

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on March 2, 2007, in Room 123-S of the Capitol.

All members were present except:  
Senator Jay Emler- excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes  
Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Reagan Cussimano, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Julian Efird, Kansas Legislative Research Department  
Susan Kannarr, Kansas Legislative Research Department  
Aaron Klaassen, Kansas Legislative Research  
Becky Krahl, Kansas Legislative Research Department  
Michael Steiner, Kansas Legislative Research Department  
Amy VanHouse, Kansas Legislative Research Department  
Melinda Gaul, Chief of Staff, Senate Ways & Means  
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Dr. Marcia Nielsen, Executive Director, Kansas Health Policy Authority  
Dr. Andrew Allison, Deputy Director and Acting Medicaid Director, Kansas Health Policy Authority  
Senator Karin Brownlee  
Duane Goossen, Secretary of Administration/Budget Director  
Alan Cobb, Kansas State Director of Americans for Prosperity  
W. Bartley Hildreth, Wichita State University

Others attending:  
See attached list.

**Bill Introductions**

Senator Kelly moved, with a second by Senator Barone, to introduce a conceptual bill regarding purchase of participating service credit under KPERS for service time in Iraq (7rs1255). Motion carried on a voice vote.

Senator Taddiken moved, with a second by Senator Kelly, to introduce a bill concerning an Office of Inspector General in Kansas Health Policy Authority (7rs1264). Motion carried on a voice vote.

Chairman Umbarger welcomed Dr. Marcia Nielsen, Executive Director, Kansas Health Policy Authority, who presented an informational briefing on the Kansas Health Care Connector Act, **SB 309 (Attachment 1)**. Dr. Nielsen provided some background on the health reform process in Kansas and information regarding their perspective of the connector plan with lessons learned from studying the Massachusetts Health Connector. Details were provided in Dr. Nielsen's written testimony on how a connector plan could be implemented in Kansas. Committee questions and discussion followed.

The Chairman opened the public hearing on:

**SB 193--State debt limitations and procedures**

Staff briefed the committee on the bill.

The Chairman welcomed the following conferees:

## CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 2, 2007, in Room 123-S of the Capitol.

Senator Brownlee testified in support of **SB 193** (Attachment 2). Senator Brownlee explained that the Senate Commerce Committee starts the legislative session with a review of the current status of the Kansas economy. It was noted that the debt burden of the state is an important part of this total picture and creating a state debt policy statement became one of the goals of the Senate Commerce Committee.

Duane Goossen, Secretary of Administration/Budget Director, spoke in support of **SB 193** (Attachment 3). Secretary Goossen explained that they support the idea of coming to a consensus on a reasonable and workable debt policy for Kansas, and annually preparing a report on state debt, which they believe should be assigned as a joint responsibility to the Department of Administration and the Kansas Development Finance Authority (KDFFA). He noted that **SB 193** is an effort to do that. In closing Secretary Goossen mentioned that further discussions should take place about the bill and the Department of Administration and KDFFA are ready to participate.

Alan Cobb, Kansas State Director of Americans for Prosperity, testified in support of **SB 193** (Attachment 4). Mr. Cobb expressed concern about the amendments that were added to the bill and urged support of the original **SB 193**.

W. Bartley Hildreth, Regents Distinguished Professor of Public Finance Director, Kansas Public Finance Center, Wichita State University, provided information about state debt affordability (Attachment 5). Dr. Hildreth explained that his work on the State of Kansas 2005 Debt Affordability Report and a review of affordability policies in other states suggested the following basic principles:

- Assess debt affordability annually.
- Define debt broadly.
- Set targets for key debt ratios.

There being no further conferees to come before the Committee, the Chairman closed the hearing on **SB 193**.

Copies of the Kansas Legislative Research Department Budget Analysis report for FY 2007 and FY 2008 were available to the committee.

### **Subcommittee reports on:**

#### **Kansas Parole Board**

#### **Kansas Bureau of Investigation** (Attachment 6)

Senator Vicki Schmidt reported on behalf of Subcommittee Chair Senator Carolyn McGinn that the subcommittee on the Kansas Parole Board concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation with adjustment.

Senator V. Schmidt moved, with a second by Senator Kelly, to adopt the subcommittee budget report on the Kansas Parole Board in FY 2007. Motion carried on a voice vote.

Senator Kelly moved, with a second by Senator Betts, to adopt the subcommittee budget report on the Kansas Parole Board in FY 2008. Motion carried on a voice vote.

Senator Vicki Schmidt reported on behalf of Subcommittee Chair Senator Carolyn McGinn that the subcommittee on the Kansas Bureau of Investigation concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation with adjustments and comments.

Senator Kelly moved, with a second by Senator Betts, to adopt the subcommittee budget report on the Kansas Bureau of Investigation in FY 2007. Motion carried on a voice vote.

Senator Barone moved, with a second by Senator Betts, to adopt the subcommittee budget report on the Kansas Bureau of Investigation in FY 2008. Motion carried on a voice vote.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 2, 2007, in Room 123-S of the Capitol.

**Emergency Medical Services Board  
Sentencing Commission  
State Fire Marshal (Attachment 7)**

Senator Vicki Schmidt reported on behalf of Subcommittee Chair Carolyn McGinn that the subcommittee on the Emergency Medical Services Board concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation with adjustments and notations.

Senator Kelly moved, with a second by Senator V. Schmidt, to adopt the subcommittee budget report on the Emergency Medical Services Board in FY 2007. Motion carried on a voice vote.

Senator Betts moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Emergency Medical Services Board in FY 2008. Motion carried on a voice vote.

Senator Vicki Schmidt reported on behalf of Subcommittee Chair Carolyn McGinn that the subcommittee on the Sentencing Commission concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation with adjustments.

Senator V. Schmidt moved, with a second by Senator Kelly, to adopt the subcommittee budget report on the Sentencing Commission in FY 2007. Motion carried on a voice vote.

Senator Kelly moved, with a second by Senator Betts, to adopt the subcommittee budget report on the Sentencing Commission in FY 2008. Motion carried on a voice vote.

Senator Vicki Schmidt reported on behalf of Subcommittee Chair Carolyn McGinn that the subcommittee on the State Fire Marshal concurs with the Governor's recommendation in FY 2007 with a comment and concurs with the Governor's FY 2008 recommendation with adjustments and comments.

Senator Kelly moved, with a second by Senator Taddiken, to adopt the subcommittee budget report on the State Fire Marshal in FY 2007. Motion carried on a voice vote.

Senator Kelly moved, with a second by Senator Betts, to adopt the subcommittee budget report on the State Fire Marshal in FY 2008. Motion carried on a voice vote.

**Kansas Highway Patrol  
Adjutant General's Department (Including Civil Air Patrol) (Attachment 8)**

Subcommittee Chair Vicki Schmidt reported that the subcommittee on the Kansas Highway Patrol concurs with the Governor's recommendation in FY 2007 with comments and concurs with the Governor's FY 2008 recommendation with adjustments and comments.

Senator Betts moved, with a second by Senator Taddiken, to adopt the subcommittee budget report on the Kansas Highway Patrol in FY 2007. Motion carried on a voice vote.

Senator Schodorf moved, with a second by Senator Morris, to adopt the subcommittee budget report on the Kansas Highway Patrol in FY 2008. Motion carried on a voice vote.

Subcommittee Chair Vicki Schmidt reported that the subcommittee on the Adjutant General's Department (Including Civil Air Patrol) concurs with the Governor's recommendation in FY 2007 with adjustments and concurs with the Governor's FY 2008 recommendation with adjustments and comments.

Senator Kelly moved, with a second by Senator Schodorf, to adopt the subcommittee budget report on the Adjutant General's Department (Including Civil Air Patrol) in FY 2007. Motion carried on a voice vote.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 2, 2007, in Room 123-S of the Capitol.

Senator Kelly moved, with a second by Senator Morris, to adopt the subcommittee budget report on the Adjutant General's Department (Including Civil Air Patrol) in FY 2008. Motion carried on a voice vote.

The meeting adjourned at 12:15 p.m. The next meeting is scheduled for March 5, 2007.

SENATE WAYS AND MEANS COMMITTEE  
GUEST LIST

Date March 2, 2007

Name	Representing
John Kirk	DOB
Samuel Jones	United Healthcare
Luke Thompson	KHPA
Mary Anne Wellekust	TFKC
Dan Kerber	Kansas, Inc
Suzanne Winkle	Kansas Action for Children
ALAN COBB	Americans for Prosperity
BART HILDRETH	Wichita State Univ.
Jim MacMurray	KDFA
Elton Ericsen	KDOT
Jack Alexander	KSFMO
Jan McLaughlin	KSFMO
Becky Bahr	KSFMO
Bunda Harmon	KSC
Jan Brasher	KSC
Jenice Harper	Adjutant General
Sheaf Weller	Ks Highway Patrol
Terry Maple	KHP
Kirk Thompson	KBT
Marsia Pappas	KBI
Fanny Welch	KBI
Kyle Smith	KBI
Andy Allison	KHPA



**Kansas Health Policy Authority**  
*Coordinating health & health care for a thriving Kansas*

MARCIA J. NIELSEN, PhD  
Executive Director

ANDREW ALLISON, PhD  
Deputy Director

SCOTT BRUNNER  
Chief Financial Officer

**Testimony on:**

Senate Bill 309 - The Kansas Health Care Connector Act

**presented to:**

Senate Committee on Ways and Means

**by:**

Dr. Marcia Nielsen  
Executive Director

Dr. Andrew Allison  
Deputy Director and  
Acting Medicaid Director

**March 2, 2007**

**For additional information contact:**

Luke Thompson  
Kansas Health Policy Authority

Room 900-N, Landon State Office Building  
900 SW Jackson Street  
Topeka, KS 66612  
Phone: 785-296-3981  
Fax: 785-296-4813

Agency Website: [www.khpa.ks.gov](http://www.khpa.ks.gov)

Address: Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

Medicaid and HealthWave:

Phone: 785-296-3981  
Fax: 785-296-4813

State Employee Health

Benefits and Plan Purchasing:  
Phone: 785-296-6280  
Fax: 785-368-7180

State Self Insurance Fund:

Phone: 785-296-2364  
Fax: 785-296-6995

Senate Ways and means  
3-2-07  
Attachment 1

**Senate Committee on Ways and Means**  
**March 2, 2007**

**Senate Bill 309 – The Kansas Health Care Connector Act**

Good morning Chairman Umbarger and members of the Committee. My name is Marcia Nielsen, and I am the Executive Director at the Kansas Health Policy Authority. Andy Allison, Deputy Director and Acting Medicaid Director, is here with me today. I appreciate you giving us an opportunity to provide a briefing on SB 309 and the overall need for health reform in Kansas.

First, I want to give you some background on the health reform process here in Kansas, and second, provide you with our perspective of the Connector plan with lessons learned from study of the Massachusetts Health Connector. A copy of our report is attached.

**Health Reform in Kansas**

Currently, 11% of Kansans are uninsured and without health care coverage. While we've made great strides in recent years to increase enrollment in Medicaid and the State Children's Health Insurance Program, and launched programs like HealthyKIDS that provide accessible and affordable health care, we can do better. Health reform requires making health and health care services accessible and engaging in effective outreach efforts that seek and invite Kansans to participate and lead healthy lifestyles. The Board has embraced these ideas as vision principles and they are reflected in the budget recommendations and policy initiatives the Health Policy Authority has advanced this year.

Kansas has a relatively low rate of uninsurance, moderately high level of employer sponsored health insurance and level of Medicaid coverage for children, which provides a supportive climate for policy initiatives to reduce the number of uninsured Kansans. The majority of the uninsured in our state are low-wage full-time workers employed in small businesses. Small employers struggle to find affordable health insurance for their employees and there are very limited options for those in the non-group market.

The Kansas Health Policy Authority Board has taken a number of initiatives to begin the process of health reform in Kansas. We recognize health reform and transformation must be thoughtful and careful in planning. Thus, we have created three Advisory Councils—Purchaser, Provider, and Consumer Councils—that will provide feedback to the Board in the reform process. We received 140 nominations for these 41 membership positions on these councils. The memberships were announced last week, and I am confident that these councils will serve as a quality venue to consider the impact of reform options on consumers, providers, purchasers and other stakeholders from around the state. They will be assisting the Board in the transformation of health in Kansas by looking at the long-term goals and vision.

Examining the possibilities of what we can do now with health reform in Kansas is the Health for All Kansans Steering Committee. In response to a request from the Governor, and following the direction provided by the Kansas Health Policy Authority Board, the KHPA has convened the Health for All Kansans Steering Committee, comprised of legislators, KHPA Board members, the Governor's staff and other key stakeholders to engage in the process of developing meaningful, practical, Kansas-based reform options. The Steering Committee has met twice now to discuss literally dozens of reform options, including the kinds of insurance market reforms represented by SB 309.

In our first two meetings, I have been impressed with the great energy put forward by the Committee to accomplish something this Legislative session. While we are still looking at reform options and building consensus on what we can do in the 2007 legislative session, there is a true focus on health reform and providing accessible health services to Kansans. The committee's dedication to this endeavor is vital as we move forward in this process. We are looking forward to providing you with additional options in the coming weeks. Our next meeting is Monday, March 5. I anticipate at that meeting we will be able to determine out of the initiatives we have identified what we can do to greatly aid the people of Kansas in the coming months and year. Like I previously mentioned, insurance market reform such as the one presented in SB 309 is one we have discussed in the Steering Committee.

### **How a Connector can be implemented in Kansas**

SB 309 would consolidate the individual, small group, and state employee insurance markets into a health insurance Connector operating under the Kansas Health Policy Authority. An entity, such as the Connector, which serves as a clearinghouse to facilitate the purchasing of health insurance, could facilitate access to health insurance products by small employers and individuals.

We have submitted an estimate of the administrative costs associated with the operation of the Connector. The costs are not insignificant, but I would also point out that the aims of the Connector are broad as well. The Connector would supplant some of the key administrative functions that carriers and businesses now bear, including marketing costs and the administration of an annual open enrollment process. The Connector is designed with the intention of enhancing competition in health insurance markets, and making enrollment and choice easier and more transparent for consumers. We would not presume to comment at this time on the net impact these changes would have on premiums. However, some carriers have expressed concerns with the effects the Connector would have on premiums – raised premiums.

Potential advantages of the Connector described in SB 309 include the extension of tax-advantaged health insurance for individuals in businesses that do not currently offer insurance, even when those employers do not contribute to the cost of insurance. Challenges include the maintenance of stable rates in the individual market, and maintenance of at least the existing level of employer contributions to the costs of insurance.

To gain a better picture of how the Connector model would be implemented in Kansas, we can look to the report KHPA released last month regarding the Massachusetts Health Connector. In this report, we assessed the feasibility of replicating the Massachusetts model in Kansas. We found certain elements of an insurance connector that appear to be crucial in improving access to health insurance for individuals and small employers. These elements include:

- subsidies for low income workers
- a mechanism to pool payments from multiple payers
- variation in plans
- use of pre-tax dollars for health insurance purchase
- plan quality verification,
- portability of insurance and
- establishment of an adequately financed infrastructure to perform the essential clearinghouse functions which are so burdensome for individuals and small employers.

SB 309 contains many of these elements, and we are committed to applying our full consideration to this proposal, and others, and to work with Senator Barnett, this committee, the Health for All Kansans Steering Committee, the

**Senate Bill 309 – The Kansas Health Care Connector Act**

Kansas Health Policy Authority ♦ Presented on: 03/02/07



Legislature, the Governor, and other stakeholders to develop practical options for health reform.

As you are well aware, the need for health reform in Kansas is great for our working families. We are looking forward to working with you on initiatives that will help us meet our mission and goal.

Thank you for the opportunity to present these comments. We would be happy to field any questions the Committee may have.



