of the committee on appropriations and shall appoint the members of each budget committee who are not members of the committee on appropriations. The chairperson of the committee on appropriations shall appoint the members of each budget committee who are members of the committee on appropriations. The Speaker shall appoint the chairperson of each budget committee. The Speaker may remove or replace

at any time any budget committee chairperson or any member of such committee appointed by the Speaker.

(c) Budget committees shall be advisory to and make recommendations to the committee on appropriations. Budget committees are authorized to introduce bills or resolutions, except that budget committees are not authorized to introduce bills containing one or more items of appropriation. Except as otherwise provided in this rule, budget committees shall be deemed to be standing committees under the rules of the House of Representatives.

(d) Budget committee meetings are subject to the Kansas open meetings act, K.S.A. 75-4317a *et seq.*, and amendments thereto.

#### INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following prefiled bills were introduced and read by title:

**HB 2001**, an act concerning the civil commitment of certain persons; relating to sexually violent predators; relating to rights of such predators; concerning battery against a mental health employee; amending K.S.A. 59-2978, 59-29a08 and 59-29a12 and K.S.A. 2006 Supp. 21-3448 and repealing the existing sections, by Representative Mitch Holmes.

**HB 2002**, an act concerning wildlife and parks; relating to the Kansas wildlife and parks commission; amending K.S.A. 32-805 and repealing the existing section, by Representatives Gatewood and Grant.

**HB 2003**, an act concerning day care; relating to day care for school children, by Representative Otto.

**HB 2004**, an act concerning economic development; extending the rural business development tax credit; amending K.S.A. 2006 Supp. 74-50,154 and repealing the existing section, by Committee on Economic Development.

**HB 2005**, an act concerning economic development; relating to the Kansas center for entrepreneurship; amending K.S.A. 2006 Supp. 74-99c04, 74-99c08 and 74-99c10, by Committee on Economic Development.

**HB 2006**, an act enacting Alexa's law; relating to crimes against unborn children, by Representative Brunk.

**HB 2007**, An act concerning contracts; relating to indemnification provisions and additional insured parties; amending K.S.A. 2006 Supp. 16-121 and repealing the existing section, by Representative Watkins.

**HB 2008**, An act concerning consumer protection; relating to automatic renewals, by Representative Watkins.

**HB 2009**, An act concerning pharmacists; relating to vaccinations; amending K.S.A. 2006 Supp. 65-1635a and repealing the existing section, by Representatives Kiegerl and Hill.

**HB 2010**, An act enacting the revised uniform anatomical gift act; amending K.S.A. 58-654, 59-3075 and 65-3219 and K.S.A. 2006 Supp. 8-243, 8-247, 8-1325 and 65-1728 and repealing the existing sections; also repealing K.S.A. 65-3209, 65-3210, 65-3211, 65-3212, 65-3213, 65-3214, 65-3215, 65-3216, 65-3217 and 65-3218, by Special Committee on Judiciary.

**HB 2011**, An act concerning the state conservation commission; relating to dams; requiring preparation of certain inundation maps; amending K.S.A. 2-1904 and repealing the existing section, by Special Committee on Agriculture and Natural Resources.

**HB 2012**, An act relating to driving under influence of alcohol or drugs; concerning excessive blood or breath alcohol concentration; providing penalties; amending K.S.A. 8-1005 and 8-1020 and K.S.A. 2006 Supp. 8-1001, 8-1014, 8-1567 and 21-4502 and repealing the existing sections, by Special Committee on Judiciary.

**HB 2013**, An act concerning motor-vehicle fuel taxation; relating to licenses required; exception; amending K.S.A. 79-3403 and repealing the existing section, by Special Committee on Agriculture and Natural Resources.

**HB 2014**, An act concerning postsecondary education; establishing the Kansas technical college and technical school commission; relating to the powers and duties thereof, by Legislative Educational Planning Committee.

1-4



**HOUSE BILL No. 2796**

By Committee on Appropriations

2-1

9 AN ACT relating to a Kansas horticulture industries survey; making and  
10 concerning appropriations for the Kansas department of agriculture  
11 for the fiscal years ending June 30, 2006, and June 30, 2007.  
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. (a) For the fiscal years ending June 30, 2006, and June 30,  
15 2007, appropriations are hereby made, restrictions and limitations are  
16 hereby imposed, and transfers, capital improvement projects, fees, re-  
17 ceipts, disbursements and acts incidental to the foregoing are hereby di-  
18 rected or authorized as provided in this act.

19 (b) This act shall not be subject to the provisions of subsection (a) of  
20 K.S.A. 75-6702 and amendments thereto.

21 Sec. 2.

**KANSAS DEPARTMENT OF AGRICULTURE**

22  
23 (a) There is appropriated for the above agency from the state general  
24 fund for the fiscal year or years specified, the following:

25 Kansas horticulture industries survey  
26 For the fiscal year ending June 30, 2006 ..... \$67,000

27 *Provided*, That any unencumbered balance in the Kansas horticulture  
28 industries survey account in excess of \$100 as of June 30, 2006, is hereby  
29 reappropriated for fiscal year 2007: *Provided further*, That all expendi-  
30 tures from the Kansas horticulture industries survey account shall be for  
31 a statewide survey of Kansas horticulture industries conducted by the  
32 Kansas agricultural statistics service of the Kansas department of agri-  
33 culture.

34 Sec. 3. This act shall take effect and be in force from and after its  
35 publication in the Kansas register.

1-5

**SENATE BILL No. 24**

By Legislative Educational Planning Committee

1-5

9 AN ACT concerning the medical student loan act; relating to stipends  
10 for tuition and living expenses; amending K.S.A. 76-382 and repealing  
11 the existing section.

12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 76-382 is hereby amended to read as follows: 76-  
15 382. (a) There is hereby established the medical student loan program at  
16 the university of Kansas school of medicine.

17 (b) Subject to the provisions of appropriation acts, the university of  
18 Kansas school of medicine may make medical student loans in accordance  
19 with the provisions of this act to undergraduate students enrolled in or  
20 admitted to the university of Kansas school of medicine in a course of  
21 instruction leading to the degree of doctor of medicine who enter into a  
22 written medical student loan agreement with the university of Kansas  
23 school of medicine in accordance with K.S.A. 76-383, and amendments  
24 thereto.

25 (c) Each medical student loan agreement under this act shall provide  
26 to the person receiving the loan the payment of all tuition and a stipend  
27 for living expenses ~~in an amount of up to \$1,500. For academic year 2007-~~  
28 ~~2008, the amount of such stipend shall not exceed \$2,000~~ per month for  
29 each month enrolled in such school during a year. *For academic year*  
30 *2008-2009 and each year thereafter, the maximum amount of such stipend*  
31 *shall be increased by an amount equal to the percentage increase in the*  
32 *CPI (urban) during the preceding fiscal year as certified to the university*  
33 *of Kansas medical school by the director of the budget on August 15 of*  
34 *each year. Subject to the maximum amount, the amount of the monthly*  
35 *stipend shall be determined on an annual basis by the student receiving*  
36 *the loan.*

37 (d) Subject to the provisions of appropriation acts, medical student  
38 loan agreements under this act may be entered into on an annual basis  
39 and shall provide the payment of the amounts specified under subsection  
40 (c) for one year unless otherwise terminated before such period of time.  
41 Subject to the provisions of appropriation acts, an undergraduate student  
42 enrolled in or admitted to the university of Kansas school of medicine in  
43 a course of instruction leading to the degree of doctor of medicine may

1-6

1 receive a separate loan under this act for each separate year the student  
2 enters into a written medical student loan agreement with the university  
3 of Kansas school of medicine in accordance with K.S.A. 76-383, and  
4 amendments thereto. *Loans may be awarded retroactively for any aca-*  
5 *ademic year that a student has completed successfully at the university of*  
6 *Kansas medical school, but for which a loan had not previously been*  
7 *awarded. Retroactive loans shall be in an amount equal to the amount of*  
8 *tuition paid by the student, plus a stipend in an amount not to exceed the*  
9 *maximum amount of the stipend for such academic year multiplied by the*  
10 *number of months for which the student was enrolled at the medical*  
11 *school during such year.* For each separate year a student receives a loan  
12 under this act, the student shall engage in the full-time practice of med-  
13 icine and surgery in an appropriate service commitment area for a period  
14 of 12 months unless such obligation is otherwise satisfied as provided in  
15 K.S.A. 76-386, and amendments thereto.

16 (e) Medical student loans shall be awarded on a priority basis as fol-  
17 lows, first to qualified applicants who are Kansas residents at the time of  
18 entry into the university of Kansas school of medicine, and second, to  
19 qualified applicants who are not Kansas residents at the time of entry into  
20 the university of Kansas school of medicine. As used in this subsection,  
21 "Kansas residents" means persons who meet the residence requirements  
22 established in K.S.A. 76-729, and amendments thereto.

23 Sec. 2. K.S.A. 76-382 is hereby repealed.

24 Sec. 3. This act shall take effect and be in force from and after its  
25 publication in the statute book.



## HOUSE BILL No. 2011

By Special Committee on Agriculture and Natural Resources

12-5

9 AN ACT concerning the state conservation commission; relating to dams;  
10 requiring preparation of certain inundation maps; amending K.S.A. 2-  
11 1904 and repealing the existing section.

12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2-1904 is hereby amended to read as follows: 2-  
15 1904. (a) There is hereby established, to serve as an agency of the state  
16 and to perform the functions conferred upon it in this act, the state con-  
17 servation commission. The state conservation commission shall succeed  
18 to all the powers, duties and property of the state soil conservation com-  
19 mittee. The commission shall consist of nine members as follows:

20 (1) The director of the cooperative extension service and the director  
21 of the state agricultural experiment station located at Manhattan, Kansas,  
22 or such persons' designees shall serve, ex officio, as members of the  
23 commission.

24 (2) The commission shall request the secretary of agriculture of  
25 United States of America to appoint one person and the secretary of the  
26 Kansas department of agriculture to appoint one person, each of whom  
27 shall be residents of the state of Kansas to serve as members of the com-  
28 mission. These members shall hold office for four years and until a suc-  
29 cessor is appointed and qualifies, with terms commencing on the second  
30 Monday in January beginning in 1973.

31 (3) Five members of the state commission shall be elected by the  
32 conservation district supervisors at a time and place to be designated by  
33 the state conservation commission. The method of electing such members  
34 to be conducted as follows: The state is to be divided into five separate  
35 areas. Area No. I to include the following counties: Cheyenne, Rawlins,  
36 Decatur, Norton, Phillips, Smith, Osborne, Rooks, Graham, Sheridan,  
37 Thomas, Sherman, Wallace, Logan, Gove, Trego, Ellis and Russell. Area  
38 No. II to include: Greeley, Wichita, Scott, Lane, Ness, Rush, Pawnee,  
39 Hodgeman, Finney, Kearny, Hamilton, Edwards, Ford, Gray, Haskell,  
40 Grant, Stanton, Morton, Stevens, Seward, Meade, Clark, Comanche and  
41 Kiowa. Area No. III to include: Jewell, Republic, Mitchell, Cloud, Lin-  
42 coln, Ottawa, Ellsworth, Saline, Rice, McPherson, Reno, Harvey, King-  
43 man, Sedgwick, Sumner, Harper, Barber, Pratt, Barton and Stafford. Area

1 No. IV to include: Washington, Marshall, Nemaha, Brown, Doniphan,  
2 Clay, Riley, Pottawatomie, Jackson, Atchison, Jefferson, Leavenworth,  
3 Wyandotte, Johnson, Douglas, Shawnee, Wabaunsee, Geary, Dickinson,  
4 Morris, Osage, Franklin and Miami. Area No. V to include: Marion,  
5 Chase, Lyon, Coffey, Anderson, Linn, Bourbon, Allen, Woodson, Green-  
6 wood, Butler, Elk, Wilson, Neosho, Crawford, Cowley, Chautauqua,  
7 Montgomery, Labette and Cherokee. Areas II and IV will elect in even  
8 number years and Areas I, III and V shall elect in odd number years for  
9 two year terms. The elected commission members from Areas I, III and  
10 V shall take office on January 1, of the even number years. The remaining  
11 two elected members of the state commission from Areas II and IV shall  
12 take office on January 1, of the odd number years. The method of election  
13 is to be by area caucus of the district supervisors of each of the five  
14 separate areas of Kansas. The commission shall give each district notice  
15 of the time and place of such annual election meeting by letter if a mem-  
16 ber is to be elected to the commission from that area that year. The  
17 selection of a successor to fill an unexpired term shall be by appointment  
18 by the commission. The successor who is appointed to fill the unexpired  
19 term shall be a resident of the same area as that of the predecessor.

