

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 14, 2007, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Aaron Klaassen, Kansas Legislative Research
Heather O'Hara, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Candace Shively, Kansas Department of Social and Rehabilitation Services
Paul Johnson, Kansas Catholic Conference
Representative Pat George

Others attending:

See attached list.

Bill Introductions

Senator V. Schmidt moved, with a second by Senator Kelly, to introduce a conceptual bill regarding KPERS and COLA. Motion carried on a voice vote.

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

Subcommittee reports on:

Governor

Lieutenant Governor

Attorney General

Secretary of State

Insurance Commissioner

State Treasurer

Health Care Stabilization Fund Board of Governors (Attachment 1)

Subcommittee Chair Jay Emler reported that the subcommittee report on the Office of the Governor concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation with adjustment.

Subcommittee Chair Jay Emler reported that the subcommittee report on the Lieutenant Governor concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation with adjustment.

Subcommittee Chair Jay Emler reported that the subcommittee report on the Attorney General concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation with adjustments and observations.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 14, 2007, in Room 123-S of the Capitol.

Subcommittee Chair Jay Emler reported that the subcommittee report on the Secretary of State concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 with adjustment.

Subcommittee Chair Jay Emler reported that the subcommittee report on the Insurance Department concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation.

Subcommittee Chair Jay Emler reported that the subcommittee report on the State Treasurer concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation with adjustments and notation.

Subcommittee Chair Jay Emler reported that the subcommittee report on the Health Care Stabilization Fund Board of Governors concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's FY 2008 recommendation with adjustment.

Senator Betts moved, with a second by Senator Emler, to adopt the subcommittee budget reports on the Office of the Governor, Lieutenant Governor, Attorney General, Secretary of State, Insurance Commissioner, State Treasurer and the Health Care Stabilization Fund Board of Governors in FY 2007 and in FY 2008.

Kansas Department of Social and Rehabilitation Services (Attachment 2)

Subcommittee Chair Dwayne Umbarger reported that the subcommittee on the Kansas Department of Social and Rehabilitation Services concurs with the Governor's recommendation in FY 2007 and concurs with the Governor's recommendation in FY 2008 with adjustments and notations.

Senator Wysong moved, with a second by Senator Kelly, a technical amendment on the Kansas Department of Social and Rehabilitation Services subcommittee budget report in FY 2008, Item 19, page 13, to change the word "needed" to read "needing". Motion carried on a voice vote.

Senator Teichman moved, with a second by Senator Taddiken, to adopt the subcommittee budget report on the Kansas Department of Social and Rehabilitation Services in FY 2007 and as amended in FY 2008. Motion carried on a voice vote.

Chairman Umbarger welcomed Candace Shively, Deputy Secretary, Integrated Service Delivery, Kansas Department of Social and Rehabilitation Services, who presented an update on the Child Support Enforcement (CSE), the Kansas Payment Center and Federal and State Legislation (Attachment 3).

The Chairman recognized Representative Pat George who gave a briefing on the Recommended State Employee Pay Plan for FY 2008 by the House Select Committee on State Employee Pay (Attachment 4). Representative George provided details in his written testimony. Committee questions and discussion followed.

The Chairman acknowledged Paul Johnson, Kansas Catholic Conference, who presented a briefing on Child Support Issues (Attachment 5). Mr. Johnson addressed Child Support Staffing and Computers; Kansas Payment Center (KPC); and, Collection Tools. In closing, Mr. Johnson noted that the Kansas Catholic Conference supports an interim study on the staffing needs, KPC and collection tools for child support in Kansas.