**Kansas Health Policy Authority**  
*Coordinating health & health care for a thriving Kansas*

MARCIA J. NIELSEN, PhD, MPH  
Executive Director

ANDREW ALLISON, PhD  
Deputy Director

SCOTT BRUNNER  
Chief Financial Officer

**Report on:**  
Massachusetts Commonwealth Health Insurance Connector  
Program

**Presented to:**  
2007 Kansas Legislature

February 1, 2007

**For additional information contact:**

Luke Thompson  
Kansas Health Policy Authority

Landon State Office Building  
900 SW Jackson Street, Suite 900  
Topeka KS 66612  
Phone: 785-296-3981  
Fax: 785-296-4813

Agency Website: [www.khpa.ks.gov](http://www.khpa.ks.gov)  
Address: Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

Medicaid and HealthWave:  
Phone: 785-296-3981  
Fax: 785-296-4813

State Employee Health  
Benefits and Plan Purchasing:  
Phone: 785-296-6280  
Fax: 785-368-7180

State Self Insurance Fund:  
Phone: 785-296-2364  
Fax: 785-296-6995

## 2007 Kansas Legislature

February 1, 2007

### Report on the Massachusetts Commonwealth Health Insurance Connector Program

The 2006 Kansas Legislature, as outlined in proviso, directed the Kansas Health Policy Authority (KHPA) to prepare a report about the Massachusetts Commonwealth Health Insurance Connector Program. The proviso specified that the KHPA "...study the Massachusetts commonwealth health insurance connector program and provide a report....on the feasibility of implementing a similar plan in Kansas."

#### Executive Summary

In 2006 Massachusetts enacted a law that would provide nearly universal health coverage to state residents. Key elements of that law include:

- An individual mandate requiring all state residents to purchase health insurance
- A requirement that employers offer health insurance or pay an assessment
- Creation of the Commonwealth Health Insurance Connector that links funding sources and health plans in a simplified market
- Provision of government-funded subsidies to low-income individuals to assist with the purchase of health insurance

In October, 2006 Massachusetts began the first phase of implementation, enrolling non-Medicaid eligible adults with household incomes at or below the federal poverty level (FPL) (\$10,210 for an individual) in the Commonwealth Care Health Insurance Program. This program is administered by the newly created Commonwealth Health Insurance Connector Authority. The Connector is an independent public authority established to facilitate the purchase of health insurance for individuals and small businesses (50 employees or less). The Connector is governed by a ten-member board. Funding for the Connector comes from the state, Federal Medicaid matching funds, employer contributions, and individual premiums.

The Connector is a private insurance purchasing pool designed to connect individuals and small employers with affordable, quality insurance products. Two sets of health insurance plans are to be offered through the Connector: Commonwealth Care plans and Commonwealth Choice plans. Commonwealth Care is a heavily-subsidized set of health insurance plans designed primarily for individuals below 300 percent FPL (\$30,630 for an individual). Commonwealth Choice is an array of health plans sold through the Connector for individuals with incomes greater than 300 percent of FPL. Commonwealth Choice health plans are not subsidized.

In assessing the feasibility of replicating the Massachusetts Connector in Kansas, it is important to examine the climate and extenuating circumstances which existed when this policy initiative was adopted in Massachusetts. The state has a high level of employer-sponsored health insurance and over the last decade has undertaken Medicaid expansions, so Massachusetts has a relatively low rate of uninsured individuals. In addition, the state had great incentive to undertake health care reform because \$385 million in federal funds were at risk when their Medicaid waiver expired in July, 2006.

Kansas too has a relatively low rate of uninsurance, moderately high level of employer-sponsored health insurance, and similar level of Medicaid coverage for children. The majority of the uninsured in our state are low-wage full-time workers employed in small businesses. Small employers struggle to find affordable health insurance for their employees, and there are very limited options for those in the non-group market. An entity

such as the Connector which serves as a clearinghouse to facilitate the pooling and purchasing of health insurance would enhance access to health insurance products by small employers and individuals. Certain elements of the Massachusetts Connector model, however, appear to be fundamental to that goal: subsidies for low-income workers, a mechanism to pool payments from multiple payers, variation in plans, use of pre-tax dollars for health insurance purchase, plan quality verification, and establishment of an adequately financed infrastructure.

## **Background**

On April 12, 2006 the Governor of Massachusetts signed into law legislation (H. 4650) that would provide nearly universal health care coverage to residents of the state. Key elements of that law include:

- An individual mandate requiring all state residents to purchase health insurance
- A requirement that employers offer health insurance or pay an assessment
- Creation of the Commonwealth Health Insurance Connector that links funding sources and health plans in a simplified market
- Provision of government-funded subsidies to low-income individuals to assist with the purchase of health insurance

On October 2, 2006, Massachusetts began the first phase of implementation, enrolling non-Medicaid eligible adults with household incomes at or below the federal poverty level (FPL) (\$10,210 for an individual) in the Commonwealth Care Health Insurance Program. This program is administered by the newly created Commonwealth Health Insurance Connector Authority. By the end of 2006, over 28,000 adults had enrolled in one of the Commonwealth Care health plans.

## **Commonwealth Health Insurance Connector**

**Definition.** The Connector is an independent public authority established to facilitate the purchase of health insurance for individuals and small businesses (50 employees or less). The Connector is governed by a ten-member board. Six directors come from the private sector: three appointed by the Governor (an actuary, a health economist, and a small business representative); three appointed by the Attorney General (an employee health benefits plan specialist, a health consumer representative, and a representative of organized labor); and four directors representing state agencies (Secretary of Administration and Finance, Secretary of Health and Human Services, Commissioner of Insurance, and the Medicaid Director). The stated mission of the Connector is “promoting health care coverage across the Commonwealth”.

**Agency Functions.** The Connector is a private insurance purchasing pool designed to connect individuals and small employers with affordable, quality insurance products. Larger businesses with more than 50 employees are not eligible to participate in the Connector, but may use the Connector to arrange for coverage for their employees who are not eligible for benefits. Plans that are purchased through the Connector are selected by individuals, rather than groups, and are portable, which means that individuals can maintain their insurance coverage regardless of where they work. There are numerous functions assigned to the agency, including: developing benefit guidelines for Commonwealth Care Health Insurance products; certifying the insurance products are “high value and good quality”; contracting with private insurers to provide health plans; collecting premium payments from multiple sources; determining the sliding scale subsidy guidelines for individuals with incomes less than 300 percent of FPL (\$30,630 for an individual); transmitting premium payments to insurers; and enrolling the individual in the health plan of their choice or auto-enrolling those who don’t select a plan.

The Connector allows multiple employers to contribute to an employee's premium purchase. For the 19-26 year old age population who as a group have high rates of uninsurance, the Connector is responsible for offering health insurance plans that are specifically designed to be affordable. The Connector is also charged with defining premium affordability standards and establishing an appeals process that allows individuals to be exempted from the law if they demonstrate they can't afford insurance.

**Funding.** Funding for the Connector comes from the state, Federal Medicaid matching funds, employer contributions, and individual premiums. Small businesses enrolling through the Connector are not required to make premium contributions, but they must adopt at a minimum a Section 125 "cafeteria plan" which permits workers to purchase health care with pre-tax dollars. Companies with 11 or more employees that do not contribute to their employees health insurance premiums will be assessed a "fair share" surcharge and may be assessed a free rider surcharge if their employees access free care. The free rider surcharge assessment is triggered if the employees access free care paid from the uncompensated care pool a total of five times per year, or if one employee accesses free care more than three times. The surcharge will exempt the first \$50,000 of free care used by employees but after that the employer will be charged between 10-100 percent of the cost to the state, the exact assessment rate to be determined by the Division of Health Care Finance and Policy.

**Health Plans.** Two sets of health insurance plans are to be offered through the Connector: Commonwealth Care plans and Commonwealth Choice plans. Commonwealth Care is a heavily-subsidized set of health insurance plans designed primarily for individuals below 300 percent FPL. Premiums and cost-sharing increase with income. Commonwealth Care has been implemented in two phases: the first phase was implemented in October 2006 and covers about 28,000 poverty-level adults; the second phase is being implemented this month and will cover individuals up to three times the federal poverty level (FPL). Commonwealth Choice is to be implemented in July of this year and is designed for participating groups as well as individuals with incomes above 300 percent FPL. A wider selection of health plans is planned for this arm of the Connector, including high-deductible plans for young adults. Each set of health plans is described in more detail below.

### Commonwealth Care Health Insurance Plan

**Definition.** Commonwealth Care is a subsidized insurance program for individuals and employees of small firms who have incomes at or below 300 percent FPL. An individual is eligible to participate if they have been a resident of the state for six months, are Medicaid eligible, and the individual's employer has not provided health insurance in the last six months. Children of parents eligible for Commonwealth Care are covered through the Medicaid program.

**Phase I.** Commonwealth Care is being phased in over time for low-income individuals. For uninsured individuals with incomes at or below the FPL, Commonwealth Care is currently available and no monthly premiums are charged. Benefits include: inpatient hospital services; outpatient and preventive services; inpatient and outpatient mental health and substance abuse services; dental and vision care; and prescription drugs. The Connector has contracted with four nonprofit health insurance providers to offer Commonwealth Care. The four managed care organizations providing this insurance are; Boston Medical Center Health Net, Fallon Community Health Plan, Network Health, and Neighborhood Health Plan. The premiums paid by the state on behalf of low-income individuals for this insurance coverage range from \$280 to \$387 per member per month. The four providers cover the entire state and most enrollees have the choice of two to three plans in their coverage area.

**Phase II.** In early 2007, phase two of the implementation process will ensue, making Commonwealth Care available to persons with incomes of 100.1 percent to 300 percent of the FPL with premiums set on a sliding scale. Proposed premiums will range from \$18 (1.7 percent) per member per month for individuals with

incomes 100%-150% FPL, to \$106 (4.7 percent) for individuals with incomes 250 percent – 300 percent of FPL. For persons with incomes between 200 percent -300 percent of FPL there are two cost sharing plans, one with higher premiums and lower co-payments and one with lower premiums and higher co-payments. The benefit package also includes co-payments for most services, and out-of-pocket maximums will range from \$500 to \$750 depending upon the plan selected and the income category of the enrollee.

### **Commonwealth Choice Health Plan**

It is anticipated that the third phase of the Connector, Commonwealth Choice, will be implemented July 1, 2007. Commonwealth Choice is an array of health plans sold through the Connector for individuals with incomes greater than 300 percent of FPL. Commonwealth Choice health plans are not subsidized. Individuals participating on their own or through their employer will have an annual choice of three different levels of benefits and premiums. In addition, individuals aged 19 to 26 who do not qualify for group health benefits will be able to purchase lower cost “Young Adult Plans” through the Connector.

### **Feasibility of Replicating in Kansas**

In assessing the feasibility of replicating the Massachusetts Connector in Kansas, it is important to examine the climate and extenuating circumstances which existed when this policy initiative was adopted in Massachusetts.

**Massachusetts History.** In 1995, Massachusetts received approval of a Section 1115 waiver from the U.S. Department of Health and Human Services. This waiver allowed Massachusetts to expand Medicaid (MassHealth) and receive federal matching funds for supplemental payments made to safety-net managed care organizations. Under the waiver, non-elderly adults below 100-133 percent of the FPL (\$10,210 - \$13,579 for an individual) and children below 200 percent of FPL were eligible for Medicaid. Since the demonstration began, the number of Massachusetts residents eligible for MassHealth increased by over 300,000 persons. Fifteen percent of the non-elderly population receive health care services through Medicaid in Massachusetts.

**Massachusetts Demographics.** Massachusetts is among the top tier of states with high rates of employer-sponsored health insurance, with 60 percent of residents having employer-sponsored health insurance. The high level of employer-sponsored health insurance coupled with Medicaid expansions have resulted in a relatively low rate of uninsured individuals. In 2004, 11 percent of the population in Massachusetts was insured. Twenty-nine percent of Massachusetts residents have household incomes below 200 percent FPL with 14 percent having incomes under the FPL and 16 percent having incomes in the 100-199 percent FPL range.

A powerful impetus for enactment of the Massachusetts health reform plan (H. 4065) was the pending renewal of that Medicaid Section 1115 waiver. The Centers for Medicare and Medicaid Services (CMS) were scrutinizing the safety net institutional payments in Massachusetts, stipulating that funds be shifted from safety net institutions and into health insurance coverage. Accordingly, \$385 million in federal funds were at risk when their Medicaid waiver was set to expire in July, 2006.

**Massachusetts “Assets” that Contributed to Reform.** Three factors were instrumental in the passage of the Massachusetts health reform statute. First, the state had a long history and tradition of tightly regulating the health insurance small group and non-group market. Insurers were required to offer individual insurance if they offered small group insurance and they were required to do so on a modified community rating basis that did not permit health underwriting. Secondly, the state had a reinsurance pool for both the small group and the individual market. Third, since 1985, the state of Massachusetts has had a large (\$600+ million) program to make supplemental payments to hospitals, health care centers, and certain insurers for uncompensated care and Medicaid underpayments. This program was financed by provider and insurer assessments and state and

federal tax revenues. Federal matching funds for these supplemental payments were most recently approved through a health care reform waiver granted in 1997, but the Federal government challenged the state's financing of that waiver, placing \$385 million in federal funds at risk without significant restructuring. Under the newly approved waiver, previously-questioned sources of Federal funds are redirected towards subsidies offered through the Connector. In addition to these redirected supplemental payments, funding for the Massachusetts reform plan will be drawn from new funding from employer contributions, \$308 million in new state general funds, and premiums. The first three years of the Massachusetts health plan is estimated to cost \$1.2 billion.

**Kansas Demographics.** Based on some demographic measures, Massachusetts is similar to Kansas. Kansas has a relatively low rate of uninsured individuals (11 percent) and a relatively high level of employer-sponsored health insurance (59 percent). Public health insurance is available to children in households with incomes up to 200 percent FPL. Kansas has a slightly higher percentage of low-income residents with 34 percent having household incomes below 200 percent FPL (15 percent having incomes under the FPL and 19 percent having incomes in the 100-199 percent FPL range).

In terms of health insurance regulation, Kansas has enacted small group health insurance legislation which establishes a mean premium and allows for a 25% variation above and below that mean health insurance rate. This represents a modified community rating model for the small group health insurance market, but there has been limited regulatory activity in the non-group market.

**Kansas Business Health Partnership.** In 2000, the Business Health Partnership (BHP) was established with the goal of expanding coverage through a linkage between the public and private sector by improving the affordability and quality of health insurance for low wage workers in small businesses. It was the intended purpose of the legislation creating the BHP that there be available subsidies and/or tax credits to assist low-wage workers in purchasing health insurance. The Business Health Policy Committee membership is statutorily defined by K.S.A. 40-4702. Members include:

- 1) the secretary of the department of commerce and housing or the secretary's designee;
- 2) the secretary of the department of social and rehabilitation services or the secretary's designee;
- 3) the commissioner of insurance or the commissioner's designee;
- 4) one member appointed by the president of the senate;
- 5) one member appointed by the speaker of the house of representatives;
- 6) one member appointed by the minority leader of the senate;
- 7) one member appointed by the minority leader of the house of representatives; and
- 8) three members at large from the private sector appointed by the governor.

**Challenges for Reform in Kansas.** Unlike Massachusetts, Kansas has very limited coverage of adults in Medicaid: eligibility is limited to participants in the Temporary Assistance to Families (TAF) program, who have incomes of no more than 29-36 percent FPL (\$2961 - \$3676 for an individual). Kansas also has a much more modest program of supplemental payments to providers, and far fewer federal dollars are dedicated to that purpose.

## Conclusion

Kansas' relatively low rate of uninsurance, moderately high level of employer sponsored health insurance, and

level of Medicaid coverage for children provide a supportive climate for further policy initiatives to reduce the number of uninsured Kansans. The majority of the uninsured in our state are low-wage full-time workers employed in small businesses. Small employers struggle to find affordable health insurance for their employees and there are very limited options for those in the non-group market. An entity such as the Connector which serves as a clearinghouse to facilitate the pooling and purchasing of health insurance would facilitate access to health insurance products by small employers and individuals. The Business Health Policy Committee currently exists and could assume a similar role as the Connector.

Elements of the Massachusetts Commonwealth Health Insurance Connector program which appear to be crucial in improving access to health insurance for individuals and small employers include: subsidies for low income workers, a mechanism to pool payments from multiple payers, variation in plans, use of pre-tax dollars for health insurance purchase, plan quality verification, and establishment of an adequately financed infrastructure to perform the essential clearinghouse functions which are so burdensome for individuals and small employers. The inclusion of these elements could make health insurance more affordable and attainable for the majority of uninsured Kansans.