20 (b) The commission shall keep a record of its official actions, shall  
21 adopt a seal which seal shall be judicially noticed, and may perform such  
22 acts, hold such public hearings and adopt rules and regulations necessary  
23 for the execution of its functions under this act.

24 (c) The state conservation commission may employ an administrative  
25 officer and such technical experts as it may require and shall determine  
26 their qualifications and duties. Such officer and experts shall be in the  
27 unclassified service of the Kansas civil service act and shall receive annual  
28 salaries fixed by the commission and approved by the state finance coun-  
29 cil. All other agents and employees, permanent or temporary, required  
30 by the state conservation commission, shall be within the classified service  
31 of the Kansas civil service act. The commission may call upon the attorney  
32 general of the state for such legal services as it may require. It shall have  
33 authority to delegate to its chairperson, to one or more of its members  
34 or to one or more agents or employees, such powers and duties as it  
35 deems proper. It shall be supplied with suitable office accommodations  
36 at the state capital, and shall be furnished with the necessary supplies and  
37 equipment. Upon request of the commission, for the purpose of carrying  
38 out any of its functions, the supervising officer of any state agency or of  
39 any state institution of learning, insofar as may be possible under available  
40 appropriations and having due regard to the needs of the agency to which  
41 the request is directed, shall assign or detail to the commission members  
42 of the staff or personnel of such agency or institution of learning and  
43 make such special reports, surveys or studies as the commission may

1 request.

2 (d) The commission shall designate its chairperson and, from time to  
3 time, may change such designation. A majority of the commission shall  
4 constitute a quorum, and the concurrence of a majority in any matter  
5 within their duties shall be required for its determination. Members of  
6 the state conservation commission attending meetings of such commis-  
7 sion or attending a subcommittee meeting thereof authorized by such  
8 commission shall be paid compensation, subsistence allowances, mileage  
9 and other expenses as provided in K.S.A. 75-3223, and amendments  
10 thereto. The commission shall provide for keeping of a full and accurate  
11 record of all proceedings and of all resolutions, regulations and orders  
12 issued or adopted.

13 (e) In addition to the duties and powers hereinafter conferred upon  
14 the state conservation commission, it shall have the following duties and  
15 powers:

16 (1) To offer such assistance as may be appropriate to the supervisors  
17 of conservation districts, organized as provided hereinafter, in the carry-  
18 ing out of any of their powers and programs;

19 (2) to keep the supervisors of each of the several districts organized  
20 under the provisions of this act informed of the activities and experience  
21 of all other districts organized hereunder and to facilitate an interchange  
22 of advice and experience between such districts and cooperation between  
23 them;

24 (3) to coordinate the programs of the several conservation districts  
25 organized hereunder;

26 (4) to secure the cooperation and assistance of the United States and  
27 any of its agencies and of agencies of this state, in the work of such districts  
28 and to contract with or to accept donations, grants, gifts and contributions  
29 in money, services or otherwise from the United States or any of its agen-  
30 cies or from the state or any of its agencies in order to carry out the  
31 purposes of this act;

32 (5) to disseminate information throughout the state concerning the  
33 activities and programs of the conservation districts organized hereunder  
34 and to encourage the formation of such districts in areas where their  
35 organization is desirable;

36 (6) to cooperate with and give assistance to watershed districts and  
37 other special purpose districts in the state of Kansas for the purpose of  
38 cooperating with the United States through the secretary of agriculture  
39 in the furtherance of conservation pursuant to the provisions of the wa-  
40 tershed protection and flood prevention act, as amended;

41 (7) to cooperate in and carry out, in accordance with state policies,  
42 activities and programs to conserve and develop the water resources of  
43 the state and maintain and improve the quality of such water resources;



1 (8) to enlist the cooperation and collaboration of state, federal, re-  
2 gional, interstate, local, public and private agencies with the conservation  
3 districts; ~~and~~

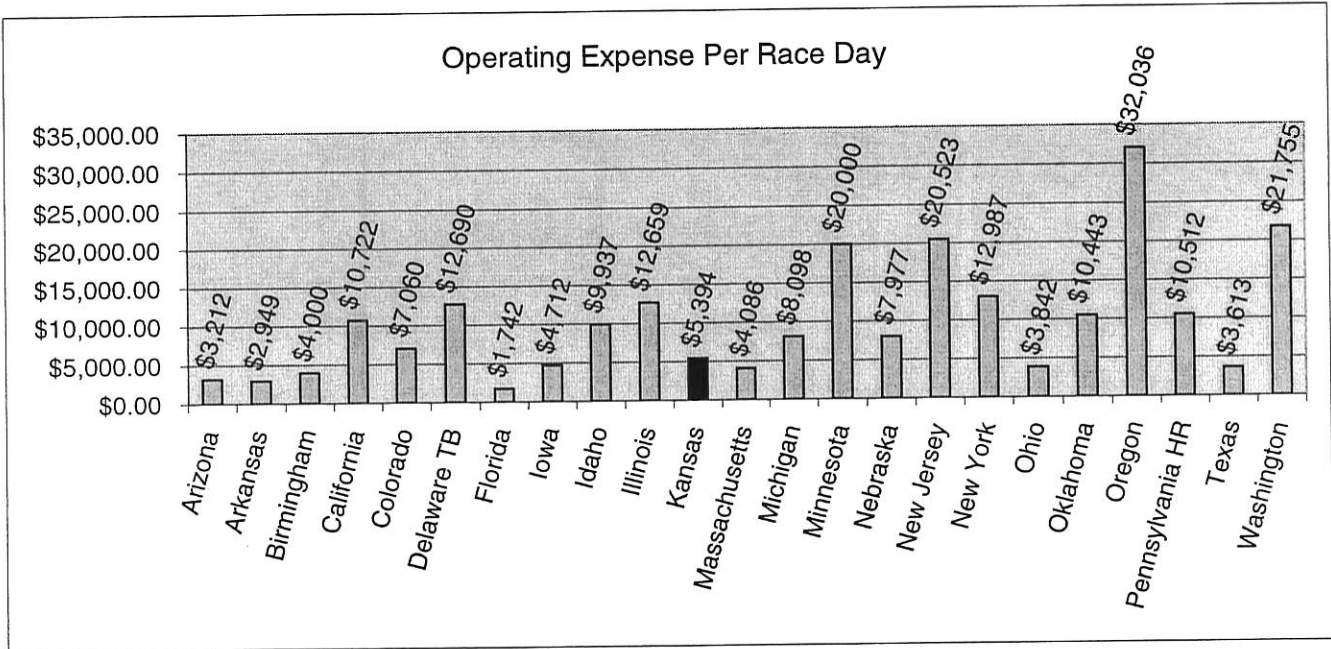
4 (9) to facilitate arrangements under which conservation districts may  
5 serve county governing bodies and other agencies as their local operating  
6 agencies in the administration of any activity concerned with the conser-  
7 vation of natural resources; *and*

8 (10) *within the limits of appropriations therefor, to prepare and*  
9 *maintain inundation maps for all jurisdictional dams that do not have an*  
10 *inundation map prepared.*

11 Sec. 2. K.S.A. 2-1904 is hereby repealed.

12 Sec. 3. This act shall take effect and be in force from and after its  
13 publication in the statute book.

## Kansas Racing and Gaming Commission Pari-Mutuel Industry Budget Comparison



	Commissioner Pay	Director Pay	Operating Budget	Race Days	FTE	Laboratory Testing	Stewards/Judges	Enforcement Agents Auditing Staff	Attorneys/Assistant AG's
Arizona	\$30 per meeting	\$95,672	\$2,996,800	933	46.5	2 state, 1 track		XX	
Arkansas	\$85 + exp/diem	\$72,000	\$1,070,417	363	14			XX	
Birmingham	\$25,000	\$75,000	\$1,200,000	300	11			XX	XX
California	\$100/month	\$108,000	\$10,100,000	942	76				
Colorado	Expenses	\$105,588	\$2,019,113	286	18.5	2 state, 1 track			
Delaware TB	\$150-\$250/meeting	\$81,000 + vehicle	\$1,725,800	136	6			XX	
Florida	N/A	91,187	\$8,698,688	4993	62	1 state, 2 track			XX
Iowa	\$10,000 + exp	\$95,055-\$145,430	\$2,671,520	567	27.53				
Idaho	\$50 + exp/diem	\$60,000	\$814,800	82	3				
Illinois	\$300/meeting	\$103,000	\$7,836,000	619	65				
Kansas	\$24000 + exp	\$78,831	\$2,961,136	549	35				
Massachusetts	\$24,648	\$92,925	\$3,178,591	778	33	2 state, 1 track			
Michigan	N/A	\$88,400	\$3,644,100	450	11	XX		XX	XX
Minnesota	\$55/diem	\$88,000	\$1,360,000	68	8				
Nebraska	Expenses	\$86,264	\$853,579	107	8.5				
New Jersey	No pay	\$113,000	\$9,769,000	476	89				
New York	\$101,600-\$121,000	\$128,000	\$14,052,000	1082	135				
Ohio	\$35.17/hour	\$54,974-\$110,760	\$4,000,000	1041	17	1 state		XX	50% cost
Oklahoma	\$50/diem + exp	\$87,255	\$2,757,000	264	25				XX
Oregon	\$30/mtg + mileage	\$51,800-\$79,176	\$3,427,864	107	14.52				
Pennsylvania HR	\$150/diem + exp	\$81,408	\$4,656,890	443	115				
Texas	Per diem + travel	\$77,760	\$4,632,223	1282	69	XX			
Washington	\$100/diem + exp	\$89,112	\$2,393,000	110	19.2				

XX - not included in budget

HOUSE APPROPRIATIONS

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2-2

Kansas Racing and Gaming Commission  
Budget Worksheet - Expenditures  
FY 2007 & 2008