The meeting adjourned at 12:05 p.m. The next meeting is scheduled for March 15, 2007.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

Date March 14, 2007

| Name | Representing |
|-------------------|---------------------------|
| Cheri Froetschner | DoB |
| Duane Goossen | " |
| John Kille | " " |
| Julia Thomas | " " |
| Ray Dalton | SRS |
| Laura Howard | SRS |
| JOHN DOUGHERTY | ESU |
| Gavin Young | DoFA |
| Kevotte | DoFA |
| Kraig Knowlton | DoFA |
| George Vega | DoFA |
| Carl Hill | KAPE |
| MARV D. MATTE | UIA CREDIT HEALTH SYSTEM |
| Willy Hammond | Democrat |
| R of Midy | LGR |
| Ron Seiber | Hum Law Firm |
| Mike Huttles | Hum Fls Govt Rel. |
| Pam Scott | KS Funeral Directors Assn |
| Chip Wheelen | Asn of Osteopathic Med. |
| Shannon Jones | SICK |
| Kim Faulk | SK 11 |
| Cy D'Ercole | Judicial KAC |

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST

Date 3-14-2007

| Name | Representing |
|----------------|--------------|
| Jamie Cookhill | SRS |
| Lois Weeks | SRS |
| Ethan Erickson | KDOT |
| Allen Humphrey | KDOT |
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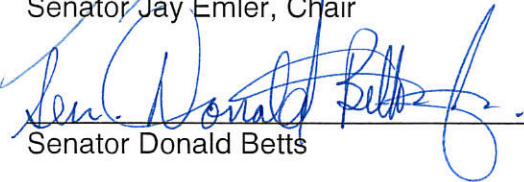
FY 2007 and FY 2008

SENATE WAYS AND MEANS SUBCOMMITTEE

**Governor
Lieutenant Governor
Attorney General
Secretary of State
Insurance Commissioner
State Treasurer
Health Care Stabilization Fund Board of Governors**



Senator Jay Emler, Chair



Senator Donald Betts

Senate Ways and Means
3-14-07
Attachment 1

House Budget Committee Report

Agency: Office of the Governor

Bill No. HB 2541

Bill Sec. 12

Analyst: Robinson **Analysis Pg. No.** Vol. II-799

Budget Page No. 171

| Expenditure Summary | Agency Estimate FY 2007 | Governor's Recommendation FY 2007 | Budget Committee Adjustments |
|--------------------------|-------------------------------|---|------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 4,012,556 | \$ 4,012,556 | \$ 0 |
| All Other Funds | 11,004,187 | 11,004,187 | 0 |
| TOTAL | <u>\$ 15,017,043</u> | <u>\$ 15,017,043</u> | <u>\$ 0</u> |
| FTE Positions | 41.7 | 41.7 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>41.7</u> | <u>41.7</u> | <u>0.0</u> |

Agency Estimate

The agency's current year estimate of reportable expenditures is \$15,017,043, a decrease of \$4,090,480, or 21.4 percent, below the amount approved by the 2006 Legislature. Revised State General Fund expenditures increase \$146,622, or 3.8 percent, reflecting funding reappropriated from FY 2006 and an FY 2007 supplemental State General Fund request to fully fund the FY 2007 pay plan. The difference between the approved amount and the agency's revised estimate is the result of: an unlimited reappropriation of FY 2006 State General Fund savings which exceeded the anticipated reappropriation by \$144,516 and is available for expenditure without any further legislative action; a requested current year State General Fund supplemental totaling \$2,106 to fully fund the FY 2007 pay plan; and a decrease of \$4,237,102, or 27.8 percent, below the amount budgeted for all other funds expenditures in FY 2007, based largely on more recent estimates of federal funds available to the agency.

Governor's Recommendation

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

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this budget.

Senate Subcommittee Report

Agency: Office of the Governor

Bill No. SB 358

Bill Sec. 12

Analyst: Robinson **Analysis Pg. No.** Vol. II-799

Budget Page No. 171

| Expenditure Summary | Agency Estimate FY 2007 | Governor's Recommendation FY 2007 | Senate Subcommittee Adjustments |
|--------------------------|-------------------------------|---|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 4,012,556 | \$ 4,012,556 | \$ 0 |
| All Other Funds | 11,004,187 | 11,004,187 | 0 |
| TOTAL | \$ 15,017,043 | \$ 15,017,043 | \$ 0 |
| | | | |
| FTE Positions | 41.7 | 41.7 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | 41.7 | 41.7 | 0.0 |