SENATOR, 23RD DISTRICT  
14725 S. CHALET DRIVE  
OLATHE, KANSAS 66062  
913-782-4796

STATE CAPITOL—121E  
TOPEKA, KANSAS 66612-1504  
KS METRO TOLL-FREE: 913-715-5000  
OFFICE: 785-296-7358  
CAPITOL HOTLINE: 1-800-432-3924



SENATOR KARIN BROWNLEE  
ASSISTANT MAJORITY LEADER

COMMITTEE ASSIGNMENTS  
COMMERCE, CO-CHAIRPERSON  
FEDERAL & STATE AFFAIRS  
FINANCIAL INSTITUTIONS & INSURANCE  
INTERSTATE COOPERATION  
JOINT COMMITTEES  
ADMINISTRATIVE RULES & REGULATIONS  
ECONOMIC DEVELOPMENT  
CORRECTIONS AND JUVENILE JUSTICE  
EMAIL: HOME —brownlee@ink.org  
CAPITOL—brownlee@senate.state.ks.us  
Website: www.karinbrownlee.com

## TESTIMONY in SUPPORT of SB 193

### Senate Ways & Means

March 2, 2007

Each year the Senate Commerce committee starts the legislative session with a review of the current status of the Kansas economy. The debt burden of the state is an important part of this total picture. Dr. Bart Hildreth of WSU had made a compelling presentation to a Senate caucus early in the 2006 session on this very topic. Creating a state debt policy statement became one of the goals of the Senate Commerce committee.

The goal of a state debt policy statement should be to simply and correctly present to state policymakers the actual debt load which is supported by state tax dollars or state revenues. Additionally, this policy statement should project the cost of this debt to the state in future years. A debt policy statement is not an attempt to limit spending from the backdoor but instead a tool to give general guidance to legislators as we make budget decisions.

On the other hand, the debt policy cannot be so weak that it does not provide the total debt which is repaid by state revenues. Steve Weatherford with KDFA provided testimony, amendments to the bill and a colorful chart as an example of what could be provided should this bill become law. After further review of the amendments which Commerce committee adopted, I am uncertain that the language in the bill will produce the chart or the report which would be most helpful. With the time frame we had, I was unable to reconcile that Steve's chart showed a debt ratio measured as a percent of personal income of 2.4% compared to 3.8% according to Dr. Bart Hildreth. I would ask your assistance to be sure the words in the bill provide the most meaningful report.

To further illustrate this point, I would draw your attention to the fiscal note. With all due respect to our budget director, the fiscal note indicates that for (proposed) FY08, Kansas has only \$67.8 million in "bonded indebtedness financed with SGF monies" which produces a debt ratio of 1.2%. If the debt policy were reduced to only these terms, we would be omitting key information. We must include that debt which is supported by state revenues, not just debt exclusively repaid by SGF. We must include all debt which is considered by Moody's and Standard & Poor's in calculating our bond rating. Finally, I think it is important that we compare our debt load to our surrounding states to provide this additional perspective.

I am very pleased that Dr. Bart Hildreth has agreed to come today to shed more light on this topic than I can. His study which was included in an economic forecast conference in October, 2005 really caught my attention.

Thank you for the opportunity to speak on this issue. I am hopeful that you will see the value of this report and forward out of your committee a bill which will lead to a report that will be foundational each year as we consider our financial condition and budget obligations.

Senate Ways and Means  
3-2-07  
Attachment 2

Thank you for the opportunity to testify on SB 193.

We support the idea of coming to a consensus on a reasonable and workable debt policy for Kansas, and annually preparing a report on state debt, which we believe should be assigned as a joint responsibility to the Department of Administration and KDFA.

SB 193 is an effort to do that. However, before the Committee considers moving the bill forward, various terms in the bill should be more specifically defined or given contextual structure or purpose. Line 13 refers to state debt, but does not define the debt encompassed by this term, for example, that debt which is an obligation of the state general fund. On line 23, it is unclear whether "revenue available to pay debt service" refers to all revenue of the state or only revenues into the State General Fund. Likewise on lines 22 and 24, it is uncertain whether "tax-supported debt" refers only to debt repaid by the State General Fund or debt repaid from all sources of revenue. The interpretation of these terms makes a significant difference in the application of the debt limit outlined in the bill and also in the presentation of several of the items required in the annual report. Also, line 17 on page 2, refers to the state's general obligation credit rating. The state of Kansas does not issue general obligation debt, and does not receive a general obligation credit rating. The AA+/Aa1 issuer shadow credit rating assigned to debt issued by KDFA by Standard & Poor's and Moody's is based on the strength of the state general fund appropriation credit.

For FY 2008 estimated State General Fund debt service payments total just under \$68 million, or 1.2 % of the expected revenue to the State General Fund. However, another \$204 million of debt service payments will be made from other special dedicated revenue funds that have been specifically pledged to repay bonds. Most of the other debt service payments are made from the Highway Fund, but also from the State Institutions Building Fund, the Education Building Fund, the Correctional Institutions Building Fund, university parking and housing funds, etc.

Standard and Poor's and Moody's, the state's two main rating agencies, take different approaches to these definitions. Standard and Poor's counts obligations of the State General Fund as tax supported debt, while Moody's includes the debt obligations of special revenue funds.

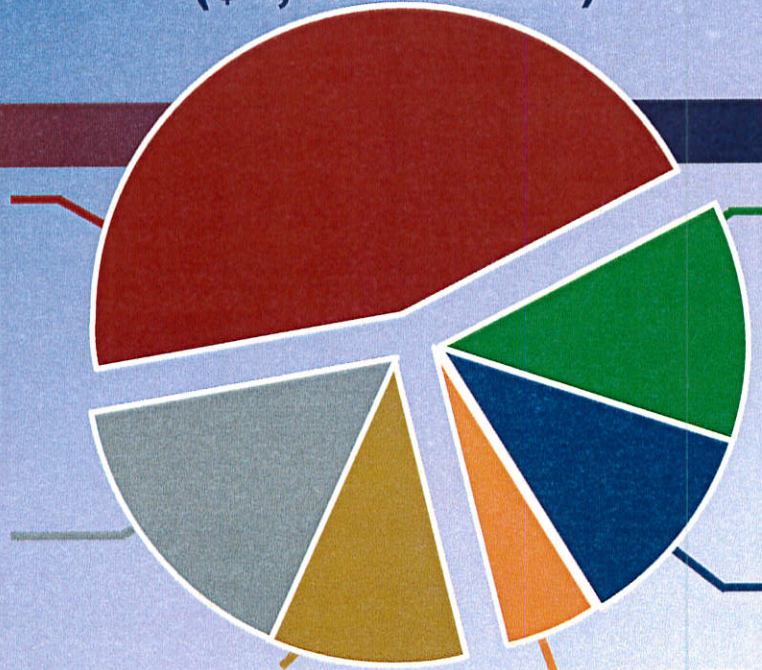
We believe further discussions should take place about this bill and the Department of Administration and KDFA are ready to participate.

Duane Goossen, Secretary of Administration/Budget Director  
Steve Weatherford, President, Kansas Development Finance Authority

Senate Ways and Means  
3-2-07  
Attachment 3

# STATE OF KANSAS

## Bonds Outstanding at June 30, 2006 (\$4,171 million)



### REVENUE SUPPORTED DEBT

**KDOT HIGHWAY BONDS (45%)**  
**\$1,875 million**  
 Bonds issued for long-term highway programs, secured by revenues from motor fuel taxes and vehicle registration fees, and NOT an obligation of the State General Fund.

**KDHE REVOLVING FUNDS (16%)**  
**\$680 million**  
 Bonds issued to fund capital projects for local water and sewer utilities, secured by loan repayments from those local governments. NOT an obligation of the State General Fund.

**BOARD OF REGENTS DEBT (11%)**  
**\$449 million**  
 Bonds issued to support capital program of the Regents' institutions, secured by a pledge of repayment from the individual operating budget of each borrowing university.

### STATE GENERAL FUND DEBT

**KPERS PENSION BONDS (12%)**  
**\$521 million**  
 Refinanced a portion of the existing unfunded liability for State Employees and School Teachers, saving a projected \$144 million in 2004 dollars. Essentially, a pre-existing obligation of the State General Fund.

**DEBT FOR STATE AGENCIES (11%)**  
**\$436 million**  
 Bonds issued for a variety of purposes for various State agencies and secured by appropriations annually from the State General Fund.

**2006A HIGHWAY BONDS (5%)**  
**\$209 million**  
 Bonds issued to further the State's long-term highway capital improvement programs and secured by appropriations annually from the State General Fund.

Ratio	At June 30, 2006	S&P Median State (2004)	Moody's Median State (2004)
% of personal income	1.4%	2.3%	2.4%
Debt per capita	\$448	\$682	\$703
Debt service as % of '05 revenues	2.4%	n/a	n/a



March 2, 2007

I am Alan Cobb, Kansas State Director of Americans for Prosperity, and we support SB 193, but it needs major revisions.

More disclosure and information about the levels of state debt is welcome. This bill will provide a very helpful tool to legislators as they consider debt as a finance option.

However, the amendments made in Senate Commerce at the behest of the Kansas Development Finance Authority frankly cause alarm. I am uncertain why the KDFA and the Kansas Dept of Administration do not want to fully disclose the amount of money the State of Kansas is borrowing.

Clearly, even if the State isn't on the hook for certain debt issued that is guaranteed by a revenue stream, such as student fees, a debt failure would affect the State's credit rating. More so, let's not pretend that the debt holders would not come to the state for relief if the revenue stream guaranteeing the debt dried up.

We need to get back to the original bill if we are serious about providing lawmakers information tools to make appropriate decisions regarding debt.

According to the Governor's FY 2008 budget, SGF debt service is \$67.8MM; non-SGF debt service is \$200.6MM; off-budget debt service is \$3.4MM; Pooled-money investment loan debt service, \$1MM; off-budget PMIB loan debt service, \$2.4MM; master lease program debt service, \$3.7MM; off-budget master lease program debt service, \$800,000; Facilities conservation improvement program debt service, \$4MM.

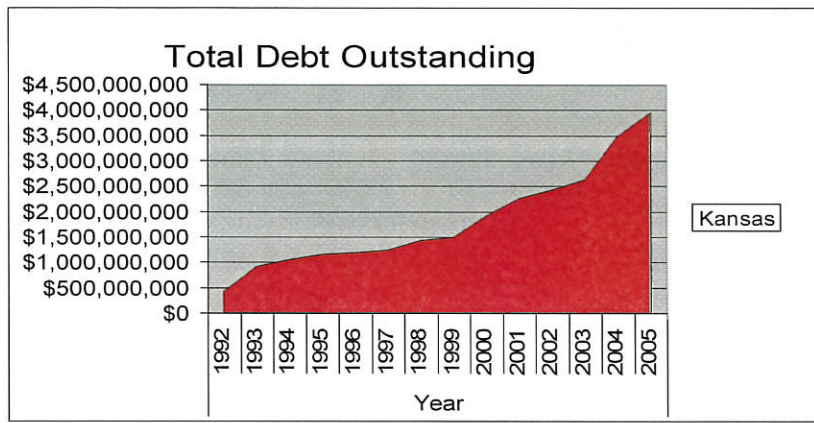
The all-state funds budget, the money available to pay state debt, is about \$9 billion year. Thus, the State debt service of \$284MM is in the 3% range.

It would be helpful if local governments would adopt a similar policy. While state debt is around \$4 billion, local government debt in Kansas exceeds \$16 billion and is increasing.

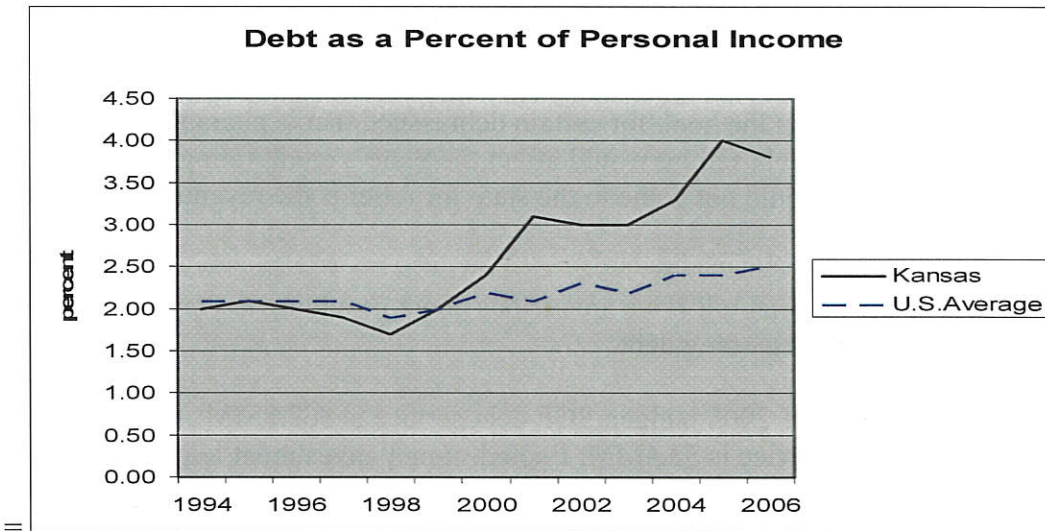
### **Kansas Debt Facts**

- Kansas debt has increased 832% since 1992, from \$424 million in 1992 to \$3.95 billion in 2005. Kansas debt increased 32% between 2003 and 2004 alone.
- Kansas ranks the 2nd in the growth of debt as a percent of personal income: 1992-2006 (660% increase).
- During this same time ('92-'06) 19 states actually DECREASED their debt as a percent of personal income. (Moody's Investors Service, 2006)
- Kansas' debt per capita is much higher than ALL its surrounding states. (*Moody's Special Comment, April 2006*)
  - Kansas \$1,169 per person
  - Missouri \$496 per person
  - Oklahoma \$395 per person
  - Nebraska \$27 per person

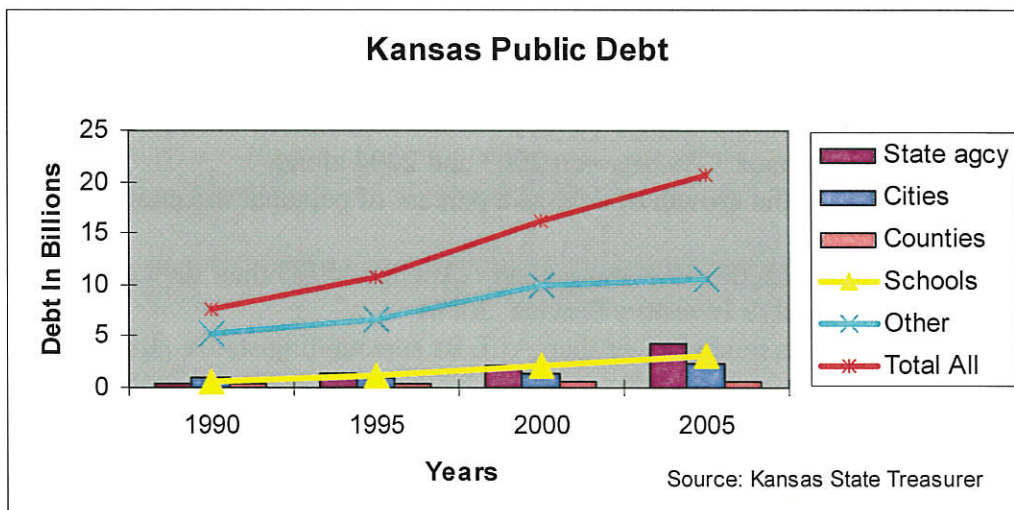
Senate Ways and Means  
3-2-07  
Attachment 4



- Kansas debt as a percent of personal income has increased 660% between 1992-2006. During this same time, the US average increase was only 13%. (*Moody's Investor Service 2006*)



- Kansas' debt as a percent of personal income is considerably higher than ALL the surrounding states (*Moody's Special Comment, June 23, 2006*).
  - Kansas 3.8%, Missouri 1.6%, Oklahoma 1.4%, Colorado 0.9%, Nebraska 0.1%



## Comments on State Debt Affordability

By:

W. Bartley Hildreth, Regents Distinguished Professor of Public Finance  
Director, Kansas Public Finance Center, Wichita State University\*

Thank you for the opportunity to address state debt affordability. Of course, these are my personal, professional views and are not the policy either of Wichita State University or the Kansas Board of Regents.

These comments are based on the research I did that resulted in the "State of Kansas 2005 Debt Affordability Report."<sup>†</sup> That Report was not in response to any request. Instead, my service on the board of the Kansas Development Finance Authority (KDFA) from 1998 to 2003 helped me see the need for a comprehensive analysis of State debt. As far as I know, this was the first study of its kind for the State of Kansas.