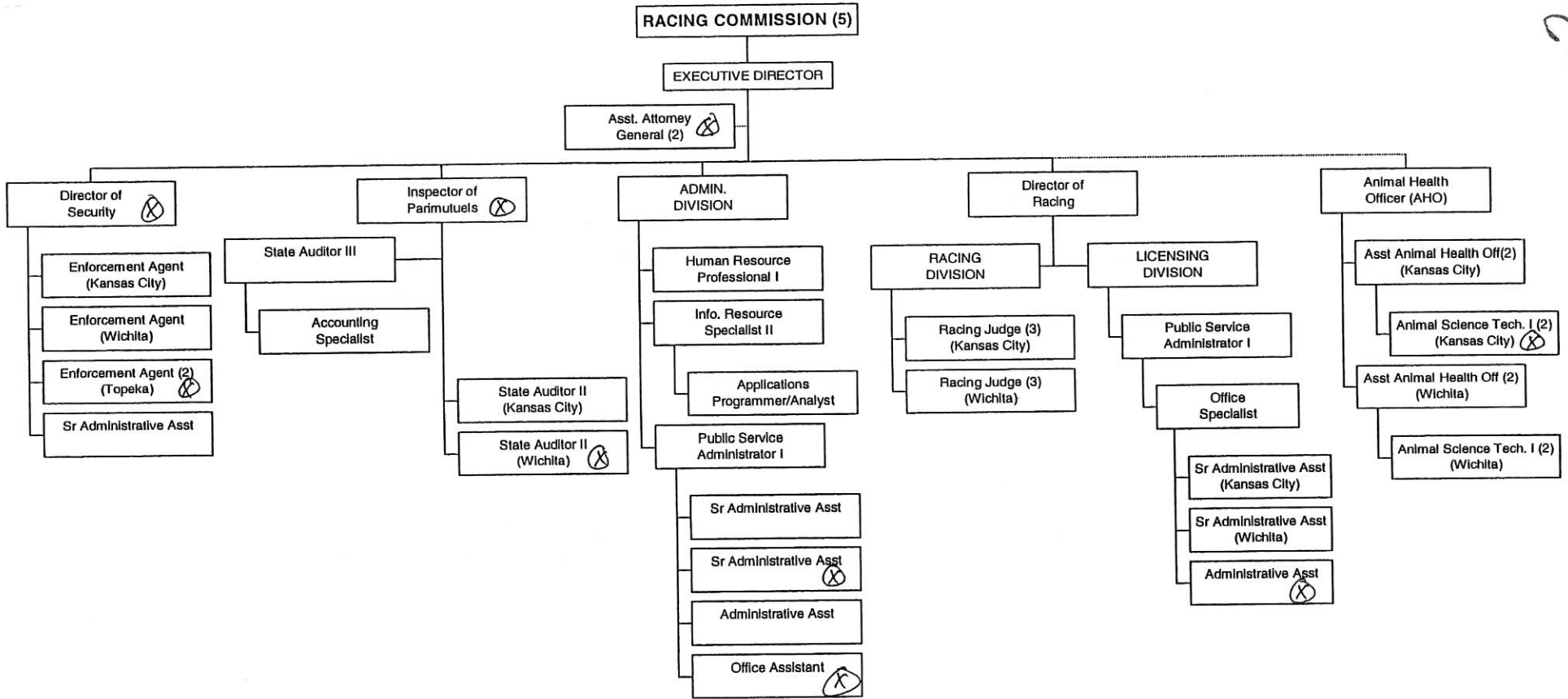
5131 - State Racing Fund

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
	FY 2006 Actual	FY 2006 Budget	Difference	FY 2007 Approved Budget	Suggested Change in FY 2007	Submitted FY 2007 Budget	Changes During Budget Process	FY 2007 Final Budget	Changes from Submitted FY 2007 to FY 2008	FY 2008 Base Budget	Enhancement FY 2008 Budget	Submitted FY 2008 Budget	Changes During Budget Process	Approved FY 2008 Budget
Salaries	2,245,207	2,304,135	(58,928)	2,133,126	10,127	2,143,253	-	2,143,253	54,161	2,197,414	11,738	2,209,152		2,209,152
Contractual Services														
Communication	58,480	70,000	(11,520)	67,494	(7,488)	60,006	-	60,006	-	60,006	-	60,006		60,006
Freight & express	189	1,300	(1,111)	1,267	(1,067)	200	-	200	-	200	-	200		200
Printing & advertising	560	1,000	(440)	571	29	600	-	600	-	600	-	600		600
Rents	144,094	158,000	(13,906)	158,000	5,500	163,500	-	163,500	2,500	166,000	-	166,000		166,000
Repairing & servicing	10,931	14,000	(3,069)	17,768	(3,768)	14,000	-	14,000	-	14,000	-	14,000		14,000
Travel & subsistence	63,723	55,000	8,722	46,160	18,840	65,000	-	65,000	-	65,000	-	65,000		65,000
Fees-other services	303,332	290,000	13,332	218,735	76,265	295,000	-	295,000	5,000	300,000	-	300,000		300,000
Fees-professional services	8,008	5,700	2,308	5,655	345	6,000	-	6,000	-	6,000	-	6,000		6,000
Other contractual services	12,435	14,000	(1,565)	13,704	296	14,000	-	14,000	-	14,000	-	14,000		14,000
Total contractual services	601,752	609,000	(7,248)	529,354	88,952	618,306	-	618,306	7,500	625,806	-	625,806		625,806
Commodities														
Clothing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance materials, supplies	219	181	38	181	19	200	-	200	-	200	-	200		200
Motor vehicle parts, supplies	7,328	6,000	1,328	6,000	2,000	8,000	-	8,000	-	8,000	-	8,000		8,000
Professional & scientific supplies	10,914	15,000	(4,086)	15,000	(1,000)	14,000	-	14,000	-	14,000	-	14,000		14,000
Stationery & office supplies	10,226	12,439	(2,213)	12,439	(439)	12,000	-	12,000	-	12,000	-	12,000		12,000
Other supplies, materials, parts	448	1,400	(952)	1,400		1,400	-	1,400	-	1,400	-	1,400		1,400
Total commodities	29,135	35,020	(5,885)	35,020	580	35,600	-	35,600	-	35,600	-	35,600		35,600
Capital outlay	-	-	-	2,500	-	2,500	-	2,500	(2,500)	-	-	-	-	-
Total Expenditures	2,876,094	2,948,155	(72,061)	2,700,000	99,659	2,799,659	-	2,799,659	59,161	2,858,820	11,738	2,870,558		2,870,558



KANSAS RACING AND GAMING COMMISSION

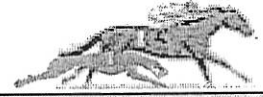
2-3



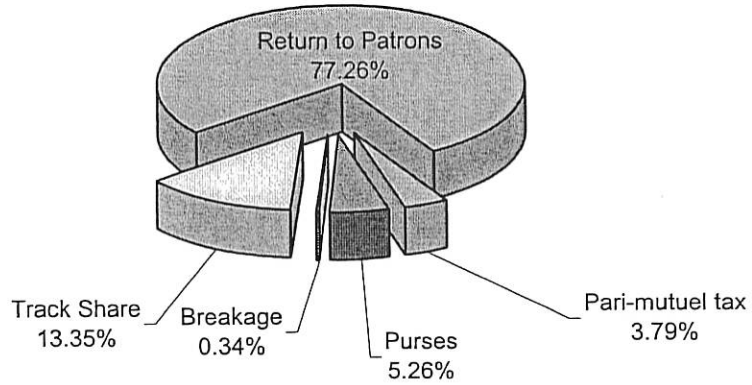
- \* The Assistant Attorney General positions report to the Attorney General's Office but are counted in the Racing Commission's FTE allotment. The Executive Director supervises the day-to-day legal operation duties.
  - \*\* The Animal Health Officers are under the direction of the Racing Commission and supervised by the Executive Director.
- Note: Campdown Greyhound Park in Frontenac, Kansas, ceased operations in November 2000.



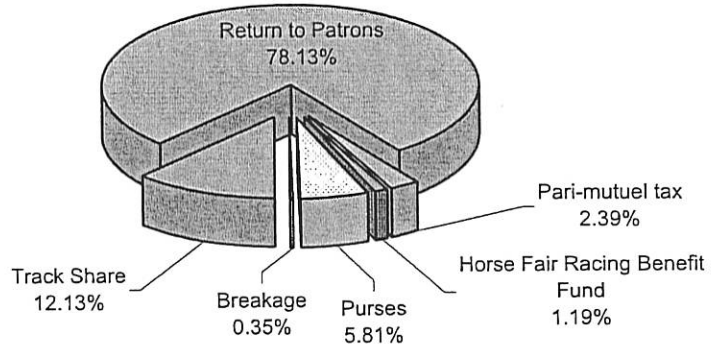
# The Wagering Dollar



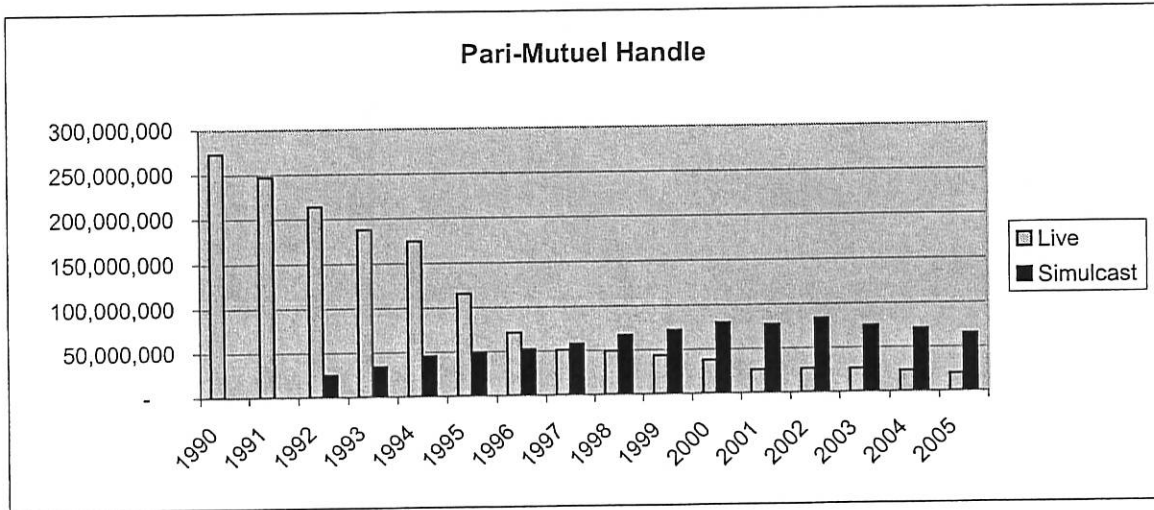
## Live Racing - 2005



## Simulcast Racing - 2005

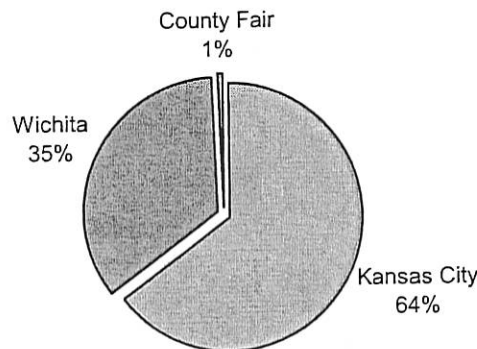


**Kansas Racing and Gaming Commission  
Parimutuel Handle  
Calendar Years 1990-2005**



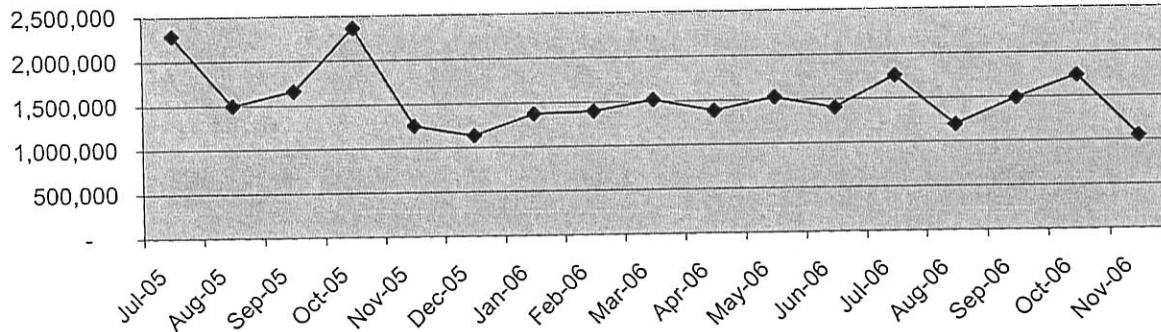
Calendar Year	Live	Simulcast	Total	% Change
1990	273,355,638	-	273,355,638	
1991	246,971,572	-	246,971,572	-9.65%
1992	214,235,214	25,469,929	239,705,143	-2.94%
1993	187,974,813	34,362,423	222,337,236	-7.25%
1994	174,344,451	45,944,187	220,288,638	-0.92%
1995	115,686,926	49,348,652	165,035,578	-25.08%
1996	70,859,045	52,315,297	123,174,342	-25.36%
1997	51,241,024	57,849,781	109,090,805	-11.43%
1998	49,521,893	66,918,833	116,440,726	6.74%
1999	43,743,621	72,112,135	115,855,756	-0.50%
2000	37,698,365	80,089,374	117,787,739	1.67%
2001	26,440,891	77,568,818	104,009,709	-11.70%
2002	27,151,949	83,680,054	110,832,003	6.56%
2003	26,654,689	75,020,803	101,675,492	-8.26%
2004	23,809,254	71,077,462	94,886,716	-6.68%
2005	20,305,725	65,272,302	85,578,027	-9.81%