Agency Estimate

The agency's current year estimate of reportable expenditures is \$15,017,043, a decrease of \$4,090,480, or 21.4 percent, below the amount approved by the 2006 Legislature. Revised State General Fund expenditures increase \$146,622, or 3.8 percent, reflecting funding reappropriated from FY 2006 and an FY 2007 supplemental State General Fund request to fully fund the FY 2007 pay plan. The difference between the approved amount and the agency's revised estimate is the result of: an unlimited reappropriation of FY 2006 State General Fund savings which exceeded the anticipated reappropriation by \$144,516 and is available for expenditure without any further legislative action; a requested current year State General Fund supplemental totaling \$2,106 to fully fund the FY 2007 pay plan; and a decrease of \$4,237,102, or 27.8 percent, below the amount budgeted for all other funds expenditures in FY 2007, based largely on more recent estimates of federal funds available to the agency.

Governor's Recommendation

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

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

House Budget Committee Report

Agency: Office of the Governor

Bill No. 2542

Bill Sec. 27

Analyst: Robinson **Analysis Pg. No.** Vol. II-799

Budget Page No. 171

| Expenditure Summary | Agency Request FY 2008 | Governor's Recommendation FY 2008 | Budget Committee Adjustments |
|--------------------------|------------------------------|---|------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 4,015,763 | \$ 5,788,810 | \$ (1,744,547) |
| All Other Funds | 9,839,664 | 9,855,036 | (15,370) |
| TOTAL | \$ 13,855,427 | \$ 15,643,846 | \$ (1,759,917) |
| FTE Positions | 40.7 | 40.7 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | 40.7 | 40.7 | 0.0 |

Agency Request

The agency requests an FY 2008 reportable operating budget of \$13,855,427, including \$4,015,763 from the State General Fund. The request reflects a decrease of \$1,161,616, or 7.7 percent, from all funding sources, and an increase of \$2,907, or 0.1 percent, from the State General Fund above the revised FY 2007 amount.

Governor's Recommendation

The Governor recommends an FY 2008 reportable operating budget of \$15,643,846, including \$5,788,810 from the State General Fund. The recommendation is an increase of \$1,748,419, or 12.9 percent, from all funding sources, and \$1,772,747, or 44.2 percent, from the State General Fund above the amount requested by the agency. The differences between the agency's request and the Governor's recommendation include the following:

1. The addition of \$87,547, including \$72,177 from the State General Fund, to fund the Governor's FY 2008 **pay plan** recommendations.
2. The recommended addition of \$1.0 million from the State General Fund to start a new program for **child advocacy grants**. The funding is intended to provide resources for areas of the state not currently served, incentives to meet state and federal standards, and support for operations of the existing centers.
3. The recommended shift of \$300,000 from the State General Fund for grants to **rape crisis centers** from the Kansas Department of Health and Environment to the Governor's Department.
4. The shift of \$225,000 from the State General Fund for the training component of the **domestic violence** program from the Kansas Department of Health and Environment to the Governor's Department.

5. Additional **operating expenditure** funding of \$147,370 from the State General Fund in the Administration program primarily for salaries and wages.
6. The addition of \$28,500 from the State General Fund for additional operating expenditures for the **Governor's residence** (Cedar Crest). This would provide additional funding for repairing and servicing, other contractual services, and commodities.

House Budget Committee Recommendation

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

1. Delete \$87,547, including \$72,177 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 a total of \$1,672,370 from the State General Fund for the items listed below. These are either new programs, expanded programs, or transfers of funding from other agencies. The Budget Committee intends to review these items and give consideration to restoring them at Omnibus.
 - a. Delete \$1.0 million from the State General Fund recommended by the Governor to start a new program for child advocacy grants. The funding is intended to provide resources for areas of the state not currently served by child advocacy centers, incentives to meet state and federal standards, and support for operations of the existing centers.
 - b. Delete \$300,000 from the State General Fund for the recommended shift of funding for grants to rape crisis centers from the Kansas Department of Health and Environment to the Governor's Department.
 - c. Delete \$225,000 from the State General Fund for the recommended shift of the training component of the domestic violence program from the Kansas Department of Health and Environment to the Governor's Department.
 - d. Delete \$147,370 from the State General Fund recommended by the Governor in the Administration program, primarily for salaries and wages.