The purpose of debt affordability analysis is:

- To provide policy makers with information to set capital financing policies so that every bond issuance proposal is considered against total state debt affordability; and,
- To safeguard the credit quality of the state's debt instruments and to ensure the sustainability of a state's financial position.

My study gives all the details as of June 30, 2005, with projections based on the debt authorized but unissued at that time. The key findings included the following: At the end of FY 2005, the total amount of debt for all state agencies was \$4.0 billion, with one-half issued by KDOT. The ten year annual growth rate was over 7.5 percent on each of six common debt ratios. On key ratios, Kansas exceeded our neighboring states and the national averages. These facts are important because a state's debt burden is a significant factor in assessing a state's long-term financial health.

My work on the Kansas Report and a review of debt affordability policies in other states suggest the following basic principles:

1. Assess debt affordability annually. Standard & Poor's new financial management assessment methodology (2007) assigns a "vulnerable" label to those with a lack of basic debt management policies while a "strong" assessment is given to debt issuers that have debt policies that are "well defined" with "strong reporting and monitoring mechanisms." Moody's Investors Service uses a state rating methodology (2004) that values "debt affordability analysis to inform capital budgets and debt authorization decisions." Moreover, updates are appropriate whenever new debt is considered.
2. Define debt broadly. Since 2001, Moody's monitors and reports each state's "net tax-supported debt" as well as "gross debt, which is a measure that includes contingent debt liabilities that may not have a direct tax cost but that are included in state audited financial statements." State debt affordability reports vary in the debt tracked, but they almost always use a definition that is broader than just the General Fund supported debt.
3. Set targets for key debt ratios. Instead of hard debt lids, "targets" are soft and flexible. Targeted debt ratios have become one of the strongest and most crucial features of debt affordability policies because they convey that this scarce resource will be rationed while preserving flexibility to respond to yearly needs. All the states that I know of with a state debt affordability report have one or more targeted ratios.

That concludes my remarks. Thank you.

---

\* Campus email (bart.hildreth@wichita.edu) and phone (316-978-6332).


<sup>†</sup> The report is available at this web address: [http://hws.wichita.edu/KPF/reports\\_publications/](http://hws.wichita.edu/KPF/reports_publications/)

Senate Ways and Means  
3-2-07  
Attachment 5

FY 2007 and FY 2008

SENATE WAYS AND MEANS SUBCOMMITTEE

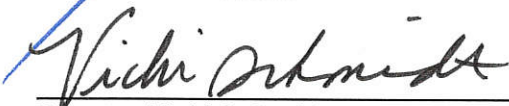
Parole Board  
Kansas Bureau of Investigation



\_\_\_\_\_  
Senator Ruth Teichman, Chair



\_\_\_\_\_  
Senator Jim Barone



\_\_\_\_\_  
Senator Vicki Schmidt

Senate Ways and means  
3-2-07  
Attachment 6

# House Budget Committee Report

**Agency:** Kansas Parole Board      **Bill No.** HB - -

**Bill Sec.** - -

**Analyst:** Cussimano      **Analysis Pg. No.** Vol. II - 1462

**Budget Page No.** 316

<u>Expenditure Summary</u>	<u>Agency Estimate FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>House Budget Committee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 490,701	\$ 490,701	\$ 0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	<u>\$ 490,701</u>	<u>\$ 490,701</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 490,701</u></u>	<u><u>\$ 490,701</u></u>	<u><u>\$ 0</u></u>
<b>FTE Positions</b>			
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>TOTAL</b>	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>0.0</u></u>

## Agency Estimate

The agency estimate FY 2007 operating expenditures of \$490,701 from the State General Fund, an increase of \$5,869, or 1.2 percent, above the amount approved by the 2006 Legislature. The estimate is an increase of \$38,856, or 8.6 percent, above the FY 2006 actual expenditure.

## Governor's Recommendation

The Governor concurs with the agency estimate.

## House Budget Committee Recommendation

The Committee concurs with the Governor's recommendation.



### Senate Subcommittee Report

**Agency:** Parole Board

**Bill No.** - -

**Bill Sec.** - -

**Analyst:** Cussimano

**Analysis Pg. No.** Vol. II-1462

**Budget Page No.** 316

<u>Expenditure Summary</u>	<u>Agency Estimate FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>Senate Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 490,701	\$ 490,701	\$ 0
Other Funds	0	0	0
Subtotal - Operating	<u>\$ 490,701</u>	<u>\$ 490,701</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 490,701</u></u>	<u><u>\$ 490,701</u></u>	<u><u>\$ 0</u></u>
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>0.0</u></u>

#### Agency Estimate

The agency estimates FY 2007 operating expenditures of \$490,701 from the State General Fund, an increase of \$5,869, or 1.2 percent, above the amount approved by the 2006 Legislature. The estimate is an increase of \$38,856, or 8.6 percent, above the FY 2006 actual expenditure.

#### Governor's Recommendation

The Governor concurs with the agency estimate.

#### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** Kansas Parole Board

**Bill No.** HB 2542

**Bill Sec.** 77

**Analyst:** Cussimano

**Analysis Pg. No.** Vol. II - 1462

**Budget Page No.** 316

<u>Expenditure Summary</u>	<u>Agency Request FY 08</u>	<u>Governor's Recommendation FY 08</u>	<u>House Budget Committee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 501,837	\$ 517,741	\$ (31,004)
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	<u>\$ 501,837</u>	<u>\$ 517,741</u>	<u>\$ (31,004)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 501,837</u></u>	<u><u>\$ 517,741</u></u>	<u><u>\$ (31,004)</u></u>
FTE Positions	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>TOTAL</b>	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>3.0</u></u>

### Agency Request

The agency requests FY 2008 operating expenditures of \$501,837 from the State General Fund. The request is an increase of \$11,136, or 2.3 percent, above the FY 2007 estimate.

### Governor's Recommendation

The Governor recommends operating expenditures of \$517,741, all from the State General Fund. The recommendation is an increase of \$27,040, or 5.5 percent, above the FY 2007 recommendation and an increase of \$15,904, or 3.2 percent, above the agency request. The recommendation includes \$15,904 from the State General Fund for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. The recommendation includes \$15,100 from the State General Fund for the purchase of a replacement van.

## House Budget Committee Recommendation

The Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete \$15,904 from the State General Fund for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. Delete \$15,100 from the State General Fund to remove recommended funding to replace one vehicle for consideration at Omnibus.

### Senate Subcommittee Report

**Agency:** Parole Board

**Bill No.** SB 357

**Bill Sec.** 77

**Analyst:** Cussimano

**Analysis Pg. No.** Vol. II-1462

**Budget Page No.** 316

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 501,837	\$ 517,741	\$ (15,904)
Other Funds	0	0	0
Subtotal - Operating	<u>\$ 501,837</u>	<u>\$ 517,741</u>	<u>\$ (15,904)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 501,837</u></u>	<u><u>\$ 517,741</u></u>	<u><u>\$ (15,904)</u></u>
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>0.0</u></u>

### Agency Request

The agency requests FY 2008 operating expenditures of \$501,837 from the State General Fund. The request is an increase of \$11,136, or 2.3 percent, above the FY 2007 estimate.

### **Governor's Recommendation**

The Governor recommends operating expenditures of \$517,741, all from the State General Fund. The recommendation is an increase of \$27,040, or 5.5 percent, above the FY 2007 recommendation and an increase of \$15,904, or 3.2 percent, above the agency request. The recommendation includes \$15,904 from the State General Fund for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. The recommendation includes \$15,100 from the State General Fund for the purchase of a replacement van.

### **Senate Subcommittee Recommendation**

The Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete \$15,904 from the State General Fund for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.

## House Budget Committee Report

**Agency:** Kansas Bureau of Investigation **Bill No.** HB 2541

**Bill Sec.** 48

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1423

**Budget Page No.** 239

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 16,522,201	\$ 16,390,595	\$ 0
Other Funds	11,016,542	11,016,542	0
Subtotal - Operating	\$ 27,538,743	\$ 27,407,137	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 2,704,475	\$ 2,704,475	0
Other Funds	166,600	166,600	0
Subtotal - Capital Improvements	\$ 2,871,075	\$ 2,871,075	\$ 0
<b>TOTAL</b>	<b>\$ 30,409,818</b>	<b>\$ 30,278,212</b>	<b>\$ 0</b>
FTE Positions	220.0	220.0	0.0
Non FTE Uncl. Perm. Pos.	104.6	104.6	0.0
<b>TOTAL</b>	<b>324.6</b>	<b>324.6</b>	<b>0.0</b>

### Agency Estimate

For **FY 2007**, the Kansas Bureau of Investigation estimates operating expenditures of \$27,538,743, including \$16,522,201 from the State General Fund. The estimate is an increase of \$1,524,098, or 5.9 percent, above the amount approved by the 2006 Legislature. The KBI estimates expenditures of \$2,871,075, including \$2,704,475 from the State General Fund, for capital improvements in FY 2007.

### Governor's Recommendation

For **FY 2007**, the Governor recommends operating expenditures of \$27,407,137, including \$16,390,595 from the State General Fund. The recommendation is an increase of \$1,392,492, or 5.4 percent, above the amount approved by the 2006 Legislature. The capital improvements recommendation for FY 2007 is \$2,871,075, including \$2,704,475 from the State General Fund.

### House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

### House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

### House Recommendation

The House has not yet considered this budget.

### Senate Subcommittee Report

**Agency:** Kansas Bureau of Investigation      **Bill No.** SB 358      **Bill Sec.** 48

**Analyst:** VanHouse      **Analysis Pg. No.** Vol. II-1423      **Budget Page No.** 239

<u>Expenditure Summary</u>	<u>Agency Estimate FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 16,522,201	\$ 16,390,595	\$ 0
Other Funds	11,016,542	11,016,542	0
Subtotal - Operating	<u>\$ 27,538,743</u>	<u>\$ 27,407,137</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 2,704,475	\$ 2,704,475	\$ 0
Other Funds	166,600	166,600	0
Subtotal - Capital Improvements	<u>\$ 2,871,075</u>	<u>\$ 2,871,075</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 30,409,818</u>	 <u>\$ 30,278,212</u>	 <u>\$ 0</u>
 FTE Positions	 220.0	 220.0	 0.0
Non FTE Uncl. Perm. Pos.	104.6	104.6	0.0
TOTAL	<u>324.6</u>	<u>324.6</u>	<u>0.0</u>

### Agency Estimate

For FY 2007, the Kansas Bureau of Investigation estimates operating expenditures of \$27,538,743, including \$16,522,201 from the State General Fund. The estimate is an increase of \$1,524,098, or 5.9 percent, above the amount approved by the 2006 Legislature. The KBI estimates expenditures of \$2,871,075, including \$2,704,475 from the State General Fund, for capital improvements in FY 2007.

### **Governor's Recommendation**

For FY 2007, the Governor recommends operating expenditures of \$27,407,137, including \$16,390,595 from the State General Fund. The recommendation is an increase of \$1,392,492, or 5.4 percent, above the amount approved by the 2006 Legislature. The capital improvements recommendation for FY 2007 is \$2,871,075, including \$2,704,475 from the State General Fund.

### **Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** Kansas Bureau of Investigation **Bill No.** HB 2542

**Bill Sec.** 79

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1423

**Budget Page No.** 239

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 21,538,744	\$ 16,081,708	\$ (430,043)
Other Funds	9,441,851	10,078,493	(388,853)
Subtotal - Operating	\$ 30,980,595	\$ 26,160,201	\$ (818,896)
Capital Improvements:			
State General Fund	\$ 762,457	\$ 365,000	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 762,457	\$ 365,000	\$ 0
TOTAL	\$ 31,743,052	\$ 26,525,201	\$ (818,896)
FTE Positions			
	220.0	220.0	0.0
Non FTE Uncl. Perm. Pos.			
	96.1	96.1	0.0
TOTAL	316.1	316.1	0.0

### Agency Request

For **FY 2008**, the Kansas Bureau of Investigation requests operating expenditures of \$30,980,595, including \$21,538,744 from the State General Fund. The request is an increase of \$3,441,852, or 12.5 percent, above the FY 2007 revised request. The request includes operating enhancements totaling \$5,539,290, with \$5,787,079 from the State General Fund. The enhancement request includes a funding shift of \$332,500 from federal funds to the State General Fund. The KBI requests expenditures of \$762,457, all from the State General Fund, for capital improvements. The capital improvements request includes enhancements totaling \$397,457 from the State General Fund.

### Governor's Recommendation

For **FY 2008**, the Governor recommends operating expenditures of \$26,160,201, including \$16,081,708 from the State General Fund. The recommendation is a decrease of \$1,246,936, or 4.5 percent, below the FY 2007 recommendation. The recommendation includes enhancements totaling \$243,325. The capital improvements recommendation for FY 2008 is \$365,000, all from the State General Fund.



## House Budget Committee Recommendation

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

1. Delete \$575,571, including \$430,043 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. Delete \$243,325, all from special revenue funds, to remove recommended funding to replace 17 vehicles for consideration at Omnibus.
3. The Budget Committee recommends Omnibus consideration of \$474,835 from the State General Fund to fully implement 2006 HB 2554, which increased the number of DNA samples analyzed by the agency's laboratory. The Attorney General appeared before the Committee indicating that addressing current needs within the DNA program is his number one priority for the KBI.
4. The Budget Committee recommends Omnibus consideration of \$184,590 from the State General Fund to purchase property north of the Topeka Headquarters building. The 2006 Legislature approved the purchase of the IMA office building adjacent to the existing Headquarters building. The agency has indicated that this action has delayed space needs for the agency for five to seven years. The remainder of the block contains vacant lots and residential property with a total tax valuation of \$124,590. The agency's long term strategy is to purchase the remaining parcels on the block, so that property will be available to build a new forensic lab in the future.
5. The Budget Committee recommends Omnibus consideration of \$297,500 from the State General Fund for the Kansas Criminal Justice Information System. Amounts include \$196,000 for software maintenance and \$101,500 for two employees to provide technical support and training to law enforcement agencies who submit crime incident reports electronically to the KBI.
6. The Budget Committee recommends Omnibus consideration of the shift of \$332,500 from federal funds to the State General Fund for the Southeast Kansas Drug Enforcement Task Force. This program serves over 22 local, county, and state law enforcement agencies, addressing drug trafficking in the Southeast Kansas area. The agency reports that federal funding for the program may no longer be available, and without this funding four highly trained and experienced special agents and one crime analyst will be lost.
7. The Budget Committee notes concern over pay issues with agency employees, particularly forensic scientists. The Committee notes that the House Select Committee on State Employee Pay Plan is reviewing employee pay issues across state government, and the Committee is sending a letter to the Select Committee expressing its concerns.

## House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

### House Recommendation

The House has not yet considered this budget.

### Senate Subcommittee Report

**Agency:** Kansas Bureau of Investigation      **Bill No.** SB 357      **Bill Sec.** 79

**Analyst:** VanHouse      **Analysis Pg. No.** Vol. II-1423      **Budget Page No.** 239

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 21,538,744	\$ 16,081,708	\$ 674,792
Other Funds	9,441,851	10,078,493	(145,528)
Subtotal - Operating	<u>\$ 30,980,595</u>	<u>\$ 26,160,201</u>	<u>\$ 529,264</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 762,457	\$ 365,000	\$ 184,590
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 762,457</u>	<u>\$ 365,000</u>	<u>\$ 184,590</u>
<b>TOTAL</b>	<u><u>\$ 31,743,052</u></u>	<u><u>\$ 26,525,201</u></u>	<u><u>\$ 713,854</u></u>
FTE Positions	220.0	220.0	0.0
Non FTE Uncl. Perm. Pos.	96.1	96.1	0.0
<b>TOTAL</b>	<u><u>316.1</u></u>	<u><u>316.1</u></u>	<u><u>0.0</u></u>

### Agency Request

For FY 2008, the Kansas Bureau of Investigation requests operating expenditures of \$30,980,595, including \$21,538,744 from the State General Fund. The request is an increase of \$3,441,852, or 12.5 percent, above the FY 2007 revised request. The request includes operating enhancements totaling \$5,539,290, with \$5,787,079 from the State General Fund. The enhancement request includes a funding shift of \$332,500 from federal funds to the State General Fund. The KBI requests expenditures of \$762,457, all from the State General Fund, for capital improvements. The capital improvements request includes enhancements totaling \$397,457 from the State General Fund.