**2005 Handle By Location**

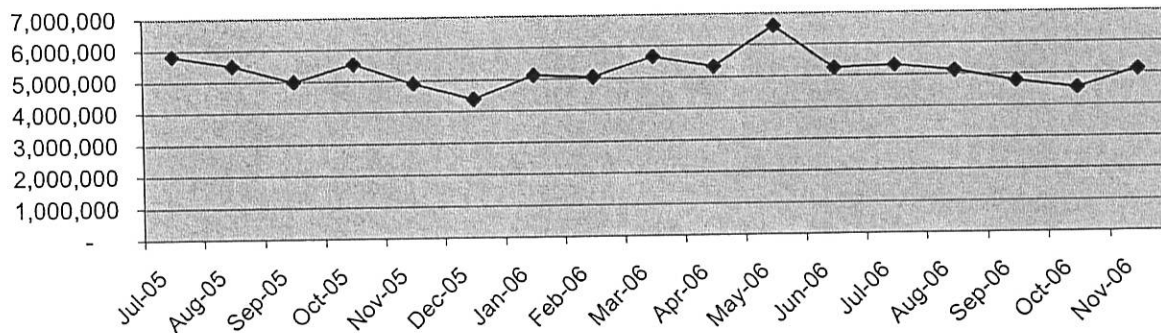


## Kansas Racing and Gaming Commission

### Live Pari-Mutuel Handle July 2005 - November 2006



### Simulcast Pari-Mutuel Handle July 2005 - November 2006



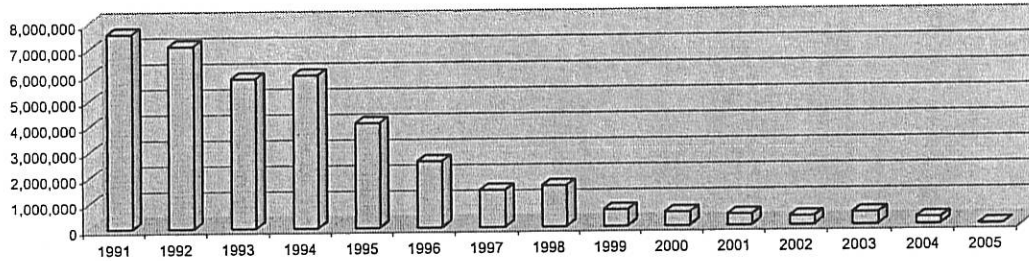
Handle	Live	Simulcast	Total
Jul-05	2,284,240	5,817,913	8,102,153
Aug-05	1,499,446	5,504,869	7,004,315
Sep-05	1,657,486	4,989,018	6,646,504
Oct-05	2,361,764	5,531,487	7,893,251
Nov-05	1,253,398	4,897,736	6,151,134
Dec-05	1,134,781	4,386,351	5,521,131
Jan-06	1,370,634	5,121,602	6,492,236
Feb-06	1,393,298	5,044,713	6,438,011
Mar-06	1,512,857	5,662,827	7,175,683
Apr-06	1,383,452	5,327,959	6,711,411
May-06	1,522,752	6,601,225	8,123,977
Jun-06	1,400,028	5,231,010	6,631,038
Jul-06	1,752,054	5,309,747	7,061,801
Aug-06	1,195,264	5,117,505	6,312,769
Sep-06	1,487,401	4,781,752	6,269,154
Oct-06	1,734,575	4,542,642	6,277,217
Nov-06	1,046,989	5,107,430	6,154,419



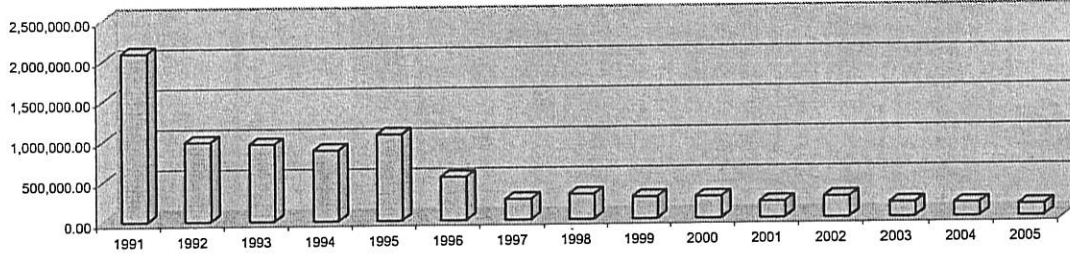
# Benefits of Parimutuel Racing



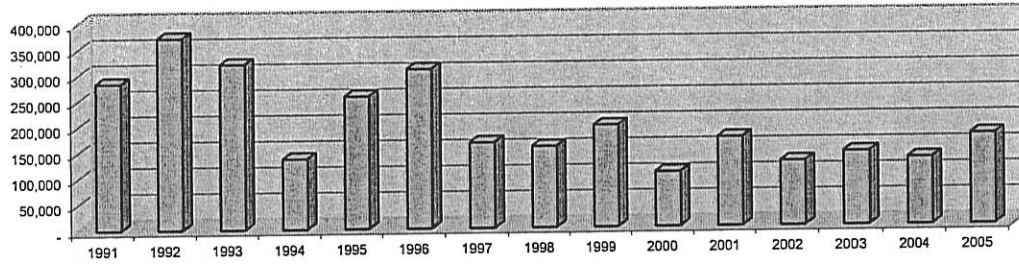
### Transfers to State Gaming Revenue Fund



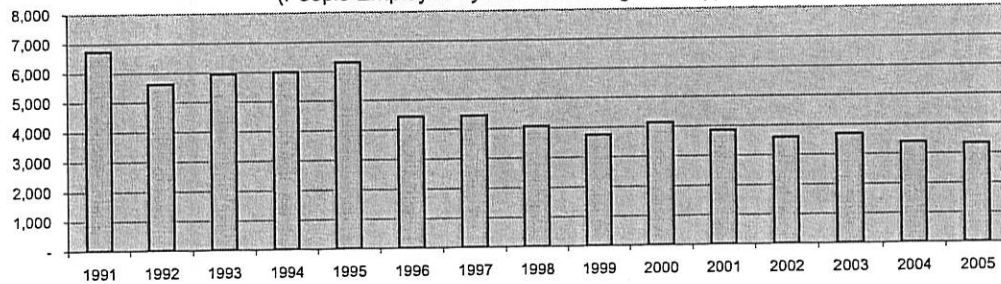
### Charitable Contributions



### Research Grants Funded

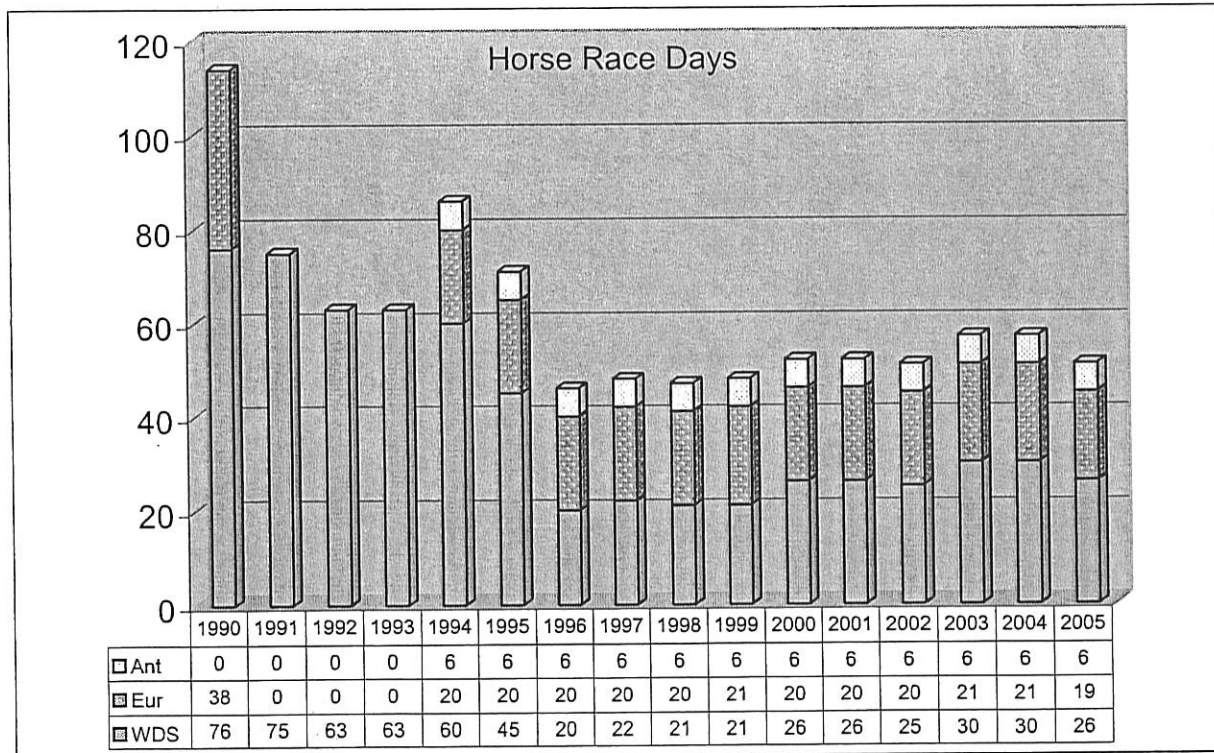
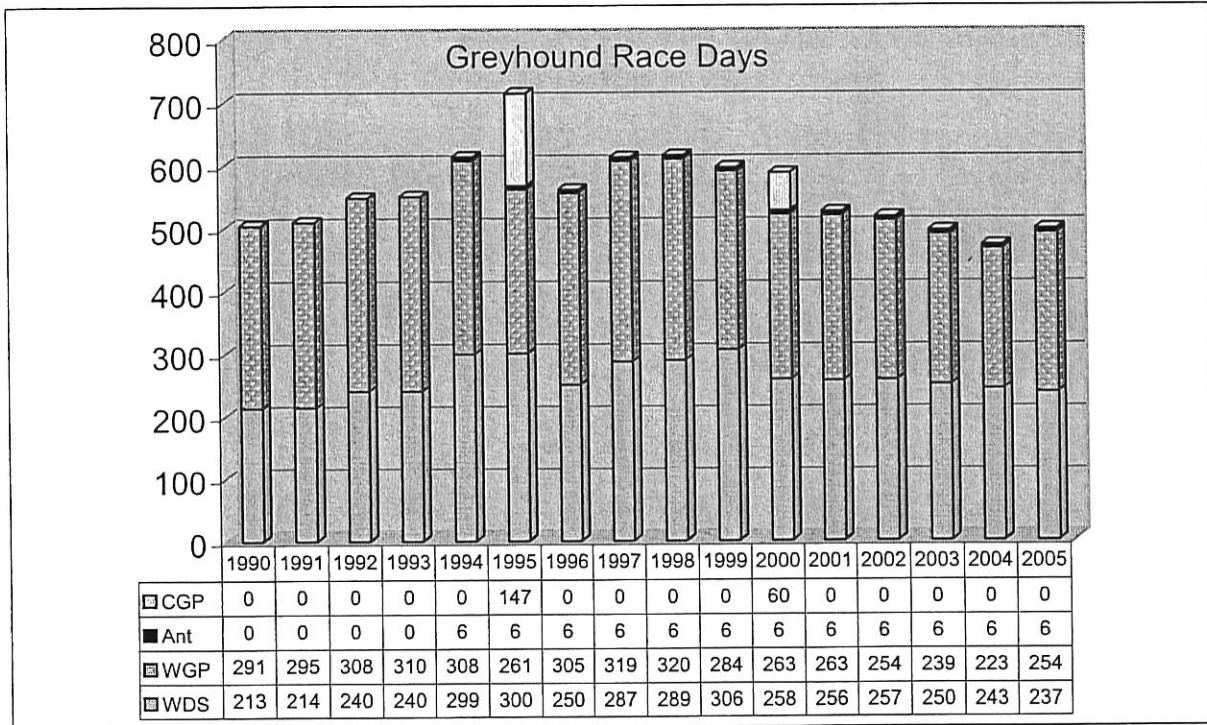