House Committee Recommendation

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

1. Restore the \$1.0 million recommended by the Governor to start a new program for child advocacy grants. The funding is intended to provide resources for areas of the state not currently served by child advocacy

centers, incentives to meet state and federal standards, and support for operations of the existing centers.

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this budget.

Senate Subcommittee Report

Agency: Office of the Governor **Bill No.** SB 357 **Bill Sec.** 27
Analyst: Robinson **Analysis Pg. No.** Vol. II-799 **Budget Page No.** 171

| Expenditure Summary | Agency Request FY 2008 | Governor's Recommendation FY 2008 | Senate Subcommittee Adjustments |
|--------------------------|-----------------------------|---|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 4,015,763 | \$ 5,788,810 | \$ (72,177) |
| All Other Funds | 9,839,664 | 9,855,036 | (15,370) |
| TOTAL | <u>\$ 13,855,427</u> | <u>\$ 15,643,846</u> | <u>\$ (87,547)</u> |
| FTE Positions | 40.7 | 40.7 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>40.7</u> | <u>40.7</u> | <u>0.0</u> |

Agency Request

The agency requests an FY 2008 reportable operating budget of \$13,855,427, including \$4,015,763 from the State General Fund. The request reflects a decrease of \$1,161,616, or 7.7 percent, from all funding sources, and an increase of \$2,907, or 0.1 percent, from the State General Fund above the revised FY 2007 amount.

Governor's Recommendation

The Governor recommends an FY 2008 reportable operating budget of \$15,643,846, including \$5,788,810 from the State General Fund. The recommendation is an increase of \$1,748,419, or 12.9 percent, from all funding sources, and \$1,772,747, or 44.2 percent, from the State General Fund above the amount requested by the agency. The differences between the agency's request and the Governor's recommendation include the following:

1. The addition of \$87,547, including \$72,177 from the State General Fund, to fund the Governor's FY 2008 **pay plan** recommendations.

2. The recommended addition of \$1.0 million from the State General Fund to start a new program for **child advocacy grants**. The funding is intended to provide resources for areas of the state not currently served, incentives to meet state and federal standards, and support for operations of the existing centers.
3. The recommended shift of \$300,000 from the State General Fund for grants to **rape crisis centers** from the Kansas Department of Health and Environment to the Governor's Department.
4. The shift of \$225,000 from the State General Fund for the training component of the **domestic violence** program from the Kansas Department of Health and Environment to the Governor's Department.
5. Additional **operating expenditure** funding of \$147,370 from the State General Fund in the Administration program primarily for salaries and wages.
6. The addition of \$28,500 from the State General Fund for additional operating expenditures for the **Governor's residence** (Cedar Crest). This would provide additional funding for repairing and servicing, other contractual services, and commodities.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustment:

1. **Pay Plan Adjustment.** Delete \$87,547, including \$72,177 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: Lieutenant Governor

Bill No. HB 2541

Bill Sec. 13

Analyst: Robinson **Analysis Pg. No.** Vol. II-812

Budget Page No. 307

| <u>Expenditure Summary</u> | <u>Agency Estimate FY 2007</u> | <u>Governor's Recommendation FY 2007</u> | <u>Budget Committee Adjustments</u> |
|----------------------------|------------------------------------|--|---|
| Operating Expenditures: | | | |
| State General Fund | \$ 215,078 | \$ 215,078 | \$ 0 |
| FTE Positions | 3.5 | 3.5 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>3.5</u> | <u>3.5</u> | <u>0.0</u> |

Agency Estimate

The agency's current year estimate of expenditures is \$215,078 (all from the State General Fund), a net increase of \$20,151, or 10.3 percent, above the amount approved by the 2006 Legislature. The difference between the approved amount and the agency's revised estimate is the result of two factors: an unlimited reappropriation of FY 2006 State General Fund savings which exceeded the anticipated reappropriation by \$19,835 and is available for expenditure without any further legislative action; and a State General Fund supplemental totaling \$316 requested to fully fund the FY 2007 pay increase. Adjustments requested to the approved budget include: increased expenditures totaling \$6,288 for commodities, \$5,847 for contractual services, \$5,500 for capital outlay, and \$2,516 for salaries and wages.