## **Governor's Recommendation**

For FY 2008, the Governor recommends operating expenditures of \$26,160,201, including \$16,081,708 from the State General Fund. The recommendation is a decrease of \$1,246,936, or 4.5 percent, below the FY 2007 recommendation. The recommendation includes enhancements totaling \$243,325. The capital improvements recommendation for FY 2008 is \$365,000, all from the State General Fund.

## **Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation with the following adjustments and comments.

1. Delete \$575,571, including \$430,043 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. Add \$474,835 from the State General Fund for DNA analysis expansion. The 2006 Legislature passed HB 2554 which expanded DNA collections to certain felonies beginning January 1, 2007 and all felonies beginning July 1, 2008. This funding would allow the agency to meet the additional laboratory demands created by the legislation. The agency reported that there currently is a backlog of 1,300 investigative cases and 16,000 DNA databank samples awaiting analysis. The Attorney General reported that this is his number one priority for the agency.
3. Add \$184,590 from the State General Fund and the authority to purchase the remaining parcels of property on the block containing the KBI headquarters. The agency reports that additional laboratory space will be necessary in five to seven years. The agency's goal is to obtain this property for future construction of a new KBI laboratory. The agency has already made a commitment to this location, and purchase of the land now may allow the agency to obtain the land at a cheaper price and avoid using eminent domain. The Subcommittee recommends that the funding be limited to the purchase of the land, and that reappropriation authority be granted so the funding may be used in future years.
4. Add \$297,500 from the State General Fund for the Kansas Criminal Justice Information System (KCJIS). The KCJIS provides secure criminal justice information to over 8,000 individuals and 1,700 separate agencies 24 hours a day, 365 days a year. Approximately 2.5 million message transactions occur monthly between law enforcement users on the system. This funding would be used to maintain the system's software and fund two existing grant-funded employees who provide technical support and training for the system. The agency reports that grants are no longer available to fund these positions.
5. Add \$332,500 from the State General Fund for the Southeast Kansas Drug Enforcement Task Force. This highly effective program is partnered with local agencies to focus on narcotics related issues. The task force is a joint effort, with 30 percent of the funding provided by local agencies. Without this funding, the agency could lose four highly trained and experienced special agents and one crime analyst.

6. The Subcommittee recommends Omnibus consideration of the following items, listed in priority order by the agency.
- A 7.5 percent salary increase for KBI commissioned personnel;
  - A 7.5 percent salary increase for Senior Forensic Scientists and Forensic Supervisors;
  - Two Information Technology positions;
  - Funding to fill eleven vacant Special Agent positions;
  - Information Technology hardware refreshment;
  - Investigation equipment refreshment;
  - Laboratory instrumentation replacement;
  - Secured parking and storage at the KBI complex;
  - Topeka Headquarters rehabilitation and repair; and
  - Great Bend rehabilitation and repair.

These items total \$3,153,040, including \$3,116,221 from the State General Fund.

7. The Subcommittee expresses appreciation for the service of Director Larry Welch to the State of Kansas. Director Welch is a native Kansan and has served as KBI Director since 1994. The Subcommittee extends their congratulations to the Director on his retirement this spring.
8. The Subcommittee notes that the Legislature has expanded the duties of the agency in recent years. Below is a summary of bills passed in the last five years expanding the role of the agency. This legislation had a combined fiscal note of over \$2.7 million. In addition, other legislation has impacted all law enforcement agencies, including the KBI, by increasing criminal penalties or requiring new procedures. Attached is additional information provided by the agency on its statutory duties.

2002 HB 2880: Expanded DNA database to include all felonies and some misdemeanors.

2002 HB 2399: Offender Registration to include juveniles who commit felony sexual assaults.

2002 HB 2629: Fingerprint checks on state computer system personnel.

2003 SB 14: Expands record checks for adult care homes.

2004 HB 2638: Requires the KBI to conduct investigations whenever a person died in the custody of the state and in any state facility.

2004 HB 2869: KBI to develop list of approved field-tests for controlled substances.

2005 SB 27: Requires KBI to do annual report on methamphetamine production.

2005 SB 36: Fingerprint record checks on applicants to the bar.

2005 HB 2380: KBI to collect DNA samples of aborted embryos from abortions involving children under 14 years of age.

2006 HB 4118/SB 218: Concealed weapons licensing – record checks by KBI, charged with receiving and creating new 'care and treatment' database.

2006 HB 2554: DNA upon arrest, phase one for person and drug felonies; KBI to track cases and remove sample if ultimately acquitted or reversed.

2006 SB 506: Offender Registration – adding crimes of violence if done with deadly weapons, offenders to register twice a year, expands to lifetime all crimes with victims under 14 years of age.

2006 HB 2576: 'Jessica's law' increased penalties for offender registration violations thus increasing jury trials and witness time for KBI offender registration unit.

2006 HB 2626: Substantially expands KBI role in identifying missing persons and bodies in case of terrorism or natural disaster.

## KBI Statutory References

(12/29/06)

### I. Authorization Statutes:

- A. **K.S.A. 75-711.** Establishes the KBI as a division of the Attorney General's office, with "agents who shall be trained in the detection and apprehension of criminals."
- B. **K.S.A. 75-712.** Sets out the power and duties of the KBI:
  - (a) Investigations are to be conducted at the direction of the attorney general. Since the inception of the KBI, that direction has been to also conduct investigations when requested by the local criminal justice authorities the KBI was created to serve.
  - (b) Records are to be collected and the KBI is established as the central repository for criminal history records. See also K.S.A. 22-4701, *et seq.*
  - (c) Background investigations of gubernatorial appointees, subject to senate confirmation, are also to be conducted by the KBI.

### II. Additional Statutory Duties of the Director:

- A. **K.S.A. 74-9501.** Member of the criminal justice coordinating council.
- B. **K.S.A. 75-2250.** Member of the law enforcement memorial committee.
- C. **K.S.A. 74-5701.** Member of the law enforcement telecommunications committee.
- D. **K.S.A. 74-5606.** Member of the Kansas Commission on Police Officer Standards and Training.
- E. **SB 506 in 2006 Session** Member of the Sex Offender Policy Board.

### III. Statutory Databases:

- A. **K.S.A. 21-2501.** Fingerprint impressions are to be taken by local law enforcement agencies on forms provided by the KBI or FBI, then maintained by the KBI, copy forwarded to the FBI.
- B. **K.S.A. 21-2501a.** Offense Reports are to be sent to and maintained by the KBI. See also **K.S.A. 22-2307** on domestic violence calls to be reported to KBI.
- C. **K.S.A. 38-1520.** Child in need of care central repository is established at the KBI to collect information collected by juvenile justice agencies. K.S.A. 38-1611. Juvenile Offender Central Repository is likewise established at the KBI to collect juvenile offender information.
- D. **K.S.A. 75-712b** Provides that the KBI establish a missing persons system for use throughout the state to track information on missing persons and unidentified bodies. Also to provide training to local agencies as funding allows.
- E. **K.S.A. 75-712d.** Similarly requires the KBI establish a missing children information clearinghouse and sets out the duties involved.

- G. **K.S.A. 21-2511.** DNA Samples are to analyzed and a DNA databank maintained by the KBI for all convicted felons and certain serious felon arrestees starting January 1, 2007. KBI to provide all specimen vials, mailing tubes, labels and instructions necessary for collection of blood and saliva samples.
- H. **K.S.A. 22-4901, et seq.** Kansas Offender Registration Act is maintained by the KBI. Under the act, the KBI:
  - 1. Maintains offender registration databank.
  - 2. Verifies offender data every 90 days.
  - 3. Responds to inquiries, determine whether public record or not, notify prosecutors of registration violations.
- I. **HB 2118 in 2006 session:** Mentally Ill Adjudications are to be sent to KBI for retention in database used in checking applicants for conceal carry permits.

#### IV. Record Checks

- A. **K.S.A. 22-4701, et seq.** Criminal history record information (CHRI) is maintained by the KBI as the designated central repository. Various duties in the maintenance and dissemination of such records are set out in the act and under the expungement statutes, K.S.A. 21-4619, for state offenses and K.S.A. 12-4516a for municipal court convictions. As the central repository the KBI is required to conduct record checks pursuant to several Kansas statutes:
  - 1. **K.S.A. 7-127** Applicants to practice law.
  - 2. **K.S.A. 12-826** Sheriff Candidates
  - 3. **K.S.A. 12-1,120.** Chiefs of Police
  - 4. **K.S.A. 12-1679.** Merchants or security policeman
  - 5. **K.S.A. 17-2234.** Employees of the State department of credit unions
  - 6. **K.S.A. 19-826.** Sheriff candidates
  - 7. **K.S.A. 39-969.** Adult care home licensing.
  - 8. **K.S.A. 65-516.** Maternity centers and child care facilities
  - 9. **K.S.A. 65-1120.** Nursing
  - 10. **K.S.A. 65-2839a** Board of Healing Arts
  - 11. **K.S.A. 65-3503.** Adult care home administrator licensing.
  - 12. **K.S.A. 65-4209.** Mental health technicians
  - 13. **K.S.A. 65-5117.** Home health agencies
  - 14. **K.S.A. 74-5607.** Law enforcement officers
  - 15. **K.S.A. 74-8805, 8816.** Pari-mutuel racing
  - 16. **K.S.A. 72-8202f.** School district employees.
  - 17. **K.S.A. 74-8607.** Tribal Gaming
  - 18. **K.S.A. 75-3707e.** State information technology infrastructure employees.
- B. **Background investigations.** Several statutes require the KBI conduct full background check, which include interviews of former employers, references and other contacts, financial investigations, etc., and are conducted on persons being considered for sensitive positions in government service. The KBI is mandated to conduct background investigations under several statutes, including:
  - 1. **K.S.A. 74-4905.** KPERS board of trustees
  - 2. **K.S.A. 74-8705.** Major procurement contracts.
  - 3. **K.S.A. 74-9804.** State Gaming; Executive Director, agents.
  - 4. **K.S.A. 75-712.** Governor Appointments; e.g. cabinet, judges

## V. Miscellaneous Duties

- A. **K.S.A. 65-7001 *et seq.*** Chemical Control Act assigns numerous duties to the KBI:
  - 1. **K.S.A. 65-7004.** Monitoring law enforcement exclusions.
  - 2. **K.S.A. 65-7005.** Enter agreements with KDHE.
  - 3. **K.S.A. 65-7008.** Develop educational and reporting system for Kansas's retailers of controlled chemicals. (*METHWATCH*)
  - 4. **K.S.A. 65-7012.** Assist KDHE in developing disposal contracts.
- B. **K.S.A. 22a-235.** Autopsy report forms for coroners are to be approved by the KBI.
- C. **K.S.A. 65-448.** Sexual Assault Kits are to be approved by the KBI. The KBI, in cooperation with KDHE, is to establish procedures for gathering sexual assault evidence at medical care facilities.
- D. **K.S.A. 74-9806.** Tribal Gaming compact and criminal investigations are specifically assigned to the KBI.
- E. **K.S.A. 75-7b01 *et seq.*** Private Detective Licensing, while a statutorily assigned to the attorney general's office, has been assigned to the KBI as a division of the attorney general's office.
- E. **K.S.A. 79-3419** Motor vehicle fuel tax violations may be referred to the KBI, at the discretion of the Director of taxation.
- F. **K.S.A. 22-2902C** Authorizes the Director to approve drug field-tests for admission at preliminary hearings.
- I. **K.S.A. 65-67a09** requires the collection of embryonic samples in all abortions where the patient is less than 14 years of age. Samples sent to KBI.



FY 2007 and FY 2008

SENATE WAYS AND MEANS SUBCOMMITTEE

Emergency Medical Services Board  
Sentencing Commission  
Fire Marshal



Handwritten signature of Carolyn McGinn in cursive script, written over a horizontal line.

Senator Carolyn McGinn, Chair



Handwritten signature of Vicki Schmidt in cursive script, written over a horizontal line.

Senator Vicki Schmidt



Handwritten signature of Chris Steineger in cursive script, written over a horizontal line.

Senator Chris Steineger

## House Budget Committee Report

**Agency:** Board of Emergency Medical Services **Bill No.** HB 2541

**Bill Sec.** 49

**Analyst:** Klaassen

**Analysis Pg. No.** Vol. II-1411

**Budget Page No.** 161

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,883,915	1,900,695	0
Subtotal - Operating	\$ 1,883,915	\$ 1,900,695	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 1,883,915</b>	<b>\$ 1,900,695</b>	<b>\$ 0</b>
FTE Positions	14.0	14.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>14.0</b>	<b>14.0</b>	<b>0.0</b>

### Agency Estimate

The Board of Emergency Medical Services estimates FY 2007 operating expenditures of \$1,883,915, an increase of \$374,100, or 24.8 percent, above the amount approved by the 2006 Legislature. The majority of this increase comes from additional federal monies received by the Board of EMS. Of the FY 2007 expenditures, \$1,562,079 are financed by the EMS Operating Fund, an increase of \$52,264, or 3.5 percent, above the 2006 approved amount. This increase is due to the agency's FY 2007 Kansas Savings Incentive Program (KSIP) expenditures.

### Governor's Recommendation

The Governor recommends operating expenditures of \$1,900,695 from all funds. This is an increase of \$390,880, or 25.9 percent, above the approved amount. This includes \$1,578,859 from the EMS Operating Fund, which is an increase of \$16,780, or 1.1 percent, above the agency's revised FY 2007 request. This increase from the agency's revised request is due to the agency's inadvertent exclusion of \$16,780 in expenditures, which makes up the difference between the agency's request and the approved expenditures for FY 2007. The Governor approves the inclusion of the \$16,780 in EMS Operating Fund expenditures to bring the agency to the approved amount for FY 2007.

### House Budget Committee Recommendation

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

### House Committee Recommendation

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

### Senate Subcommittee Report

**Agency:** Board of Emergency Medical Services    **Bill No.** SB 357    **Bill Sec.** 80

**Analyst:** Klaassen    **Analysis Pg. No.** Vol. II-1411    **Budget Page No.** 161

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,883,915	1,900,695	0
Subtotal - Operating	<u>\$ 1,883,915</u>	<u>\$ 1,900,695</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 1,883,915</u></u>	 <u><u>\$ 1,900,695</u></u>	 <u><u>\$ 0</u></u>
 FTE Positions	 14.0	 14.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>14.0</u></u>	<u><u>14.0</u></u>	<u><u>0.0</u></u>

### Agency Estimate

The Board of Emergency Medical Services estimates FY 2007 operating expenditures of \$1,883,915, an increase of \$374,100, or 24.8 percent, above the amount approved by the 2006 Legislature. The majority of this increase comes from additional federal monies received by the Board of EMS. Of the FY 2007 expenditures, \$1,562,079 are financed by the EMS Operating Fund, an increase of \$52,264, or 3.5 percent, above the 2006 approved amount. This increase is due to the agency's FY 2007 Kansas Savings Incentive Program (KSIP) expenditures.

### Governor's Recommendation

The Governor recommends operating expenditures of \$1,900,695 from all funds. This is an increase of \$390,880, or 25.9 percent, above the approved amount. This includes \$1,578,859

from the EMS Operating Fund, which is an increase of \$16,780, or 1.1 percent, above the agency's revised FY 2007 request. This increase from the agency's revised request is due to the agency's inadvertent exclusion of \$16,780 in expenditures, which makes up the difference between the agency's request and the approved expenditures for FY 2007. The Governor approves the inclusion of the \$16,780 in EMS Operating Fund expenditures to bring the agency to the approved amount for FY 2007.

### **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.

# House Budget Committee Report

**Agency:** Board of Emergency Medical Services **Bill No.** HB 2542

**Bill Sec.** 80

**Analyst:** Klaassen

**Analysis Pg. No.** Vol. II-1411

**Budget Page No.** 161

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 0	\$ 0	0
Other Funds	1,717,153	1,688,966	(28,116)
Subtotal - Operating	\$ 1,717,153	\$ 1,688,966	\$ (28,116)
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 1,717,153</b>	<b>\$ 1,688,966</b>	<b>\$ (28,116)</b>
FTE Positions	15.0	14.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>15.0</b>	<b>14.0</b>	<b>0.0</b>

## Agency Request

The Board of Emergency Medical Services requests FY 2008 operating expenditures of \$1,717,153, a decrease of \$166,762, or 8.9 percent, below the FY 2007 revised estimate. The entire request is financed by the EMS operating fund. This decrease is due to significant decreases in contractual services and capital outlay only partially offset by the agency's FY 2008 enhancement request. The entire request is financed from the EMS Operating Fund.