### Occupational Licenses Issued (People Employed by Kansas Racing Industry)

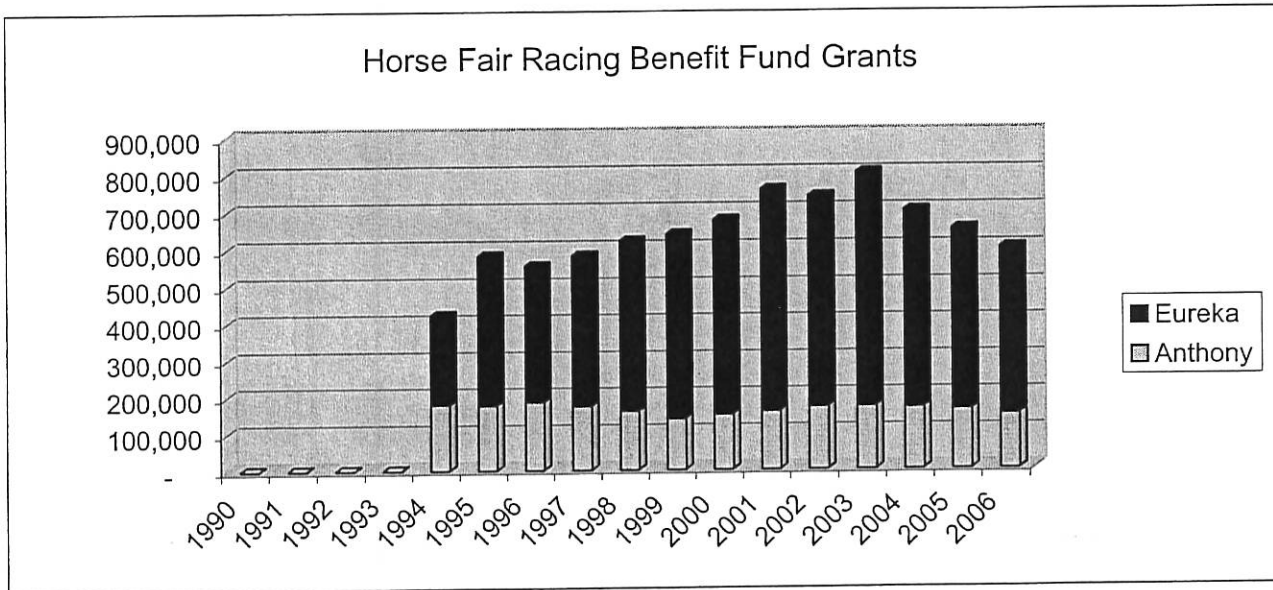




## Kansas Racing and Gaming Commission Race Days 1990 - 2005



**Kansas Racing and Gaming Commission  
Horse Fair Racing Benefit Fund Grant Awards**



	Anthony	Eureka	Total
1990	-	-	-
1991	-	-	-
1992	-	-	-
1993	-	-	-
1994	179,345	242,333	421,678
1995	176,746	405,635	582,381
1996	185,000	370,060	555,060
1997	174,300	407,652	581,952
1998	160,000	461,600	621,600
1999	138,480	500,000	638,480
2000	150,000	526,000	676,000
2001	158,000	600,000	758,000
2002	170,517	568,390	738,907
2003	171,778	630,000	801,778
2004	168,000	532,000	700,000
2005	162,500	487,500	650,000
2006	150,000	450,000	600,000

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Kansas Racing and Gaming Commission  
Budget Worksheet - Receipts  
FY 2007 & 2008

5131 - State Racing Fund

	A	B	C	D	E	F	G	H	I	J	K	L	M	N				
	FY 2006 Actual	FY 2006 Budget	Difference	FY 2007 Approved Budget	FY 2007 Adjustments	Revised FY 2007 Budget	Changes During Budget Process	FY 2007 Final Budget	Change from FY 2007 to FY 2008	FY 2008 Budget	Enhancement FY 2008 Budget	Submitted FY 2008 Budget	Changes During Budget Process	FY 2008 Final Budget				
Receipts																		
Parimutuel tax - live	708,622	721,002	(12,380)	721,002	(85,272)	635,730	-10%	(85,831)	549,899	-22%	(60,079)	575,651	-19%	-	575,651	(147,525)	428,126	-40%
Parimutuel tax - simulcast	1,528,975	1,483,975	45,000	1,483,975	(28,507)	1,455,468	-5%	(66,849)	1,388,619	-9%	(68,585)	1,386,883	-9%	-	1,386,883	(125,965)	1,260,918	-18%
Admissions tax	2,015	3,000	(985)	3,000	(1,000)	2,000	-1%	-	2,000	-	-	2,000	-1%	-	2,000	-	2,000	-1%
License fee - individual	57,566	66,000	(8,434)	66,000	(9,000)	57,000	-1%	-	57,000	-	-	57,000	-1%	-	57,000	-	57,000	-1%
License fee - business	1,741	2,500	(759)	2,500	(800)	1,700	-2%	-	1,700	-	-	1,700	-2%	-	1,700	-	1,700	-2%
License fee - daily	137,752	137,400	352	137,400	-	137,400	0%	-	137,400	-	-	137,400	0%	-	137,400	-	137,400	0%
Fines	19,819	30,000	(10,181)	30,000	(10,000)	20,000	1%	-	20,000	-	-	20,000	1%	-	20,000	-	20,000	1%
Miscellaneous revenues	545	3,000	(2,455)	3,000	(2,400)	600	10%	-	600	-	-	600	10%	-	600	-	600	10%
KSIP transfer out	(10,275)	-	(10,275)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer In/SGF Loan	200,000	200,000	-	-	397,468	397,468	-	152,680	550,148	280,118	677,586	11,738	689,324	273,490	962,814	-	962,814	-
Transfer Out	(26,863)	-	(26,863)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	2,619,897	2,646,877	(26,980)	2,446,877	260,489	2,707,366	-	2,707,366	151,454	2,858,820	11,738	2,870,558	-	2,870,558	-	2,870,558	-	
Total Expenses	2,876,094	2,948,155	(72,061)	2,700,000	99,659	2,799,659	-	2,799,659	-	2,858,820	-	2,870,558	-	2,870,558	-	2,870,558	-	
Beginning Cash Balance	348,489	-	-	-	-	92,292	-	92,292	-	(0)	-	(0)	-	(0)	-	(0)	-	
Change in Net Assets	(256,197)	(301,278)	45,081	(253,123)	160,830	(92,293)	-	(92,293)	151,454	0	11,738	0	-	0	-	0	-	
Ending Cash Balance	92,292	-	-	-	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	

# KANSAS

KANSAS STATE GAMING AGENCY  
JOHN McELROY, EXECUTIVE DIRECTOR

KATHLEEN SEBELIUS, GOVERNOR

## Testimony Before the House Appropriations Committee of

John E. McElroy, JD, CFE  
Executive Director  
Kansas State Gaming Agency  
January 17, 2007

It is my pleasure to appear today before the House Appropriations Committee to provide information about the Kansas State Gaming Agency. In Kansas, the Iowa Tribe of Kansas and Nebraska, the Prairie Band Potawatomi Nation of Kansas, the Kickapoo Tribe in Kansas, and the Sac and Fox Nation of Missouri in Kansas and Nebraska each have a reservation and a casino. Each casino operates through the terms of a Tribal State Compact.

KSA 74-9805 limits the jurisdiction of the Agency to oversight and investigations concerning tribal gaming operations in Kansas carried out in connection with Tribal State Compacts. Specifically, the Agency is charged with monitoring gaming activities at the casinos and doing background investigations of gaming personnel, tribal gaming inspectors and vendors who sell more than \$10,000 in gaming equipment to casinos annually. Licensing is done by the individual Tribal Gaming Commissions who are also designated in the Compacts as the primary regulators. The Agency has no jurisdiction over any other type of gaming, legal or illegal.

The Agency was officially designated a part of the Kansas Racing and Gaming Commission in the Tribal Gaming Oversight Act, KSA 74-9801 et seq, in 1996. The Commission approves the Agency's budget, the number and qualifications of its employees and any expenditures for arbitration according to KSA 74-9803. All other management functions are left to the executive director and his designees. I have been the executive director of the Agency since April, 2003. I am a lawyer and spent eighteen years investigating white collar crime cases and public corruption cases for the KBI.

700 SW Harrison, Suite 530, Topeka, Kansas 66603  
(785) 368-6202 FAX: (785) 291-3798

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The Agency has three management/ supervisory personnel, a compliance officer, three support personnel, six special investigators and nine enforcement agents. The Agency currently has two vacancies. Special investigators are assigned to do Category II (average gaming employee) background investigations exclusively. Corporate and Category I (key gaming employee) background investigations are done by enforcement agents. Enforcement agents are sworn law enforcement officers. Enforcement agents are also responsible for monitoring gaming activity at the casinos. The Agency operates 11 vehicles.

I am unable to discuss with you any particular information in regard to any particular casino. KSA 45-221 (42) prohibits disclosure of records when disclosure is prohibited by a Tribal State Compact. All Tribal State Compacts clearly call attention to the confidential and proprietary nature of information provided to the Agency by the Tribes to permit the Agency to carry out its mission.

The Agency is entirely funded by contributions from the four recognized Kansas tribes. The Agency budget for FY 2007 is \$1,732,499.

Each Tribe receives a notice of assessment from the Agency by July 31 of each year. Any funds left over from the previous fiscal year are credited to the next year's tribal assessments before the notice is sent. Tribes must pay their assessments on or before September 21, January 1, and April 1. All of the Tribes are current in paying their assessments. The Tribes pay no other funds to the State.

From the discussion above, you see that the Agency begins each fiscal year at a zero balance. In order to fund the Agency until assessments are paid, the Agency will borrow \$450,000 from the State General Fund at the beginning of each fiscal year. The loan is repaid from tribal assessment contributions before the end of each fiscal year.

State general funds are only used in the case of an arbitration award if the State is ordered to pay any of the costs of arbitration. There are no costs of arbitration in FY 2007.



The Agency is housed on the fifth floor of 700 SW Harrison, Topeka, KS. In December 2004, the Agency moved to this state owned office space. Cost of rent increased with the move and badly needed space available to the Agency increased about 2000 square feet. This added space has allowed the Agency to acquire some gaming equipment for training and permitted the Agency to inaugurate a new program involving training agents and tribal gaming inspectors together at the Agency. In calendar year 2006 the Agency held classes attended by 730 tribal employees.

During the summer of 2003, the Agency installed a server based computer network with high speed internet access. During the summer of 2004, the Agency purchased a document imaging system from a Topeka based company. These purchases have increased the efficiency of the Agency and now permit data files to be backed up every evening, reduce the need for file storage space, and prevent loss of data due to power failure or natural disaster.