Governor's Recommendation

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

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this budget.

Senate Subcommittee Report

Agency: Lieutenant Governor

Bill No. SB 358

Bill Sec. 13

Analyst: Robinson **Analysis Pg. No.** Vol. II-812

Budget Page No. 307

| Expenditure Summary | Agency Estimate FY 2007 | Governor's Recommendation FY 2007 | Senate Subcommittee Adjustments |
|--------------------------|-------------------------------|---|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 215,078 | \$ 215,078 | \$ 0 |
| FTE Positions | 3.5 | 3.5 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | 3.5 | 3.5 | 0.0 |

Agency Estimate

The agency's current year estimate of expenditures is \$215,078 (all from the State General Fund), a net increase of \$20,151, or 10.3 percent, above the amount approved by the 2006 Legislature. The difference between the approved amount and the agency's revised estimate is the result of two factors: an unlimited reappropriation of FY 2006 State General Fund savings which exceeded the anticipated reappropriation by \$19,835 and is available for expenditure without any further legislative action; and a State General Fund supplemental totaling \$316 requested to fully fund the FY 2007 pay increase. Adjustments requested to the approved budget include: increased expenditures totaling \$6,288 for commodities, \$5,847 for contractual services, \$5,500 for capital outlay, and \$2,516 for salaries and wages.

Governor's Recommendation

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

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

House Budget Committee Report

Agency: Lieutenant Governor

Bill No. HB 2542

Bill Sec. 28

Analyst: Robinson **Analysis Pg. No.** Vol. II-812

Budget Page No. 307

| Expenditure Summary | Agency Request FY 2008 | Governor's Recommendation FY 2008 | Budget Committee Adjustments |
|--------------------------|---------------------------|---|------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 195,243 | \$ 216,415 | \$ (21,172) |
| FTE Positions | 3.5 | 3.5 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>3.5</u> | <u>3.5</u> | <u>0.0</u> |

Agency Request

The agency requests an FY 2008 operating budget of \$195,243 (all from the State General Fund), a decrease of \$19,835, or 9.2 percent, below the FY 2007 revised estimate.

Governor's Recommendation

The Governor concurs with the agency's request, with the addition of \$21,172, all from the State General Fund for pay plan adjustments (\$6,529), and for additional operating expenditures (\$14,643).

House Budget Committee Recommendation

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

1. Delete \$6,529, all 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 \$14,643, all from the State General Fund, which was recommended by the Governor to provide additional operating expenditures for the agency for consideration at Omnibus.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this budget.

Senate Subcommittee Report

Agency: Lieutenant Governor

Bill No. SB 357

Bill Sec. 28

Analyst: Robinson

Analysis Pg. No. Vol. II-812

Budget Page No. 307

| Expenditure Summary | Agency Request FY 2008 | Governor's Recommendation FY 2008 | Senate Subcommittee Adjustments |
|--------------------------|---------------------------|---|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 195,243 | \$ 216,415 | \$ (6,529) |
| FTE Positions | 3.5 | 3.5 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>3.5</u> | <u>3.5</u> | <u>0.0</u> |

Agency Request

The agency requests an FY 2008 operating budget of \$195,243 (all from the State General Fund), a decrease of \$19,835, or 9.2 percent, below the FY 2007 revised estimate.