## Governor's Recommendation

The Governor recommends expenditures of \$1,688,966, a decrease of \$211,729, or 11.1 percent, below the FY 2007 recommendation and a decrease of \$28,187, or 1.6 percent, below the agency's FY 2008 request. The Governor recommends the agency's request for \$200,000 in additional Education Incentive Grant Program monies, but the Governor does not recommend the agency's request for \$56,303 to fund an additional examiner FTE position. The Governor's FY 2008 recommendation includes the addition of \$28,116, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. The entire recommendation is financed by the EMS Operating Fund.

## House Budget Committee Recommendation

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

1. Delete \$28,116 from the EMS operating fund for a 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and the increase in longevity payments will be considered later.
2. Add language requiring the six EMS regions to report their expenditures and receipts acquired from their operation of the Kansas Examination. The Board of Emergency Medical services divides \$116,250 between the six EMS regions for the administration of the Kansas Examination.
3. Create a no-limit special revenue fund for monies earmarked for the Education Incentive Grant program. Monies repaid by students failing to comply with their memorandum of agreement will be returned to this fund and available for reuse within the Education Incentive Grant Program.
4. Additionally, the Budget Committee recognizes the demand for EMS providers in Kansas and supports the efforts of the Board to eliminate barriers that may discourage citizens from seeking certification. The Budget Committee notes the Governor's recommendation includes the addition of \$200,000 from special revenue funds to expand the Education Incentive Grant Program.
5. Consider at Omnibus the agency's request for an additional \$20,000 for exam proctors. The agency indicated it is requesting a Governor's Budget Amendment.

## House Committee Recommendation

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

---

---

### Senate Subcommittee Report

**Agency:** Board of Emergency Medical Services **Bill No.** SB 358

**Bill Sec.** 49

**Analyst:** Klaassen

**Analysis Pg. No.** Vol. II-1411

**Budget Page No.** 161

<u>Expenditure Summary</u>	<u>Agency Request FY 08</u>	<u>Governor's Recommendation FY 08</u>	<u>Senate Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,717,153	1,688,966	(108,116)
Subtotal - Operating	<u>\$ 1,717,153</u>	<u>\$ 1,688,966</u>	<u>\$ (108,116)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 1,717,153</u></u>	<u><u>\$ 1,688,966</u></u>	<u><u>\$ (108,116)</u></u>
<b>FTE Positions</b>			
FTE Positions	15.0	14.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>15.0</u></u>	<u><u>14.0</u></u>	<u><u>0.0</u></u>

#### Agency Request

The Board of Emergency Medical Services requests FY 2008 operating expenditures of \$1,717,153, a decrease of \$166,762, or 8.9 percent, below the FY 2007 revised estimate. The entire request is financed by the EMS operating fund. This decrease is due to significant decreases in contractual services and capital outlay only partially offset by the agency's FY 2008 enhancement request. The entire request is financed from the EMS Operating Fund.

#### Governor's Recommendation

The Governor recommends expenditures of \$1,688,966, a decrease of \$211,729, or 11.1 percent, below the FY 2007 recommendation and a decrease of \$28,187, or 1.6 percent, below the agency's FY 2008 request. The Governor recommends the agency's request for \$200,000 in additional Education Incentive Grant Program monies, but the Governor does not recommend the agency's request for \$56,303 to fund an additional examiner FTE position. The Governor's FY 2008 recommendation includes the addition of \$28,116, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. The entire recommendation is financed by the EMS Operating Fund.

## Senate Subcommittee Recommendation

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

1. Delete \$28,116 from the EMS operating fund for a 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and the increase in longevity payments will be considered later.
2. Delete \$100,000, all from special revenue funds, of the additional \$200,000 recommended for the Education Incentive Grant Program enhancement. Priority for these grants should be given to rural areas. The subcommittee notes that the Board of Emergency Medical Services already receives \$200,000 as a base request for this program, and the additional \$100,000 would bring them up to \$300,000 for use in the Education Incentive Grant Program in FY 2008.
3. Add \$20,000, all from special revenue funds, for exam proctors. The Subcommittee heard testimony from the Board of Emergency Medical Services that they would like for a representative of the Board to be present for the 55 to 60 exams given per year to insure the integrity, security, and on-site execution of the examination. These exams are currently run by employees of the regions in which they are given and this money would allow for a Board certified employee to be present at these exams.
4. Add language requiring the six EMS regions to report their expenditures and receipts acquired from their operation of the Kansas Examination. The Board of Emergency Medical services divides \$116,250 between the six EMS regions for the administration of the Kansas Examination.



# House Budget Committee Report

**Agency:** Sentencing Commission **Bill No.** HB 2541

**Bill Sec.** 50

**Analyst:** Cussimano

**Analysis Pg. No.** Vol. II-1470

**Budget Page No.** 364

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 9,558,338	\$ 9,098,338	\$ 0
Other Funds	445,878	445,878	0
Subtotal - Operating	\$ 10,004,216	\$ 9,544,216	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 10,004,216</b>	<b>\$ 9,544,216</b>	<b>\$ 0</b>
FTE Positions	9.0	10.0	0.0
Non FTE Uncl. Perm. Pos.	5.0	4.0	0.0
<b>TOTAL</b>	<b>14.0</b>	<b>14.0</b>	<b>0.0</b>

## Agency Estimate

The agency estimates FY 2007 operating expenditures of \$10,004,216, an increase of \$86,099 or 0.9 percent above the amount approved by the 2006 Legislature. The estimate includes State General Fund expenditures of \$9,558,338, an increase of \$5,118, or 0.1 percent, above the approved amount. The estimate includes a reappropriation of \$4,446. The estimate includes funding for 9.0 FTE positions, 5.0 Non-FTE permanent unclassified positions and compensation for eight commission members.

## Governor's Recommendation

The Governor recommends FY 2007 expenditures of \$9,544,216, including \$9,098,338 from the State General Fund. The recommendation is a decrease of \$373,901, or 3.8 percent, below the amount approved by the FY 2006 Legislature.

## House Budget Committee Recommendation

The Committee concurs with the Governor's recommendation.

**Senate Subcommittee Report**

**Agency:** Sentencing Commission **Bill No.** SB 358

**Bill Sec.** 50

**Analyst:** Cussimano

**Analysis Pg. No.** Vol. II-1470

**Budget Page No.** 364

<u>Expenditure Summary</u>	<u>Agency Estimate FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>Senate Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 9,558,338	\$ 9,098,338	\$ 0
Other Funds	445,878	445,878	0
Subtotal - Operating	<u>\$ 10,004,216</u>	<u>\$ 9,544,216</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 10,004,216</u></u>	<u><u>\$ 9,544,216</u></u>	<u><u>\$ 0</u></u>
FTE Positions	9.0	10.0	0.0
Non FTE Uncl. Perm. Pos.	5.0	4.0	0.0
<b>TOTAL</b>	<u><u>14.0</u></u>	<u><u>14.0</u></u>	<u><u>0.0</u></u>

**Agency Estimate**

The agency estimates FY 2007 operating expenditures of \$10,004,216, an increase of \$86,099 or 0.9 percent above the amount approved by the 2006 Legislature. The estimate includes State General Fund expenditures of \$9,558,338, an increase of \$5,118, or 0.1 percent, above the approved amount. The estimate includes a reappropriation of \$4,446. The estimate includes funding for 9.0 FTE positions, 5.0 Non-FTE permanent unclassified positions and compensation for eight commission members.

**Governor's Recommendation**

The Governor recommends FY 2007 expenditures of \$9,544,216, including \$9,098,338 from the State General Fund. The recommendation is a decrease of \$373,901, or 3.8 percent, below the amount approved by the FY 2006 Legislature.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** Sentencing Commission **Bill No.** HB 2542

**Bill Sec.** 81

**Analyst:** Cussimano

**Analysis Pg. No.** Vol. II-1470

**Budget Page No.** 364

<u>Expenditure Summary</u>	<u>Agency Request FY 08</u>	<u>Governor's Recommendation FY 08</u>	<u>House Budget Committee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 9,723,815	\$ 9,747,082	\$ (650,374)
Other Funds	<u>393,380</u>	<u>399,314</u>	<u>(5,934)</u>
Subtotal - Operating	<u>\$ 10,117,195</u>	<u>\$ 10,146,396</u>	<u>\$ (656,308)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 10,117,195</u>	 <u>\$ 10,146,396</u>	 <u>\$ (656,308)</u>
 FTE Positions	 11.0	 12.0	 (2.0)
Non FTE Uncl. Perm. Pos.	<u>5.0</u>	<u>4.0</u>	<u>0.0</u>
TOTAL	<u>16.0</u>	<u>16.0</u>	<u>(2.0)</u>

### Agency Request

The agency requests FY 2008 operating expenditures of \$10,117,195, an increase of \$112,979 or 1.1 percent above the FY 2007 estimate. The request includes State General Fund expenditures of \$9,723,815, an increase of \$165,477 or 1.7 percent above the FY 2007 estimate.

### Governor's Recommendation

The Governor recommends FY 2008 operating expenditures of \$10,146,396, including \$9,747,082 from the State General Fund. The recommendation is an increase of \$29,201, or 0.2 percent, above the agency request and an increase of \$602,180, or 6.3 percent, above the FY 2007 recommendation. The recommendation includes moving a non-FTE fiscal position to an FTE position, adding \$50,000 from the State General Fund for additional assistance in the substance abuse treatment program and adding 2.0 FTE positions and \$117,107 from the State General Fund to track sexually violent predators under 2006 HB 2576. The Governor's recommendation also includes the addition of \$29,201, including \$23,267 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement.

## House Budget Committee Recommendation

The Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete \$29,201, including \$23,267 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
  2. Delete \$117,107 from the State General Fund and 2.0 FTE positions to track sexually violent predators under 2006 HB 2576 for further review at Omnibus.
  3. Delete \$50,000 from the State General Fund for additional assistance in the substance abuse treatment program for further review at Omnibus. The Committee requests the agency provide additional information regarding offender payments and the cause of the decrease in payments.
  4. Delete \$460,000 from the State General Fund for substance abuse treatment. The Committee requests the agency provide further information regarding the cost and usage trends of treatment under 2003 SB 123 based on funding that was not expended in FY 2006.
-

**Senate Subcommittee Report**

**Agency:** Sentencing Commission **Bill No.** SB 357

**Bill Sec.** 81

**Analyst:** Cussimano

**Analysis Pg. No.** Vol. II-1470

**Budget Page No.** 364

<u>Expenditure Summary</u>	<u>Agency Request FY 08</u>	<u>Governor's Recommendation FY 08</u>	<u>Senate Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 9,723,815	\$ 9,747,082	\$ (140,374)
Other Funds	<u>393,380</u>	<u>399,314</u>	<u>(5,934)</u>
Subtotal - Operating	<u>\$ 10,117,195</u>	<u>\$ 10,146,396</u>	<u>\$ (146,308)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 10,117,195</u></u>	<u><u>\$ 10,146,396</u></u>	<u><u>\$ (146,308)</u></u>
FTE Positions	11.0	12.0	(2.0)
Non FTE Uncl. Perm. Pos.	<u>5.0</u>	<u>4.0</u>	<u>0.0</u>
<b>TOTAL</b>	<u><u>16.0</u></u>	<u><u>16.0</u></u>	<u><u>(2.0)</u></u>

**Agency Request**

The agency requests FY 2008 operating expenditures of \$10,117,195, an increase of \$112,979, or 1.1 percent, above the FY 2007 estimate. The request includes State General Fund expenditures of \$9,723,815, an increase of \$165,477, or 1.7 percent, above the FY 2007 estimate.

**Governor's Recommendation**

The Governor recommends FY 2008 operating expenditures of \$10,146,396, including \$9,747,082 from the State General Fund. The recommendation is an increase of \$29,201, or 0.2 percent, above the agency request and an increase of \$602,180, or 6.3 percent, above the FY 2007 recommendation. The recommendation includes moving a non-FTE fiscal position to an FTE position, adding \$50,000 from the State General Fund for additional assistance in the substance abuse treatment program and adding 2.0 FTE positions and \$117,107 from the State General Fund to track sexually violent predators under 2006 HB 2576. The Governor's recommendation also includes the addition of \$29,201, including \$23,267 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement.

## Senate Subcommittee Recommendation

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

1. Delete \$29,201, including \$23,267 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. Delete \$117,107 from the State General Fund and 2.0 FTE positions to track sexually violent predators under 2006 HB 2576 for further review at Omnibus.

## House Budget Committee Report

**Agency:** Fire Marshal

**Bill No.** HB 2541

**Bill Sec.** 46

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1484

**Budget Page No.** 167

<u>Expenditure Summary</u>	<u>Agency Estimate FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>House Budget Committee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	4,941,571	4,924,099	0
Subtotal - Operating	<u>\$ 4,941,571</u>	<u>\$ 4,924,099</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 4,941,571</u></u>	<u><u>\$ 4,924,099</u></u>	<u><u>\$ 0</u></u>
<b>FTE Positions</b>			
	51.0	51.0	0.0
<b>Non FTE Uncl. Perm. Pos.</b>	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>
<b>TOTAL</b>	<u><u>54.0</u></u>	<u><u>54.0</u></u>	<u><u>0.0</u></u>

### Agency Estimate

For **FY 2007**, the State Fire Marshal estimates expenditures of \$4,941,571, which is an increase of \$556,185, or 12.7 percent, above the amount approved by the 2006 Legislature. The estimate includes a supplemental request of \$17,472 for investigator salaries.

### Governor's Recommendation

For **FY 2007**, the Governor, recommends expenditures of \$4,924,099, which is an increase of \$538,713, or 12.3 percent, above the amount approved by the 2006 Legislature. The Governor does not recommend the agency's supplemental request.

### House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.



### House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

### House Recommendation

The House has not yet considered this budget.

### Senate Subcommittee Report

**Agency:** Fire Marshal                      **Bill No.** SB 358                                      **Bill Sec.** 46  
**Analyst:** VanHouse                      **Analysis Pg. No.** Vol. II-1484                                      **Budget Page No.** 167

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	4,941,571	4,924,099	0
Subtotal - Operating	<u>\$ 4,941,571</u>	<u>\$ 4,924,099</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 4,941,571</u></u>	<u><u>\$ 4,924,099</u></u>	<u><u>\$ 0</u></u>
FTE Positions	51.0	51.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
<b>TOTAL</b>	<u><u>54.0</u></u>	<u><u>54.0</u></u>	<u><u>0.0</u></u>

### Agency Estimate

For FY 2007, the State Fire Marshal estimates expenditures of \$4,941,571, which is an increase of \$556,185, or 12.7 percent, above the amount approved by the 2006 Legislature. The estimate includes a supplemental request of \$17,472 for investigator salaries.

## **Governor's Recommendation**

For FY 2007, the Governor, recommends expenditures of \$4,924,099, which is an increase of \$538,713, or 12.3 percent, above the amount approved by the 2006 Legislature. The Governor does not recommend the agency's supplemental request.

## **Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation with the following comment.

1. The Subcommittee recommends Omnibus consideration of \$17,472 from the Fire Marshal Fee Fund for investigator salaries as the result of a collective bargaining agreement. A Governor's Budget Amendment may be received on this item.

# House Budget Committee Report

**Agency:** Fire Marshal

**Bill No.** HB 2542

**Bill Sec.** 76

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1484

**Budget Page No.** 167

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	4,530,880	4,573,597	(262,807)
Subtotal - Operating	<u>\$ 4,530,880</u>	<u>\$ 4,573,597</u>	<u>\$ (262,807)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 4,530,880</u></u>	<u><u>\$ 4,573,597</u></u>	<u><u>\$ (262,807)</u></u>
FTE Positions	51.0	51.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
<b>TOTAL</b>	<u><u>54.0</u></u>	<u><u>54.0</u></u>	<u><u>0.0</u></u>

## Agency Request

For **FY 2008**, the State Fire Marshal requests expenditures of \$4,530,880, which is a decrease of \$410,691, or 8.3 percent, below the FY 2007 estimate. The request includes enhancements totaling \$313,759 for investigator salaries and replacement vehicles.

## Governor's Recommendation

For **FY 2008**, the Governor, recommends expenditures of \$4,573,597, which is a decrease of \$350,502, or 7.1 percent, below the FY 2007 recommendation. The Governor recommends expenditures of \$152,500 for an enhancement to replace vehicles.