I am pleased to stand for questions. I can be reached by telephone at 368-6202 or by email at [john.mcelroy@ksgaming.org](mailto:john.mcelroy@ksgaming.org).

**Before the House  
Appropriations Committee**

**Ed Van Petten  
Executive Director**

**Kansas Lottery  
Agency Update 1-17-07**

**I. Legislative Issues**

KSA 74-8723 provides that the Kansas Lottery is to be abolished on July 1, 2008. The extension of the lottery will have to be done by the 2007 Legislature, as online tickets (Powerball, Hot Lotto, Super Kansas Cash, 2by2, Pick 3, Keno and Kansas Hold'Em) do not expire until after a full year from the draw date on the ticket. Therefore sales for those games would have to stop at close of business on June 30, 2007, if the lottery is not extended in the upcoming session. All instant ticket games (scratch and pulltab) would have to be ended before January 1, 2008, as those tickets expire 180 days after the end date of the particular game.

We propose eliminating the sunset provision altogether. There is no benefit to the provision as oversight is accomplished annually by Federal and State Affairs Committees and throughout the budget process. Also, the Legislature has the authority to end the lottery operations at any time. Our proposed legislation also provides for eliminating the requirement that retailers post a certificate at their retail locations, and deleting KSA 74-8705 (e), which prohibits the renewal or extension of major procurement contracts.

**II. Sales**

Sales for FY 2006 totaled \$235 million, and we are presently 5.61% ahead of last year's sales, despite showing more than a 26% decline thus far in Powerball sales. Instant tickets continue to show the greatest increase, and we simply have not had a real large Powerball jackpot thus far this fiscal year, which I believe is the reason for the decline. It takes a jackpot of over \$100 million to generate the selling frenzies which we experienced last year with two record jackpots over \$300 million.

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### **III. Transfers**

The 2002 legislature allowed the Lottery to modify the method of calculating transfers made each month. Rather than the statutory provision of transferring 30% of gross sales each month, the Omnibus bill allowed for minimum monthly transfers of \$4.5 million, and a minimum annual total of \$59 million. This request was made to give us more flexibility in operations and make it possible to increase prize payouts to bolster sales. As a result of these changes, the lottery has been able to boost payouts on our instant products which has helped to boost our sales, and thus the overall amount of money transferred. This has been continued in the Omnibus bill each year since, with the target transfer for this fiscal year being \$72 million. Total transfers through January 15, 2007, were \$953,788,277.

### **IV. Operations**

Our primary concern continues to be security, both in our gaming system and field operations. We have eliminated the ability of programmers to access the gaming system unaudited by adding a test system, detached from the gaming system, for developing new programs. We have also increased the audit functions, or oversight, on the gaming system.

We continue to reduce the use of paper to the greatest degree possible. Daily and weekly sales reports, which formerly were distributed on paper, are now paperless and maintained "on line." All draw information is also maintained paperless, and all investigation reports and work papers are stored electronically.

Our gaming system in the field now operates on a wireless communications system statewide. We utilize both satellite and radio technology, and have increased operations with approximately 99.9% up time. When operating on the telecommunications system, uptime ran approximately 98.5%. Total savings per year will run approximately \$1.6 million.

We are required to survey retailers to ensure compliance with the Americans with Disabilities Act, which is a continuing responsibility. We have enjoyed a good working relationship with Anthony Fadale, State ADA Coordinator. I have assigned all duties in this regard to the Security Division instead of Sales Division as had been done in the past. There appeared to be conflicts in asking Sales Representatives to determine if a potential location could sell lottery products.

Last year we paid retailer commissions of \$13,641,678, with total commissions paid through November 30, 2006, of \$172,273,503.

## **V. Partnerships**

We continue to develop marketing partnerships with Kansas businesses and industries. As you are aware, we market games with Kansas Speedway, the Kansas State Fair, Cabela's and General Motors. We also now have formed marketing partnerships with a number of smaller companies across Kansas such as Land Pride in Salina, TerraTrack in Clay Center, Cobalt Boats in Neodesha and Swartz Motorsports in Strong City. Other partners include Big Dog Motorcycles in Wichita, the Wichita Riverfest, 3i Show, The Great Santa Fe Trail Horse Race, and Kansas Department of Wildlife and Parks. We are presently also selling our first ticket promoting tourism in a particular area of the state with "Flint Hills Treasures." Our intent with these games is to increase the exposure of Kansas business, industry and tourism, as well as to generate enthusiasm in Kansas citizens for our games.

There are a number of businesses in the lottery industry that license certain products for use of logos and use their merchandise for prizes in conjunction with lottery games. These licenses are quite often very expensive, so we have tried to generate the same effect of "brand" or name recognition, and hopefully help a Kansas business in the process. Instead of costing the Lottery extra, the merchandise has been provided at reduced cost, with no charges or minimal charges for the use of logos and names. This seems to be a good way to stimulate economic development in Kansas, while generating revenue for the state.

## **VI. Veteran's Benefit Games**

Unaudited sales figures for the Veteran's Benefit Games are about \$3 million, which should result in a transfer for those programs in excess of \$900,000 in fiscal year 2007. These funds are distributed one-half to the National Guard Scholarship fund and one-half to the Veteran's Commission to assist with maintenance of the Soldier's Homes and Veteran's Cemeteries.

## **VII. 20<sup>th</sup> Anniversary**

Sales of Kansas Lottery tickets began on November 12, 1987. We launched a \$20.00 scratch ticket last week to commemorate this occasion, and will have a number of birthday-themed games throughout the year. The \$20.00 ticket will have a second-chance drawing to pick 20 players, who will all receive at least \$20,000 and have a chance to come to Topeka for another drawing and an opportunity to win \$200,000. This Grand Prize event will take place on Friday, November 9, 2007, hopefully at the Capitol.

### **VIII. New Games this Year**

On March 12, we began sale of "Hot Lotto" and became the ninth state to offer the game. It is similar in play to "Powerball," with players choosing five numbers from a field of 39, and one number from a field of 19. As of last Saturday's draw we have had \$6,791,731 in sales this fiscal year.

In June 2006 we introduced the game Super 7's, which is an Electronic Game Card. We were the second lottery to launch the game, and it was very successful, with sales being mostly incremental to existing sales. We launched our second shipment December 14, and have ordered a third game to be delivered in the spring.

On September 24, 2006, we went live with a test market of 86 retailers with the new game "Kansas Hold'Em." We selected retail locations based on the highest Keno sales in each retailer type. We chose social environments (bars and clubs), convenience stores, bowling alleys and fraternal organizations. Thus far the social environments and bowling alleys seem to be the strongest markets. However, in some convenience stores, sales are strong. At this time the game is in 93 locations, and sales have surpassed \$880,000.

### **IX. Current RFP**

We presently have a Request For Proposal (RFP) issued. We anticipate receiving bids from GTECH (present vendor), Scientific Games and Intralot. The RFP is for our online gaming system and communications system for the gaming system. The bids are due February 6, 2007. The current contract began July 1, 2002.



## Economic Development Initiatives Fund (EDIF) Overview

The statutes governing the EDIF provide that it shall be used to finance programs "... supporting and enhancing the existing economic foundation of the state and fostering growth . . . to the state's economic foundation." With the exception of a statutory \$2.0 million transfer from the EDIF to the State Water Plan Fund, the Legislature annually appropriates the EDIF for individual projects and programs deemed to support and enhance the state's economic foundation.

The EDIF is funded through the State Gaming Revenue Fund (SGRF). A portion of state revenue from both the Lottery and parimutuel wagering is transferred to the SGRF. That fund is used essentially as a holding fund from which further transfers are made on a monthly basis. No more than \$50.0 million may be credited to the SGRF in any fiscal year. Amounts in excess of \$50.0 million are credited to the State General Fund.

**The initial transfers from the State Gaming Revenue Fund, which began in 1986, were as follows:**

1. County Reappraisal Fund (until June 30, 1989) - 30.0%
2. Split between Juvenile Detention Facilities Fund and Correctional Institutions Building Fund (Actual amount to be determined by appropriations act) - 10.0%
3. Economic Development Initiatives Fund (to be increased to 90.0% as of July 1, 1989) - 60.0%

**During the 1988 Session, the Legislature delayed the increase in the transfer to the EDIF until July 1, 1990.**

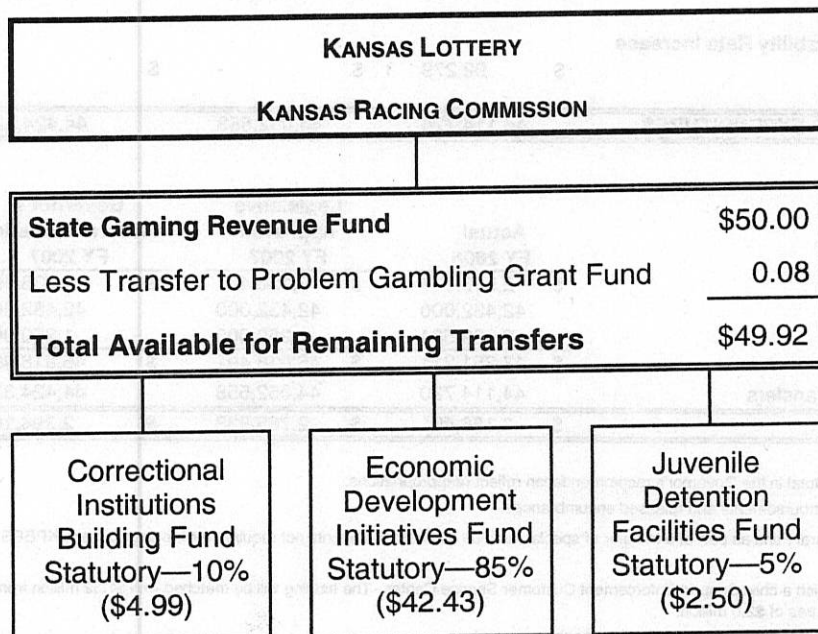
**During the 1994 Session, the Legislature changed the transfers as of July 1, 1995 to the following:**

1. Correctional Institutions Building Fund - 10.0%
2. Juvenile Detention Facilities Fund - 5.0%
3. Economic Development Initiatives Fund - 85.0%

**During the 2000 Session, the Legislature changed the transfers to the following:**

1. Economic Development Initiatives Fund—\$42,432,000;
2. Correctional Institutions Building Fund—\$4,992,000;
3. Juvenile Detention Facilities Fund—\$2,496,000; and
4. Problem Gambling Grant Fund—\$80,000.