Governor's Recommendation

The Governor concurs with the agency's request, with the addition of \$21,172, all from the State General Fund for pay plan adjustments (\$6,529), and for additional operating expenditures (\$14,643).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustment:

- Pay Plan Adjustment.** Delete \$6,529, all 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: Attorney General

Bill No. HB 2541

Bill Sec. 14

Analyst: Robinson **Analysis Pg. No.** Vol. II-819

Budget Page No. 65

| Expenditure Summary | Agency Estimate FY 2007 | Governor's Recommendation FY 2007 | Budget Committee Adjustments |
|--------------------------------|-------------------------------|---|------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 6,410,711 | \$ 5,410,711 | \$ 0 |
| All Other Funds | 11,512,446 | 11,512,446 | 0 |
| TOTAL | <u>\$ 17,923,157</u> | <u>\$ 16,923,157</u> | <u>\$ 0</u> |
| | | | |
| FTE Positions | 102.0 | 102.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>102.0</u> | <u>102.0</u> | <u>0.0</u> |

Agency Estimate

The Attorney General estimates FY 2007 expenditures of \$17,923,157, including \$6,410,711 from the State General Fund. The State General Fund amount includes balances of \$1,303,564 reappropriated from FY 2006. The State General Fund amounts carried forward include: a \$1,000,000 loan to Ground Water Management District No. 3 for purposes related to water rights, which was not spent in FY 2006; the entire amount appropriated for FY 2006 (\$122,000) to begin implementing 2006 HB 2105 which established the Abuse, Neglect, and Exploitation Unit; \$81,032 in funding appropriated for Internet Training for Kids; \$66,083 in appropriated death penalty costs, although the agency recommends lapsing this funding in FY 2007; and \$34,449 in other reappropriated amounts. In addition, the Attorney General requests a State General Fund supplemental appropriation of \$5,439, which is the amount necessary to fully fund the approved pay plan for FY 2007.

Governor's Recommendation

The Governor concurs with the agency's revised current year estimate of expenditures, with the exception of the \$1.0 million for the loan to Ground Water Management District No. 3 which reappropriated from FY 2006. The Governor recommends that this funding be lapsed.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this budget.

Senate Subcommittee Report

Agency: Attorney General

Bill No. SB 358

Bill Sec. 14

Analyst: Robinson

Analysis Pg. No. Vol. II-819

Budget Page No. 65

| Expenditure Summary | Agency Estimate FY 2007 | Governor's Recommendation FY 2007 | Senate Subcommittee Adjustments |
|--------------------------|-------------------------------|---|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 6,410,711 | \$ 5,410,711 | \$ 0 |
| All Other Funds | 11,512,446 | 11,512,446 | 0 |
| TOTAL | <u>\$ 17,923,157</u> | <u>\$ 16,923,157</u> | <u>\$ 0</u> |
| FTE Positions | 102.0 | 102.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>102.0</u> | <u>102.0</u> | <u>0.0</u> |

Agency Estimate

The Attorney General estimates FY 2007 expenditures of \$17,923,157, including \$6,410,711 from the State General Fund. The State General Fund amount includes balances of \$1,303,564 reappropriated from FY 2006. The State General Fund amounts carried forward include: a \$1,000,000 loan to Ground Water Management District No. 3 for purposes related to water rights, which was not spent in FY 2006; the entire amount appropriated for FY 2006 (\$122,000) to begin implementing 2006 HB 2105 which established the Abuse, Neglect, and Exploitation Unit; \$81,032 in funding appropriated for Internet Training for Kids; \$66,083 in appropriated death penalty costs, although the agency recommends lapsing this funding in FY 2007; and \$34,449 in other reappropriated amounts. In addition, the Attorney General requests a State General Fund supplemental appropriation of \$5,439, which is the amount necessary to fully fund the approved pay plan for FY 2007.