## House Budget Committee Recommendation

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

1. Delete \$110,307 all from special revenue funds for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement.

Funding for pay plan adjustments and longevity payments will be considered later.

2. Delete \$152,500 all from special revenue funds to remove recommended funding to replace eight vehicles for consideration at Omnibus.

### **House Committee Recommendation**

The House Committee concurs with the Budget Committee recommendation.

### **House Recommendation**

The House has not yet considered this budget.

---

---

**Senate Subcommittee Report**

**Agency:** Fire Marshal

**Bill No.** SB 357

**Bill Sec.** 76

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1484

**Budget Page No.** 167

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	4,530,880	4,573,597	(117,007)
Subtotal - Operating	<u>\$ 4,530,880</u>	<u>\$ 4,573,597</u>	<u>\$ (117,007)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 4,530,880</u></u>	<u><u>\$ 4,573,597</u></u>	<u><u>\$ (117,007)</u></u>
FTE Positions	51.0	51.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
<b>TOTAL</b>	<u><u>54.0</u></u>	<u><u>54.0</u></u>	<u><u>0.0</u></u>

**Agency Request**

For FY 2008, the State Fire Marshal requests expenditures of \$4,530,880, which is a decrease of \$410,691, or 8.3 percent, below the FY 2007 estimate. The request includes enhancements totaling \$313,759 for investigator salaries and replacement vehicles.

**Governor's Recommendation**

For FY 2008, the Governor, recommends expenditures of \$4,573,597, which is a decrease of \$350,502, or 7.1 percent, below the FY 2007 recommendation. The Governor recommends expenditures of \$152,500 for an enhancement to replace vehicles.

**Senate Subcommittee Recommendation**

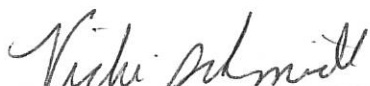
The Subcommittee concurs with the Governor's recommendation with the following adjustments and comments:

1. Delete \$110,307 all from special revenue funds for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. Delete \$6,700 from special revenue funds for vehicle replacements and add authority to purchase one additional vehicle. The Governor's recommendation included funding of \$152,500 to replace three cars and five trucks or vans. The agency reported that three full size trucks, five minivans, and one compact sedan would fulfill the needs of the agency with a total cost of \$145,800.
3. Consider at Omnibus \$56,303 from the Fire Marshal Fee Fund for investigator salaries as the result of a collective bargaining agreement. A Governor's Budget Amendment may be received on this item.
4. The Subcommittee notes that the agency recently created a statewide bomb response unit, funded with federal funds. The Subcommittee notes that the two positions funded through the program will be an ongoing expense for the agency.
5. The Subcommittee notes that HB 2486 would allow firefighters to temporarily blockade any public highway in the discharge of their official duties. Current law only allows them to blockade a highway while fighting a fire. The Subcommittee is supportive of this legislation, which is currently referred to the House Committee on Appropriations.
6. The Subcommittee notes that a fee on fire insurance premiums is used to finance three agencies as follows: 0.8 percent to support the Fire Marshal's Office, 0.2 percent to support the Fire Services Training Institute at the University of Kansas, and 0.25 percent to support the Board of Emergency Medial Services (EMS). This Subcommittee reviews the Fire Marshal and the Board of EMS budgets. The Subcommittee recommends that the Fire Services Training Institute budget and funding also be reviewed by this Subcommittee and Fire Marshal's Office in the future to provide continuity and accountability for the funding expended from the fees collected from fire insurance premiums.

FY 2007 and FY 2008

SENATE WAYS AND MEANS SUBCOMMITTEE

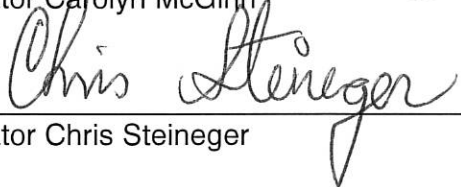
Highway Patrol  
Adjutant General  
(Including Civil Air Patrol)



\_\_\_\_\_  
Senator Vicki Schmidt, Chair



\_\_\_\_\_  
Senator Carolyn McGinn



\_\_\_\_\_  
Senator Chris Steineger

## House Budget Committee Report

**Agency:** Kansas Highway Patrol **Bill No.** HB 2541

**Bill Sec.** 47

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1443

**Budget Page No.** 189

<u>Expenditure Summary</u>	<u>Agency Estimate FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>House Budget Committee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 34,955,733	\$ 34,955,733	\$ 0
Other Funds	55,592,631	54,875,491	0
Subtotal - Operating	<u>\$ 90,548,364</u>	<u>\$ 89,831,224</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,476,233	2,644,481	(168,248)
Subtotal - Capital Improvements	<u>\$ 2,476,233</u>	<u>\$ 2,644,481</u>	<u>\$ (168,248)</u>
<b>TOTAL</b>	<u><u>\$ 93,024,597</u></u>	<u><u>\$ 92,475,705</u></u>	<u><u>\$ (168,248)</u></u>
<b>FTE Positions</b>			
FTE Positions	857.0	857.0	0.0
Non FTE Uncl. Perm. Pos.	32.0	32.0	0.0
<b>TOTAL</b>	<u><u>889.0</u></u>	<u><u>889.0</u></u>	<u><u>0.0</u></u>

### Agency Estimate

For **FY 2007**, the Kansas Highway Patrol estimates operating expenditures of \$90,548,364, which is a decrease of \$12,722,335, or 12.3 percent, below the amount approved by the 2006 Legislature. The estimate includes \$34,955,733 from the State General Fund and \$55,592,631 from all other funds. The agency requests a supplemental request of \$717,140 for FY 2007. The agency's capital improvement expenditure estimate for FY 2007 is \$2,476,233, all from fee and forfeiture funds.

### Governor's Recommendation

For **FY 2007**, the Governor recommends operating expenditures of \$89,831,324, which is a decrease of \$13,439,475, or 13.0 percent, below the amount approved by the 2006 Legislature. The recommendation includes \$34,995,733 from the State General Fund and \$54,875,491 from all other funds. The Governor does not recommend the agency's supplemental package. The capital improvements recommendation for FY 2007 is \$2,644,481, all from fee and forfeiture funds.



### **House Budget Committee Recommendation**

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

1. Delete \$168,248 from the KHP Operations Fund to remodel the West Wabaunsee Weigh Station. The agency reported it is in the process of evaluating new technologies and potential uses of weigh stations.

### **House Committee Recommendation**

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

1. Add \$168,248 from the KHP Operations Fund and allow the agency to prioritize the expenditure of the funds.

### **House Recommendation**

The House has not yet considered this budget.

---

**Senate Subcommittee Report**

**Agency:** Kansas Highway Patrol **Bill No.** SB 358

**Bill Sec.** 47

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1443

**Budget Page No.** 189

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 34,955,733	\$ 34,955,733	\$ 0
Other Funds	55,592,631	54,875,491	0
Subtotal - Operating	<u>\$ 90,548,364</u>	<u>\$ 89,831,224</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	0
Other Funds	2,476,233	2,644,481	0
Subtotal - Capital Improvements	<u>\$ 2,476,233</u>	<u>\$ 2,644,481</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 93,024,597</u></u>	<u><u>\$ 92,475,705</u></u>	<u><u>\$ 0</u></u>
FTE Positions	857.0	857.0	0.0
Non FTE Uncl. Perm. Pos.	32.0	32.0	0.0
<b>TOTAL</b>	<u><u>889.0</u></u>	<u><u>889.0</u></u>	<u><u>0.0</u></u>

**Agency Estimate**

For FY 2007, the Kansas Highway Patrol estimates operating expenditures of \$90,548,364, which is a decrease of \$12,722,335, or 12.3 percent, below the amount approved by the 2006 Legislature. The estimate includes \$34,955,733 from the State General Fund and \$55,592,631 from all other funds. The agency requests a supplemental request of \$717,140 for FY 2007. The agency's capital improvement expenditure estimate for FY 2007 is \$2,476,233, all from fee and forfeiture funds.

**Governor's Recommendation**

For FY 2007, the Governor recommends operating expenditures of \$89,831,324, which is a decrease of \$13,439,475, or 13.0 percent, below the amount approved by the 2006 Legislature. The recommendation includes \$34,995,733 from the State General Fund and \$54,875,491 from all other funds. The Governor does not recommend the agency's supplemental package. The capital improvements recommendation for FY 2007 is \$2,644,481, all from fee and forfeiture funds.

## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following comments.

1. The agency reported that it uses about one million gallons of fuel annually. The agency closely watches its fuel consumption and fuel costs, and will report to the Legislature if funding appears to be insufficient for the remainder of the fiscal year. The Subcommittee notes that with current fluctuations in fuel prices, additional funding may be necessary for fuel.
2. The Subcommittee applauds the agency for its work in the winter storm affecting Western Kansas in late December and early January. The Kansas Highway Patrol was instrumental in emergency efforts by staffing and directing the State Emergency Operations Center; providing aircraft and pilots to assist ground staff in locating stranded motorists, assessing power outages and equipment, and assessing rural residents and livestock; and patrolling thousands of miles of roads to assist motorists and residents. In Haskell County, which was particularly impacted, agency personnel went door-to-door checking on rural residents, assisted the hospital when the generator failed, and helped with the collapse of communication.

In summary the agency:

- Patrolled 28,839 miles and worked nearly 1,950 man-hours;
- Provided traffic control at barricades or down power lines for 292 man-hours;
- Investigated 30 non-injury accidents and 9 injury accidents. There were no fatal accidents as a result of the storm;
- Flew over 23 hours in various aircraft; and
- Deployed over 77 staff, plus was provided assistance and direction from command staff.

## House Budget Committee Report

**Agency:** Kansas Highway Patrol **Bill No.** HB 2542

**Bill Sec.** 78

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1443

**Budget Page No.** 189

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 36,702,229	\$ 36,659,259	\$ (1,398,429)
Other Funds	45,384,278	46,096,309	(1,553,096)
Subtotal - Operating	<u>\$ 82,086,507</u>	<u>\$ 82,755,568</u>	<u>\$ (2,951,525)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	991,083	991,083	0
Subtotal - Capital Improvements	<u>\$ 991,083</u>	<u>\$ 991,083</u>	<u>\$ 0</u>
 <b>TOTAL</b>	<u><u>\$ 83,077,590</u></u>	<u><u>\$ 83,746,651</u></u>	<u><u>\$ (2,951,525)</u></u>
 FTE Positions	862.0	861.0	(4.0)
Non FTE Uncl. Perm. Pos.	32.0	32.0	0.0
<b>TOTAL</b>	<u><u>894.0</u></u>	<u><u>893.0</u></u>	<u><u>(4.0)</u></u>

### Agency Request

For **FY 2008**, the Kansas Highway Patrol requests operating expenditures of \$82,086,507, which is a decrease of \$8,461,857, or 9.3 percent, below the FY 2007 estimate. The request includes \$36,702,229 from the State General Fund and \$45,384,278 from all other funds. The agency requests enhancements of \$2,282,464 and 5.0 FTE positions for FY 2008. The agency's capital improvement expenditure request for FY 2008 is \$991,083, all from fee funds.

### Governor's Recommendation

For **FY 2008**, the Governor recommends operating expenditures of \$82,755,568, which is a decrease of \$7,075,656, or 7.9 percent, below the FY 2007 recommendation. The recommendation includes \$36,659,259 from the State General Fund and \$46,096,309 from all other funds. The Governor recommends enhancements of \$994,910 and 4.0 FTE positions for FY 2008. The capital improvements recommendation for FY 2008 is \$991,083, all from fee funds.

### House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustments and comments:

1. Delete \$1,956,615, including \$1,228,519 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. Delete \$66,000 from the State General Fund and 2.0 FTE positions to monitor surveillance equipment in the Capitol Complex, Forbes Field, and Cedar Crest and consider at Omnibus. The agency has upgraded the security system in the Capitol Complex and Cedar Crest, including the addition of 83 cameras. When the Statehouse renovation is complete, approximately 200 cameras will be part of the system.
3. Delete \$825,000 from the KHP Operations Fund to install digital video cameras in the trooper patrol cars and consider at Omnibus. Digital cameras would enhance a trooper's ability to collect evidence and aid in a trooper's safety. The agency reported difficulty in maintaining and finding replacement parts for the existing VHS cameras. The Budget Committee strongly feels that this item is necessary for the agency to perform its mission and protect its employees.
4. Delete \$103,910 from the State General Fund and 2.0 FTE positions for technical audits for the Kansas Criminal Justice Information System and consider at Omnibus. These audits are required to comply with federal law and policy.

### **House Committee Recommendation**

The House Committee concurs with the Budget Committee recommendation.

### **House Recommendation**

The House has not yet considered this budget.

---

## Senate Subcommittee Report

**Agency:** Kansas Highway Patrol **Bill No.** SB 357

**Bill Sec.** 78

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1443

**Budget Page No.** 189

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 36,702,229	\$ 36,659,259	\$ (1,398,429)
Other Funds	45,384,278	46,096,309	(728,096)
Subtotal - Operating	\$ 82,086,507	\$ 82,755,568	\$ (2,126,525)
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	991,083	991,083	0
Subtotal - Capital Improvements	\$ 991,083	\$ 991,083	\$ 0
<b>TOTAL</b>	<b>\$ 83,077,590</b>	<b>\$ 83,746,651</b>	<b>\$ (2,126,525)</b>
<b>FTE Positions</b>			
FTE Positions	862.0	861.0	(4.0)
Non FTE Uncl. Perm. Pos.	32.0	32.0	0.0
<b>TOTAL</b>	<b>894.0</b>	<b>893.0</b>	<b>(4.0)</b>

### Agency Request

For FY 2008, the Kansas Highway Patrol requests operating expenditures of \$82,086,507, which is a decrease of \$8,461,857, or 9.3 percent, below the FY 2007 estimate. The request includes \$36,702,229 from the State General Fund and \$45,384,278 from all other funds. The agency requests enhancements of \$2,282,464 and 5.0 FTE positions for FY 2008. The agency's capital improvement expenditure request for FY 2008 is \$991,083, all from fee funds.

### Governor's Recommendation

For FY 2008, the Governor recommends operating expenditures of \$82,755,568, which is a decrease of \$7,075,656, or 7.9 percent, below the FY 2007 recommendation. The recommendation includes \$36,659,259 from the State General Fund and \$46,096,309 from all other funds. The Governor recommends enhancements of \$994,910 and 4.0 FTE positions for FY 2008. The capital improvements recommendation for FY 2008 is \$991,083, all from fee funds.

### Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following adjustments and comments:

1. Delete \$1,956,615, including \$1,228,519 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. Delete \$66,000 from the State General Fund and 2.0 FTE positions for monitoring surveillance equipment in the Capitol Complex, Forbes Field, and Cedar Crest and consider at Omnibus. The agency upgraded the security system in the Capitol Complex and Cedar Crest, including the addition of 83 cameras. When the Statehouse renovation is complete, approximately 200 cameras will be part of the system.
3. Delete \$103,910 from the State General Fund and 2.0 FTE positions for technical audits for the Kansas Criminal Justice Information System and consider at Omnibus. These audits are required to comply with federal guidelines.
4. The Subcommittee recommends Omnibus consideration of the shift of \$232,000 from federal Homeland Security funds to the State General Fund for salaries of 4.0 Homeland Security Program positions. The funding shift was recommended due to decreasing federal funds.
5. The Subcommittee concurs with the Governor to add \$825,000 from the KHP Operations Fund to install digital video cameras in the trooper patrol cars. Digital cameras would enhance a trooper's ability to collect evidence and aid in a trooper's safety. The agency reported difficulty in maintaining and finding replacement parts for the existing VHS cameras. The Subcommittee strongly believes that this item is necessary for the agency to perform its mission and protect its employees.