### ECONOMIC DEVELOPMENT INITIATIVES FUND Revenue Flow (In Millions)





**ECONOMIC DEVELOPMENT INITIATIVES FUND  
FY 2006 - FY 2008**

Agency/Program	Actual FY 2006	Final Legislative Approved FY 2007	Governor's * Recommendation FY 2007	Governor's Recommendation FY 2008
<b>Department of Commerce</b>				
Operating Grant	\$ 15,893,435	\$ 15,710,770	\$ 15,982,311	\$ 15,989,330
Older Kansans Employment Program	239,430	330,481	330,481	330,481
Rural Opportunity Program	-	-	-	2,100,000 5
On TRACK Program	-	-	-	3,000,000 6
Kansas Economic Opportunity Initiative Fund	3,000,000	3,160,000	3,160,000	3,000,000
Subtotal - Commerce	\$ 19,132,865	\$ 19,201,251	\$ 19,472,792	\$ 24,419,811
<b>Kansas Technology Enterprise Corporation</b>				
Operations	\$ 1,663,866	\$ 1,674,414	\$ 1,694,050 3	\$ 1,627,626
University & Strategic Research	5,413,659	5,345,205	5,345,205	5,111,287
Commercialization	2,060,130	1,790,249	1,790,249	2,172,723
Mid-America Manuf. Tech. Center (MAMTC)	1,528,152	1,547,788	1,528,152 3	1,380,621
Product Development	1,519,030	1,519,030	1,519,030	1,519,030
Subtotal - KTEC	\$ 12,184,837	\$ 11,876,686	\$ 11,876,686	\$ 11,811,287
<b>Kansas, Inc.</b>				
Operations	\$ 379,671	\$ 527,999	\$ 527,999	\$ 408,122
<b>Kansas Racing and Gaming Commission</b>				
Racing Operations	\$ -	\$ -	\$ -	\$ 700,000 7
<b>Social and Rehabilitation Services</b>				
Child Support Enforcement Call Center	\$ -	\$ 340,000 2	\$ 340,000	\$ -
<b>Board of Regents</b>				
Tech. Innovation & Internship Prog. - AVTS	\$ 175,909	\$ 180,500	\$ 185,340	\$ - 8
Post-secondary Aid - AVTS	6,957,162	6,957,162	6,957,162	- 8
Capital Outlay - AVTS	2,565,000	2,565,000	2,565,000	- 8
KSU - ESARP	299,999	300,000	300,000	- 8
Wichita State University - Aviation Research	245,748	-	-	2,500,000
Subtotal - Regents & Universities	\$ 10,243,818	\$ 10,002,662	\$ 10,007,502	\$ 2,500,000
<b>Kansas Arts Commission</b>				
Economic Impact Study of the Arts	\$ -	\$ 14,000	\$ 14,000	\$ -
<b>State Conservation Commission</b>				
Conservation Easement Matching Funds	\$ 31,250	\$ -	\$ -	\$ -
Multipurpose Small Lakes (Horsethief Reservoir)	50,000	-	-	- 9
Subtotal - State Conservation Commission	\$ 81,250	\$ -	\$ -	\$ -
<b>State Fair</b>				
Largest Classroom	\$ -	\$ 19,960	\$ 19,960	\$ -
Economic Impact Study	-	-	-	40,000
Alternative Energy Systems	-	-	95,384 4	111,525
Ticket Marketing & Premiums	-	70,000	70,000	70,000
Subtotal - State Fair	\$ -	\$ 89,960	\$ 185,344	\$ 221,525
<b>KS Qualified Biodiesel Fuel Producer Incentive Fund Transfer</b>		\$ -	\$ -	\$ 3,500,000
<b>State Water Plan Fund Transfer</b>	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>Pay Plan and KPERS Death and Disability Rate Increase Transfer</b>	\$ 92,279 1	\$ -	\$ -	\$ -
<b>TOTAL TRANSFERS AND EXPENDITURES</b>	<b>44,114,720</b>	<b>44,052,558</b>	<b>44,424,323</b>	<b>45,560,745</b>

EDIF Resource Estimate	Actual FY 2006	Legislative Approved FY 2007	Governor's Recommendation FY 2007	Governor's Recommendation FY 2008
Beginning Balance	\$ 2,519,677	\$ 3,136,491	\$ 3,136,491	\$ 2,394,168
Gaming Revenues	42,432,000	42,432,000	42,432,000	42,432,000
Other Income**	2,299,534	1,250,000	1,250,000	750,000
Total Available	\$ 47,251,211	\$ 46,818,491	\$ 46,818,491	\$ 45,576,168
Less: Expenditures and Transfers	44,114,720	44,052,558	44,424,323	45,560,745
<b>ENDING BALANCE</b>	<b>\$ 3,136,491</b>	<b>\$ 2,765,933</b>	<b>\$ 2,394,168</b>	<b>\$ 15,423</b>

\* Unless otherwise noted, increases in agency total in the Governor's recommendation reflect reappropriations.

\*\* Other income includes interest, transfers, reimbursements and released encumbrances.

- This amount is transferred to the State General Fund as part of a transfer of special revenue funds from amounts not required for the pay plan and KPERS death and disability rates increase due to adjustments by the Legislature.
- This item is a one-time expenditure to establish a child Support Enforcement Customer Service Center. The funding will be matched with \$1.32 million from the federal Child Support Enforcement Administration Fund, for total FY 2007 expenditures of \$2.0 million.
- The Governor's recommendation includes shifts between programs at the agency's request.
- The Governor recommends utilizing alternative energy sources at the Kansas State Fair. In order to do this, two 50-kilowatt wind turbines, a solar thermal heat system for the Administration building, and electrical submetering equipment will be installed. The equipment will be financed through the Department of Administration, therefore this amount is for the principal and interest.
- The Governor recommends this program to help attract investment, business development, and job growth in rural areas of the state.
- The Governor recommends this item to create the On TRACK program which will develop new recruitment and career training strategies, including sign-on bonuses for new employees in specific industries across the state, child care initiatives, and a state image campaign focused on workforce development.
- The Governor recommends this funding for agency operations.
- These expenditures have been shifted to the State General Fund.
- Expenditures for this project are now completely funded from the State Water Plan Fund.

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# Kansas Department of Social and Rehabilitation Services

## Agency Overview

For

## House Appropriations Committee

Don Jordan, Acting Secretary

January 17, 2007

HOUSE APPROPRIATIONS

DATE 1-17-2007  
ATTACHMENT 6

# SRS Mission and Vision



6-2

Mission: To Protect Children and Promote Adult Self-Sufficiency

Vision: Partnering to connect Kansans with supports and services to improve lives

# SRS Guiding Principles

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All of us, every day, working on behalf of and with Kansans are guided by these principles:

- Act with integrity and respect in our work with customers, partners, and each other
- Champion customer success
- Demonstrate leadership without regard to position or title; embrace responsibility, take risks, make decisions and act to overcome challenges
- Strive for continuous improvement
- Demonstrate passion for our mission
- Recognize the value of partnerships both within the agency and with community partners to stretch capacity and achieve extraordinary results

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# Kansas Department of Social and Rehabilitation Services

Office of the Secretary  
**Don Jordan, Acting Secretary**

**Health Care Policy**

- Addiction and Prevention Services
- Community Supports and Services
  - Developmental Disability Services
  - Physical Disability Services
  - Traumatic Brain Injury Services
  - Serious Emotional Disturbance Waiver
  - Technology Assisted Children Waiver
- Mental Health Services
- State Hospitals
  - Kansas Neurological Institute
  - Larned State Hospital
  - Osawatomie State Hospital
  - Parsons State Hospital and Training Center
  - Rainbow Mental Health Facility
  - Sexual Predator Treatment Program

**Integrated Service Delivery**

- Child Protective Services
- Child Welfare
  - Adoption
  - Family Preservation
  - Foster Care
- Economic and Employment Support
  - Food Assistance
- Child Care and Early Childhood Development
- Rehabilitation Services
- Child Support Enforcement
- Regional Offices
  - Kansas City Metro
  - Northeast Region
  - South Central Region
  - Southeast Region
  - West Region
  - Wichita Region

**Prevention and Employee Supports**

- Prevention and Community Capacity Building
- Diversity and Cultural Competency
- Employee Services
- Organizational and Leadership Development
- Strategic Management and Performance Improvement

**Administration**

- Accounting and Administrative Operations
- Audit and Consulting Services
- Financial Management
- Customer Affairs
- Information Technology
- Legal
- Public and Governmental Services



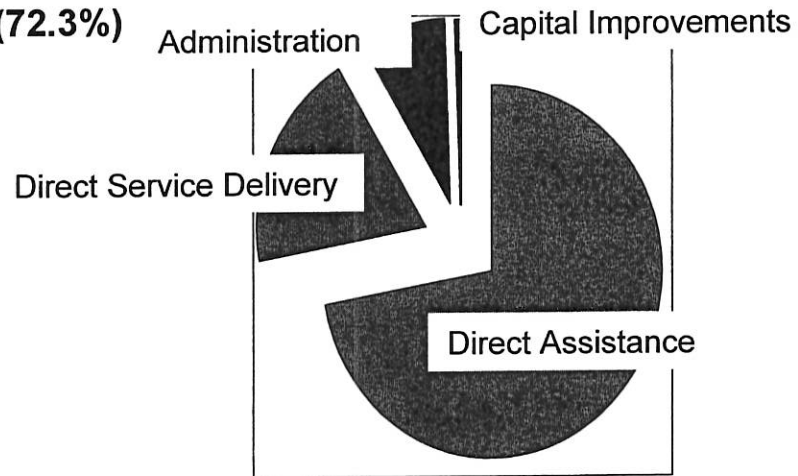
6-5

# SRS Expenditures by Category

FY 2008 Budget –Governor’s Budget Recommendation (in Millions)

<b>Direct Service Delivery</b>	<b>\$302.8 (19.1%)</b>
<b>Administration</b>	<b>\$129.6 (8.2%)</b>
<b>Capital Improvements</b>	<b>\$8.1 (.5%)</b>
<b>Direct Assistance</b>	<b>\$1,148.2 (72.3%)</b>

Cash Assistance	\$92.8
Child Care & Employment	\$103.0
Substance Abuse	\$40.8
Mental Health	\$220.2
Developmental & Physical	
Disability	\$466.0
Children and Family	
Services	\$199.3
Rehabilitation Services	\$25.8
Other	\$.3



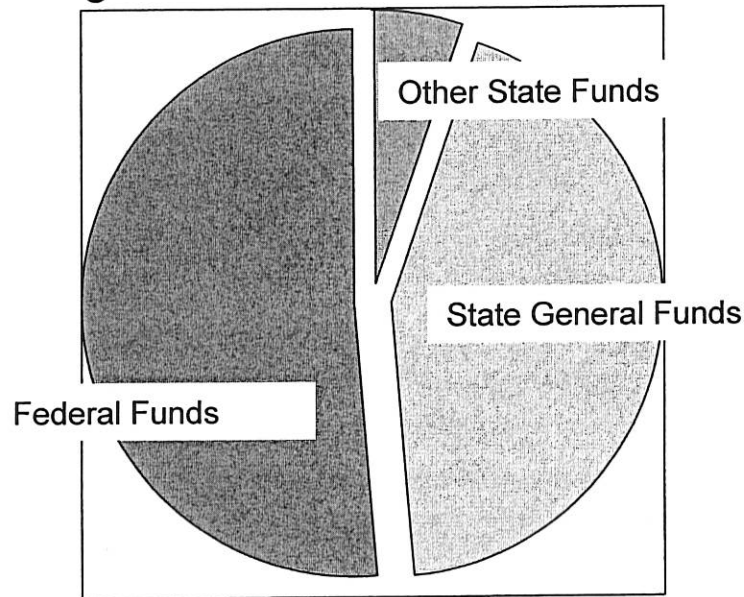
**Total \$1,588.7 (All Funds)**

Totals may not add due to rounding

6-6

# SRS Expenditures by Revenue Source

FY 2008 Budget – Governor’s Budget Recommendation (In millions)



**Total \$1,588.7 (All Funds)**  
(Totals may not add due to rounding)

State General Funds	\$688.7 (43.4%)
Federal Funds	\$816.3 (51.4%)
Other State Funds	\$83.7 (5.3%)
Fee Funds	\$39.4
Children’s Initiative Fund (tobacco)	\$35.0
State Institution Building Fund	\$7.9
Other	\$1.4

6-7

# Summary of Expenditures

Annual Expenditures in Millions for State Fiscal Years 2005 & 2006 (All Funds)

<u>Child, Adult, and Family Safety and Well-Being Services</u>	<u>SFY 2005</u>	<u>SFY 2006</u>
Adult Protective Services	\$0.3	\$0.3
Services to Preserve Families	\$14.1	\$14.3
Reintegration/Foster Care	\$129.1	\$121.7
Adoption Resource Services (1)	--	\$3.5
Adoption Subsidy/Permanent Guardianship	\$19.1	\$19.8
Independent Living Services	\$1.2	\$1.9
<u>Financial and Employment Services</u>		
Child Care Assistance	\$63.1	\$74.7
Child Care Quality Initiatives	\$3.2	\$3.0
Early Head Start	\$7.2	\$7.9
Child Support Collections (2)	\$156.3	\$161.0
Low Income Energy Assistance	\$11.2	\$25.7
Food Assistance	\$174.9	\$185.1
Food Distribution Assistance	\$4.0	\$3.6
General Assistance	\$9.0	\$8.7