Governor's Recommendation

The Governor concurs with the agency's revised current year estimate of expenditures, with the exception of the \$1.0 million for the loan to Ground Water Management District No. 3 which reappropriated from FY 2006. The Governor recommends that this funding be lapsed.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

House Budget Committee Report

Agency: Attorney General

Bill No. HB 2542

Bill Sec. 29

Analyst: Robinson **Analysis Pg. No.** Vol. II-819

Budget Page No. 65

| Expenditure Summary | Agency Request FY 2008 | Governor's Recommendation FY 2008 | Budget Committee Adjustments |
|--------------------------------|-----------------------------|---|------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 5,791,462 | \$ 5,339,276 | \$ (143,445) |
| All Other Funds | 12,645,609 | 11,933,292 | (95,574) |
| TOTAL | <u>\$ 18,437,071</u> | <u>\$ 17,272,568</u> | <u>\$ (239,019)</u> |
| | | | |
| FTE Positions | 106.5 | 102.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>106.5</u> | <u>102.0</u> | <u>0.0</u> |

Agency Request

The Attorney General requests a total of \$18,437,071 in FY 2008, of which \$5,791,462 is from the State General Fund. The requested amount includes \$1,640,000 from the Attorney General's Interstate Water Litigation Fund for water litigation activities, of which \$530,000 involves Colorado and \$1,110,000 involves Nebraska. Funding the water litigation request would require a transfer of \$1,640,000 from the State General Fund to the Interstate Water Litigation Fund. In addition, enhancements are requested which total \$1,402,372, of which \$684,031 would be from the State General Fund.

The total FY 2008 request is an increase of \$513,914 over the FY 2007 estimate and consists of a reduction of \$619,249 from the State General Fund offset by increases in other funds. One reason the State General Fund amount in FY 2008 is lower than in FY 2007 is because there is \$1,000,000 budgeted in FY 2007 as a loan to Ground Water Management District #3 for purposes related to water rights that is not included in the FY 2008 request.

Governor's Recommendation

The Governor recommends expenditures of \$17,272,568, of which \$5,339,276 is from the State General Fund. The Governor does not recommend any of the requested enhancements.

House Budget Committee Recommendation

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

1. Delete \$239,019, including \$143,445 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.

- The Budget Committee notes that the budget as submitted by the previous Attorney General included enhancements totaling \$1,402,372, including \$684,031 from the State General Fund. The Governor did not recommend any of the requested enhancements. The new Attorney General testified before the Committee that, as the situation warrants, he may return to the Budget Committee seeking additional funding at Omnibus for items based on his priorities for the agency.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this budget.

Senate Subcommittee Report

Agency: Attorney General

Bill No. SB 357

Bill Sec. 29

Analyst: Robinson **Analysis Pg. No.** Vol. II-819

Budget Page No. 65

| Expenditure Summary | Agency Request FY 2008 | Governor's Recommendation FY 2008 | Senate Subcommittee Adjustments |
|--------------------------|------------------------------|---|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 5,791,462 | \$ 5,339,276 | \$ (143,445) |
| All Other Funds | 12,645,609 | 11,933,292 | (95,574) |
| TOTAL | \$ 18,437,071 | \$ 17,272,568 | \$ (239,019) |
| FTE Positions | 106.5 | 102.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | 106.5 | 102.0 | 0.0 |

Agency Request

The Attorney General requests a total of \$18,437,071 in FY 2008, of which \$5,791,462 is from the State General Fund. The requested amount includes \$1,640,000 from the Attorney General's Interstate Water Litigation Fund for water litigation activities, of which \$530,000 involves Colorado and \$1,110,000 involves Nebraska. Funding the water litigation request would require a transfer of \$1,640,000 from the State General Fund to the Interstate Water Litigation Fund. In addition, enhancements are requested which total \$1,402,372, of which \$684,031 would be from the State General Fund.

The total FY 2008 request is an increase of \$513,914 over the FY 2007 estimate and consists of a reduction of \$619,249 from the State General Fund offset by increases in other funds. One reason the State General Fund amount in FY 2008 is lower than in FY 2007 is because there is \$1,000,000 budgeted in FY 2007 as a loan to Ground Water Management District #3 for purposes related to water rights that is not included in the FY 2008 request.