## House Budget Committee Report

**Agency:** Adjutant General's Department **Bill No.** HB 2541

**Bill Sec.** 45

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1389

**Budget Page No.** 1

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 11,414,733	\$ 10,256,986	\$ (749,634)
Other Funds	<u>71,071,896</u>	<u>77,690,719</u>	<u>0</u>
Subtotal - Operating	<u>\$ 82,486,629</u>	<u>\$ 87,947,705</u>	<u>\$ (749,634)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 1,060,000	\$ 1,060,000	\$ 0
Other Funds	<u>500,000</u>	<u>500,000</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 1,560,000</u>	<u>\$ 1,560,000</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 84,046,629</u></u>	<u><u>\$ 89,507,705</u></u>	<u><u>\$ (749,634)</u></u>
FTE Positions	219.0	219.0	0.0
Non FTE Uncl. Perm. Pos.	<u>281.5</u>	<u>281.5</u>	<u>0.0</u>
<b>TOTAL</b>	<u><u>500.5</u></u>	<u><u>500.5</u></u>	<u><u>0.0</u></u>

### Agency Estimate

For **FY 2007**, the agency's revised request of \$82,486,629 for operating expenditures is an increase of \$17,983,551, or 27.9 percent, above the amount approved by the 2006 Legislature. The estimate includes \$11,414,733 from the State General Fund and \$71,071,896 from all other funds. The agency requests supplementals totaling \$16,243,106 for FY 2007, including \$1,985,606 from the State General Fund. The capital improvements expenditure estimate for FY 2007 is \$1,560,000, including \$1,060,000 from the State General Fund and \$500,000 from the federal Military Fee Fund.

### Governor's Recommendation

For **FY 2007**, the Governor recommends operating expenditures of \$87,947,705, which is an increase of \$23,444,627, or 36.3 percent, above the amount approved by the 2006 Legislature. The recommendation includes \$10,256,986 from the State General Fund and \$77,690,719 from all other funds. The Governor recommends supplementals totaling \$21,704,182, including \$827,859 from the State General Fund. The capital improvements expenditure recommendation for FY 2007 is \$1,560,000, including \$1,060,000 from the State General Fund and \$500,000 from the federal Military Fee Fund.



## House Budget Committee Recommendation

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

1. Delete \$749,634 from the State General Fund for death benefits to be paid to the families of three National Guard members killed as a result of active duty in a combat zone and consider at Omnibus. The Committee notes that 2007 HB 2421 amends current law pertaining to this program, and the Committee recommends consideration of the proposed legislation prior to funding the program.

## House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation with the following adjustment.

1. Delete item one concerning death benefits.

## House Recommendation

The House has not yet considered this budget.

## Senate Subcommittee Report

**Agency:** Adjutant General's Department **Bill No.** SB 358

**Bill Sec.** 45

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1389

**Budget Page No.** 1

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 11,414,733	\$ 10,256,986	\$ (1,100)
Other Funds	71,071,896	77,690,719	(20,876,323)
Subtotal - Operating	<u>\$ 82,486,629</u>	<u>\$ 87,947,705</u>	<u>\$ (20,877,423)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 1,060,000	\$ 1,060,000	\$ 0
Other Funds	500,000	500,000	0
Subtotal - Capital Improvements	<u>\$ 1,560,000</u>	<u>\$ 1,560,000</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 84,046,629</u></u>	<u><u>\$ 89,507,705</u></u>	<u><u>\$ (20,877,423)</u></u>
FTE Positions	219.0	219.0	0.0
Non FTE Uncl. Perm. Pos.	281.5	281.5	0.0
<b>TOTAL</b>	<u><u>500.5</u></u>	<u><u>500.5</u></u>	<u><u>0.0</u></u>

## Agency Estimate

For FY 2007, the agency's revised request of \$82,486,629 for operating expenditures is an increase of \$17,983,551, or 27.9 percent, above the amount approved by the 2006 Legislature. The estimate includes \$11,414,733 from the State General Fund and \$71,071,896 from all other funds. The agency requests supplementals totaling \$16,243,106 for FY 2007, including \$1,985,606 from the State General Fund. The capital improvements expenditure estimate for FY 2007 is \$1,560,000, including \$1,060,000 from the State General Fund and \$500,000 from the federal Military Fee Fund.

## Governor's Recommendation

For FY 2007, the Governor recommends operating expenditures of \$87,947,705, which is an increase of \$23,444,627, or 36.3 percent, above the amount approved by the 2006 Legislature. The recommendation includes \$10,256,986 from the State General Fund and \$77,690,719 from all other funds. The Governor recommends supplementals totaling \$21,704,182, including \$827,859 from the State General Fund. The capital improvements expenditure recommendation for FY 2007 is \$1,560,000, including \$1,060,000 from the State General Fund and \$500,000 from the federal Military Fee Fund.

## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following adjustments.

1. Delete \$1,100 from the State General Fund for the Civil Air Patrol and consider at Omnibus. This funding was recommended to cover the inflation for the program's administrative costs. The Subcommittee recommends funding of \$400 from the State General Fund for the longevity payment for the part time Administrative Assistant.
2. Delete \$20,876,323, including \$2,456,038 from the State Emergency Fund, for disaster funding for consideration at Omnibus. This funding was included to meet the state's obligation for public assistance for nine federally declared disasters. The agency reported that preliminary estimates for the recent winter storm in Western Kansas are at least \$360,000,000. At this level, federal funding may be increased to 90 percent, leaving 10 percent for the non-federal match. The agency reported that it is continuing to work on the Western Kansas storm estimates, and should have additional cost information soon. The Subcommittee recommends consideration of disaster funding at Omnibus, when the updated figures will be available. In addition, the Legislature may receive a Governor's Budget Amendment on this item.
3. The Subcommittee notes that the agency requested \$54,855 from the State General Fund for the Monumental Buildings Surcharge assessed on all agencies that lease space in privately or state owned buildings in Shawnee County. The Subcommittee is concerned with this item and recommends that the Senate Ways and Means Committee conduct a review of the surcharges and fees assessed on state agencies.
4. The Subcommittee notes that the Governor included funding of \$461,725 from the State General Fund for premiums for supplemental life insurance for Kansas National Guard members deployed in a combat zone. The state currently

provides premium reimbursement for \$250,000 of federal life insurance coverage for soldiers deployed in a combat zone. The federal government has plans to begin paying the entire amount of life insurance coverage. The Governor recommends providing a supplemental life insurance policy of \$250,000 of coverage for deployed National Guard members; however, the agency reports that it has been unable to find a company willing to write the insurance policy.

5. The Subcommittee applauds the agency for its work in the winter storm affecting Western Kansas in late December and early January. The Kansas Army and Air National Guard was instrumental in providing assistance to Kansans including the following:
  - Generator power to water plants, sewage treatment plants and shelters;
  - The use of three Armories as shelters, one for temporary housing for the Colby Fire Department, and one as the Federal Emergency Management Agency (FEMA) Joint Field Office;
  - Air missions to drop hay;
  - Coordination for air missions including evacuation and search and rescue;
  - Ground missions to drop hay, move equipment and supplies, and transport the Governor;
  - Welfare checks in several counties to insure the safety of Kansas citizens;
  - Personnel and heavy equipment support to assist electric cooperatives as needed in the repair and replacement of power poles in Southwest Kansas; and
  - Deployment of the Guard Scout in Haskell County.

In addition, Kansas National Guard personnel assisted in staffing the State Emergency Operations Center. Over a ten day period, the Kansas Army and Air National Guard conducted 32 missions in support of Kansas residents impacted by the storm.

## House Budget Committee Report

**Agency:** Adjutant General's Department **Bill No.** HB 2542

**Bill Sec.** 75

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1389

**Budget Page No.** 1

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 10,113,071	\$ 8,733,391	\$ (2,380,213)
Other Funds	<u>58,430,567</u>	<u>50,095,344</u>	<u>(14,773,227)</u>
Subtotal - Operating	<u>\$ 68,543,638</u>	<u>\$ 58,828,735</u>	<u>\$ (17,153,440)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 1,141,641	\$ 1,141,641	\$ 0
Other Funds	<u>500,000</u>	<u>500,000</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 1,641,641</u>	<u>\$ 1,641,641</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 70,185,279</u></u>	<u><u>\$ 60,470,376</u></u>	<u><u>\$ (17,153,440)</u></u>
FTE Positions	219.0	219.0	0.0
Non FTE Uncl. Perm. Pos.	<u>279.5</u>	<u>279.5</u>	<u>0.0</u>
<b>TOTAL</b>	<u><u>498.5</u></u>	<u><u>498.5</u></u>	<u><u>0.0</u></u>

### Agency Request

For **FY 2008**, the agency requests operating expenditures of \$68,543,638, which is a decrease of \$13,942,991, or 16.9 percent, below the FY 2007 revised request. The request includes expenditures of \$10,113,071 from the State General Fund and \$58,430,567 from all other funds. With capital improvements, the agency requests enhancements totaling \$27,401,113 for FY 2008, including \$4,292,660 from the State General Fund. The agency's capital improvements expenditure request for FY 2008 is \$1,978,394, including \$1,478,394 from the State General Fund and \$500,000 from the federal Military Fee Fund.

### Governor's Recommendation

For **FY 2008**, the Governor recommends operating expenditures of \$58,828,735, which is a decrease of \$29,118,970, or 33.1 percent, below the FY 2007 recommendation. The recommendation includes expenditures of \$8,733,391 from the State General Fund and \$50,095,344 from all other funds. The Governor recommends operating enhancements totaling \$16,562,876, including \$2,427,385 from the State General Fund. The capital improvement recommendation for FY 2008 is \$1,641,641, including \$1,141,641 from the State General Fund and \$500,000 from the federal Military Fee Fund.

## House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustments and comments:

1. Delete \$734,940, including \$97,204 from the State General Fund for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. Delete \$16,000 from the State General Fund to remove recommended funding to replace one vehicle for consideration at Omnibus.
3. Delete \$16,400,000, including \$2,000,000 from the State General Fund, to match federal disaster funds for consideration at Omnibus. This funding was included to meet the state's obligation for public assistance for nine federally declared disasters. The agency reported that preliminary damage estimates for the recent winter storm in Western Kansas are at least \$360,000,000. At this level, federal funding may be increased to 90 percent, leaving 10 percent for the non-federal match. The agency reported that it is continuing to work on the Western Kansas storm estimates, and should have additional cost information soon. The Budget Committee recommends consideration of disaster funding at Omnibus, when the updated figures will be available. In addition, the Legislature may receive a Governor's Budget Amendment on this item.
4. Delete \$264,509 from the State General Fund for the Homeland Security Regional Coordinators and add the same amount from federal funds and consider the shift at Omnibus. The mission of the seven regional coordinators is to assist local officials in coordinating homeland security preparedness and serving as a liaison linking activities at local, regional, state, and federal levels. The funding shift was recommended by the Governor due to declining federal funds.
5. Delete \$2,500 from the State General Fund for the Civil Air Patrol and consider at Omnibus. This funding was recommended to cover annual increases in the program's administrative costs.
6. Lapse \$461,725 from the State General Fund for premiums for life insurance for Kansas National Guard members deployed in a combat zone contingent upon the state not obtaining a supplemental life insurance policy for the Kansas National Guard. The state currently provides premium reimbursement for \$250,000 of federal life insurance coverage for soldiers deployed in a combat zone. The federal government has plans to begin paying the entire amount of life insurance coverage. The Governor recommends providing a supplemental life insurance policy of \$250,000 of coverage for deployed National Guard members; however, the agency reports that it has been unable to find a company willing to write the insurance policy.
7. The Budget Committee recommends Omnibus consideration of \$64,079 from the State General Fund and 1.0 FTE position for a full-time attorney in the Judge Advocate General's Office. The agency reports that the work load has substantially increased since September 11, 2001, and that additional legal issues have surfaced following Hurricane Katrina in 2005.

8. The Budget Committee recommends Omnibus consideration of \$58,035 from the State General Fund for the Monumental Building Surcharge on the Kansas National Guard Recruiting Office and space for the Division of Emergency Management Vulnerability Assessment Team. The Monumental Building Surcharge is a maintenance surcharge on all agencies that lease space in private or state owned buildings in Shawnee County. When the fee was first assessed in FY 2005, the agency did not lease space in Shawnee County. Since that time, the agency has added the above two locations, both of which are solely federally funded. However, the surcharge cannot be paid with federal funds. The agency reports that reductions in other areas of the budget need to be made to meet this payment.
9. The Budget Committee concurs with the Governor to add \$5,000 from the State General Fund to fund travel to conduct mental health screenings for soldiers deployed to combat zones. The agency reports an increase in mental health issues affecting troops who have experienced combat in Iraq and Afghanistan, and that a task force has been established to determine how to reduce mental and general health issues impacting returning soldiers and airmen. Early education and assistance before and after deployments is critical in assisting these soldiers, and may eliminate a possible family crisis later.
10. The Budget Committee notes that the state owns significant infrastructure in its Armories across the state. By deferring maintenance on Board of Regents and Department of Corrections buildings, a sizable problem has been created with the condition of these facilities. The Committee recommends that maintenance issues with the Armories be monitored so that future deferred maintenance issues do not arise within this agency as well.

### **House Committee Recommendation**

The House Committee concurs with the Budget Committee recommendation.

### **House Recommendation**

The House has not yet considered this budget.

---

---

## Senate Subcommittee Report

**Agency:** Adjutant General's Department **Bill No.** SB 357

**Bill Sec.** 75

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. II-1389

**Budget Page No.** 1

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 10,113,071	\$ 8,733,391	\$ (379,773)
Other Funds	58,430,567	50,095,344	(373,227)
Subtotal - Operating	\$ 68,543,638	\$ 58,828,735	\$ (753,000)
<b>Capital Improvements:</b>			
State General Fund	\$ 1,141,641	\$ 1,141,641	\$ 0
Other Funds	500,000	500,000	0
Subtotal - Capital Improvements	\$ 1,641,641	\$ 1,641,641	\$ 0
 TOTAL	 \$ 70,185,279	 \$ 60,470,376	 \$ (753,000)
 FTE Positions	 219.0	 219.0	 0.0
Non FTE Uncl. Perm. Pos.	279.5	279.5	0.0
TOTAL	498.5	498.5	0.0

### Agency Request

For FY 2008, the agency requests operating expenditures of \$68,543,638, which is a decrease of \$13,942,991, or 16.9 percent, below the FY 2007 revised request. The request includes expenditures of \$10,113,071 from the State General Fund and \$58,430,567 from all other funds. With capital improvements, the agency requests enhancements totaling \$27,401,113 for FY 2008, including \$4,292,660 from the State General Fund. The agency's capital improvements expenditure request for FY 2008 is \$1,978,394, including \$1,478,394 from the State General Fund and \$500,000 from the federal Military Fee Fund.

### Governor's Recommendation

For FY 2008, the Governor recommends operating expenditures of \$58,828,735, which is a decrease of \$29,118,970, or 33.1 percent, below the FY 2007 recommendation. The recommendation includes expenditures of \$8,733,391 from the State General Fund and \$50,095,344 from all other funds. The Governor recommends operating enhancements totaling \$16,562,876, including \$2,427,385 from the State General Fund. The capital improvement recommendation for FY 2008 is \$1,641,641, including \$1,141,641 from the State General Fund and \$500,000 from the federal Military Fee Fund.

## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following adjustments and comments.

1. Delete \$734,940, including \$97,204 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. Delete \$16,000 from the State General Fund to remove recommended funding to replace one vehicle for consideration at Omnibus.
3. Do not shift \$264,509 from federal funds to the State General Fund for the Homeland Security Regional Coordinators and consider at Omnibus. The mission of the seven regional coordinators is to assist local officials in coordinating homeland security preparedness and to serve as a liaison linking activities at local, regional, state, and federal levels. The funding shift was recommended due to declining federal funds.
4. Delete \$2,060 from the State General Fund for the Civil Air Patrol and consider at Omnibus. This funding was recommended to cover the inflation for the program's administrative costs. The Subcommittee recommends funding of \$440 from the State General Fund for the longevity payment for the part time Administrative Assistant.
5. The Subcommittee notes that the agency requested \$58,035 from the State General Fund for the Monumental Buildings Surcharge assessed on all agencies that lease space in privately or state owned buildings in Shawnee County. The Subcommittee is concerned with this item and recommends that the Senate Ways and Means Committee review the surcharges and fees assessed on state agencies.
6. The Subcommittee notes that the Governor included funding of \$461,725 from the State General Fund for premiums for supplemental life insurance for Kansas National Guard members deployed in a combat zone. The state currently provides premium reimbursement for \$250,000 of federal life insurance coverage for soldiers deployed in a combat zone. The federal government has plans to begin paying the entire amount of life insurance coverage. The Governor recommends providing a supplemental life insurance policy of \$250,000 of coverage for deployed National Guard members; however, the agency reports that it has been unable to find a company willing to write the insurance policy.