(1) New in FY 2006

(2) Amounts represented in child support collections

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# Summary of Expenditures

Annual Expenditures in Millions for State Fiscal Years 2005 & 2006 (All Funds)

<u>Financial and Employment Services (cont.)</u>	<u>SFY 2005</u>	<u>SFY 2006</u>
Vocational Rehabilitation	\$19.6	\$19.6
Services for the Blind and Visually Impaired	\$2.5	\$2.3
Disability Determination	\$13.5	\$13.5
Temporary Assistance for Families (TAF)	\$64.9	\$63.9
TAF Employment Services	\$10.6	\$10.0
 <u>Behavioral Health and Disability Services</u>		
Developmental Disability Services (3)	280.4	\$287.6
State Mental Retardation Hospitals	\$46.7	\$50.1
Mental Health Services (3)	\$203.0	\$212.4
State Mental Health Hospitals	\$58.1	\$67.7
Grants To Centers for Independent Living	\$1.3	\$1.3
Physical Disability Services	\$70.9	\$83.2
Services for Traumatic Brain Injured	\$11.0	\$12.3
Services for Technology-Assisted Children	\$18.2	\$18.1
Sexual Predator Treatment Program	\$6.5	\$9.2
Addiction Treatment Services (3)	\$33.5	\$33.4

(3) FY 2006 expenditure includes FY 2006 expenses paid in 2007

6-9

# Summary of Persons Assisted

State Fiscal Years 2005 & 2006

<u>Child, Adult, and Family Safety</u>	<u>Caseload Unit</u>	<u>SFY 2005</u>	<u>SFY 2006</u>
<b><u>and Well-Being Services</u></b>			
Adult Protective Services	Annual Investigations	5,495	6,835
Services to Preserve Families	Annual Families	6,895	6,551
Reintegration/Foster Care	Average Monthly Children	4,876	5,265
Adoption Resource Services (1)	Annual Families	--	314
Adoption Subsidy/Permanent Guardianship	Average Monthly Children	5,483	5,792
Independent Living Services	Annual Youth	347	547
<b><u>Financial and Employment</u></b>			
<b><u>Services</u></b>			
Child Care Assistance	Average Monthly Children	18,721	19,527
Child Care Quality Initiatives		--	--
Early Head Start	Annual Enrollment	825	825
Child Support Collections (2)	Average Monthly Persons	271,910	276,592
Low Income Energy Assistance	Annual Persons	101,429	98,853
Food Assistance	Average Monthly Persons	175,710	182,821
Food Distribution Assistance	Average Monthly Persons	23,389	23,859
General Assistance	Average Monthly Persons	4,681	4,613

[1] New in FY 2006

[2] The amounts represent average monthly number of persons receiving child support collections



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01-9

# Summary of Persons Assisted

## State Fiscal Years 2005 & 2006

<u>Financial and Employment</u>	<u>Caseload Unit</u>	<u>SFY 2005</u>	<u>SFY 2006</u>
<u>Services (cont)</u>			
Vocational Rehabilitation	Average Monthly Persons	8,546	8,404
Services For the Blind and Visually Impaired	Annual Persons	950	950
Disability Determination	Average Monthly Claims Processed	2,922	2,935
Temporary Assistance for Families (TAF)	Average Monthly Persons	44,681	44,592
TAF Employment Services	Average Monthly Persons	17,629	17,328
 <u>Behavioral Health and Disability Services</u>			
Developmental Disability Services	Annual Persons	9,314	11,284
State Mental Retardation Hospitals	Average Daily Census	360	364
Mental Health Services	Annual Persons	33,178	34,244
State Mental Health Hospitals	Average Daily Census	386	397
Grants to Centers for Independent Living	Annual Persons	1,000	1,000
Physical Disability Services	Average Monthly Persons	4,499	5,533
Services for Traumatic Brain Injured Persons	Average Monthly Persons	171	193
Services for Technology-Assisted Children	Average Monthly Persons	272	286
Sexual Predator Treatment Program	Average Daily Census	122	136
Addiction Treatment Services	Annual Person	15,622	15,678

# Consensus Caseloads

## SRS Expenditures for Major Caseload Categories

### Governor's Budget Recommendation

(Consensus Caseloads in Millions)

11-9

Population	FY 2006 Actual	FY 2007 GBR	FY 2008 GBR	FY 2006-2007 Change		FY 2007-2008 Change	
				Amount	%	Amount	%
Temporary Assist/Families	\$63.9	\$61.0	\$64.4*	(\$2.9)	(4.8%)	\$3.4	5.6%
General Assistance	8.7	8.5	8.0	(\$0.2)	(2.3%)	(\$0.5)	(6.3%)
Child Welfare/Out of Home	121.7	133.0	136.0	\$11.3	9.3%	\$3.0	2.3%
NF - Mental Health	11.8	12.3	12.6	(0.5)	4.2%	0.3	2.4%
Mental Health	136.0	157.0	152.0	\$21.0	15.4%	(5.0)	(3.3%)
Community Support Services	45.4	57.8	52.9	\$12.4	27.3%	(4.9)	(9.3%)
Addiction and Prevention	12.4	16.6	19.0	4.2	33.9%	2.4	14.5%

\*Includes enhancement for job retention for persons leaving the program. \$60.0 million with enhancement

6-12

# Other Caseloads

SRS Expenditures for Major Caseload Categories  
 Governor's Budget Recommendation  
 (Other Caseloads In Millions)

Population	FY 2006 Actual	FY 2007 GBR	FY 2008 GBR	FY 2006-2007 Change		FY 2007-2008 Change	
				Amount	%	Amount	%
Child Care Assistance	74.7	77.6	79.0	(2.9)	(3.9%)	(1.4)	1.8%
Adoption Support	20.2	21.0	23.3	.8	4.0%	2.3	11.0
Family Preservation	10.7	11.9	11.9	1.2	11.2%	0	0%
Rehabilitation Services	21.3	21.4	21.4	0.1	0.5%	0	0%
ICF-MR	17.4	18.3	18.6	0.9	5.2%	0.3	1.6%
MR-DD Waiver	221.1	254.0	260.6	32.9	14.9%	6.6	2.6%
PD Waiver	81.0	93.4	103.8	12.4	15.3%	10.4	11.1%
Traumatic Brain Injured Waiver	5.6	6.2	6.3	0.6	10.7%	0.1	1.6%
TA Waiver	.2	.2	.2	0	0	0	0
Grandparents as Caregivers	0	2.1	4.0	0	0	1.9	90.5%

6-13

# Consensus Caseloads

Average Monthly People for Major Caseload Categories  
Governor's Budget Recommendation

Population	FY 2006 Actual	FY 2007 GBR	FY 2008 GBR	FY 2006-2007 Change		FY 2007-2008 Change	
				Amount	%	Amount	%
Temporary Assist/Families	44,592	41,942	46,982*	(2,650)	(6.3%)	5,040	12.0%
General Assistance	4,613	4,441	4,180	(172)	(3.9%)	(261)	(6.27%)
Child Welfare/Out of Home	5,204	5,367	5,512	163	3.1%	145	2.7%
NF - Mental Health	568	556	556	(12)	(2.2%)	0	0%
Mental Health	23,334	23,790	24,139	456	2.0%	349	1.5%
Community Support Services	8,385	8,881	8,881	496	5.9%	0	0%
Addiction and Prevention	1,434	1,585	1,645	151	10.5%	60	3.8%

\* Includes an enhancement for job retention for persons leaving the program. 41,254 without enhancement

# Other Caseloads

Average Monthly People for Major Caseload Categories  
 Governor's Budget Recommendation

6-14

Population	FY 2006 Actual	FY 2007 GBR	FY 2008 GBR	FY 2006-2007 Change		FY 2007-2008 Change	
				Amount	%	Amount	%
Child Care Assistance	19,527	21,131	21,131	1,604	8.2%	0	0%
Adoption Support	5,725	6,079	6,611	354	6.2%	532	8.8%
Family Preservation (Families) Referred	2,836	2,980	2,893	144	5.1%	(87)	-3.0%
Rehabilitation Services	8,404	8,261	8,041	(143)	-1.7%	(220)	-2.7%
ICF-MR	263	269	269	6	2.3%	0	0
MR-DD Waiver	6,262	6,625	6,886	363	5.8%	261	3.9%
PD Waiver	5,533	5,654	6,360	121	2.2%	706	12.5%
Traumatic Brain Injured Waiver	165	170	170	5	3.0%	0	0%
Grandparents as Caregivers	0	2,034	2,034	2,034	100%	0	0%
TA Waiver	40	40	40	0	0%	0	0%

Totals may not add due to rounding



6-15

# Home and Community Based Services

Waiver Overview  
FY 2006

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## Technology Dependent

- Children birth to 18 years, hospitalized or imminent risk of hospitalization
- Requires medical device to compensate for loss of vital body function
- Services 40-48 children per month

\$185,143 All Funds

## Traumatic Brain Injury

- Individuals 16 to 64 years of age
- Person has sustained a traumatically acquired brain injury
- Served an average of 165 individuals per month
- This is a rehabilitation waiver. Average length of stay on the waiver is 2 years and 11 months

\$5,614,556 All Funds

## Physical Disability

- Individuals 16 to 64 years of age
- Must be determined disabled by Social Security standards
- Must require assistance completing daily living activities or instrumental activities of daily living
- Are eligible for care provided in a nursing home
- Served average of 5,533 individuals per month

\$80,980,683 All Funds

## Developmental Disability

- Individuals age 5 and up who meet definition of mental retardation or developmental disability
- Eligible for care in an Intermediate Care Facility/Mental Retardation (ICF/MR)
- Served an average of 6,262 individuals per month
- There are 1,358 individuals on the waiting list

\$221,149,613 All Funds

6-16

## Prevention and Community Capacity

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- This effort seeks to infuse prevention throughout all of the agency's programs, planning, policies and practices.
  
- SRS will focus its efforts on the following six risk factors to target service delivery to more effectively address the issues that place SRS customers at risk.
  - Poverty
  - Low Attachment and Community Disorganization
  - Early Initiation (Age of Onset)
  - Individual and Family History
  - Individual and Family Management
  - Individual and Family Conflict
  
- This focused effort will prepare staff and partners to more effectively protect children and promote adult self sufficiency.

6-17

# 2007 SRS Legislative Proposals

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- **Child Support Enforcement Fee Clarification.** The DRA of 2005 (Deficit Reduction Act of 2005, Public Law 109-171), requires each State to establish a \$25 annual fee for certain Child Support Enforcement (CSE) cases in which the family has never received Temporary Assistance to Families (TAF) under Title IV-A of the social security act.
- **Revised Interstate Compact on Placement of Children.** Updates the ICPC that was adopted in 1976.
- **Child Support Enforcement Medical Support Changes.** This legislation alters the priority of income withholding for a medical support order and clarifies other medical support provisions, insuring compliance with new requirements set forth in the Deficit Reduction Act of 2005.
- **Child Support Enforcement Insurance Liens.** Expands existing administrative child support enforcement remedies by creating procedures to identify and intercept insurance proceeds otherwise payable to support debtors.
- **Alcohol and Drug Abuse Treatment.** Current statutes do not accurately reflect the current treatment provider system, funding streams, best practices, or philosophy of the Federal agency that provides funding for treatment services. With this legislation, these statutes will be rewritten into one set of statutes.
- **DUI Fines.** Success of the 4th time DUI law has resulted in an increase in the number of offenders being served in treatment services which has placed an additional burden on the administrative and care coordination needs for the system. This legislation increases the percent of the fines SRS receives for the community alcoholism and intoxication program fund
- **Autism Registry.** Creates an Autism Registry