Governor's Recommendation

The Governor recommends expenditures of \$17,272,568, of which \$5,339,276 is from the State General Fund. The Governor does not recommend any of the requested enhancements.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$239,019, including \$143,445 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. The Subcommittee was informed that the Attorney General will be bringing forward legislation to include eight agents who work out of the Attorney General's office in the Kansas Police and Fire (KP&F) retirement system, rather than regular Kansas Public Employees Retirement System (KPERs) retirement. These agents have full law enforcement powers and the Attorney General believes it would be more appropriate to have them participate in KP&F retirement. The Subcommittee is very supportive of this effort, and encourages full legislative support for the Attorney General's request when the legislation is introduced.
3. The Attorney General's office is also requesting guidance from the Legislature on what should be done concerning the Inspector General position. A proviso in the 2006 appropriations bill directed the Attorney

General to employ an Inspector General beginning in January, 2007. The agency believes that it is likely that legislation will pass during the 2007 session which will move the Inspector General position from the Office of the Attorney General to the Health Policy Authority. For this reason, no action has been taken to fill the position, and the agency is reluctant to do so if the position will be relocated.

House Budget Committee Report

Agency: Secretary of State

Bill No. --

Bill Sec. --

Analyst: Robinson **Analysis Pg. No.** Vol. II-836

Budget Page No. 351

| Expenditure Summary | Agency Estimate FY 2007 | Governor's Recommendation FY 2007 | Budget Committee Adjustments |
|--------------------------------|-------------------------------|---|------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 195,087 | \$ 195,087 | \$ 0 |
| Federal Funds | 1,045,346 | 1,045,346 | 0 |
| All Other Funds | 4,455,819 | 4,455,819 | 0 |
| TOTAL | <u>\$ 5,696,252</u> | <u>\$ 5,696,252</u> | <u>\$ 0</u> |
| | | | |
| FTE Positions | 55.0 | 55.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>55.0</u> | <u>55.0</u> | <u>0.0</u> |

Agency Estimate

The agency estimates current year operating expenditures of \$5,696,252, which is the approved amount. The agency estimates FY 2007 State General Fund expenditures of \$195,087, an increase of \$115,023 or 143.7 percent above the approved amount. The FY 2007 approved budget included State General Fund expenditures of \$80,064 as start-up funding to implement the provisions of 2006 Senate Substitute for House Bill 2928. The State General Fund expenditures in the revised estimate include an additional \$115,023 in Help America Vote Act (HAVA) expenditures reappropriated from FY 2006.

Governor's Recommendation

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

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Budget Committee Report

Agency: Secretary of State

Bill No. HB 2542

Bill Sec. 30

Analyst: Robinson **Analysis Pg. No.** Vol. II-836

Budget Page No. 351

| Expenditure Summary | Agency Request FY 2008 | Governor's Recommendation FY 2008 | Budget Committee Adjustments |
|--------------------------|------------------------------|---|------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 2,500,000 | \$ 2,000,000 | \$ 0 |
| Federal Funds | 1,203,135 | 1,205,302 | (2,167) |
| All Other Funds | 4,521,962 | 4,619,879 | (97,917) |
| TOTAL | \$ 8,225,097 | \$ 7,825,181 | \$ (100,084) |
| | | | |
| FTE Positions | 55.0 | 55.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | 55.0 | 55.0 | 0.0 |

Agency Request

The agency requests budget year operating expenditures of \$8,225,097, an increase of \$2,528,845, or 44.4 percent, above the revised current year estimate. The agency requests FY 2008 expenditures of \$2,500,000 from the State General Fund, an increase of \$2,304,913 or 1,181.5 percent above the revised FY 2007 estimate. The agency's request includes Help America Vote Act (HAVA) expenditures totaling \$1,203,135, all from federal grant funds. Excluding HAVA, the agency's FY 2008 request is an increase of \$2,572,346 or 57.8 percent above the revised current year estimate for the regular divisions within the Secretary of State's Office. In addition, the agency requests a total of \$2.5 million from the State General Fund for costs related to holding a Presidential Preference Primary in FY 2008.

Governor's Recommendation

The Governor recommends FY 2008 operating expenditures of \$7,825,181, an increase of \$2,128,929, or 37.4 percent, above the FY 2007 recommendation. The recommendation includes State General Fund expenditures of \$2,000,000, an increase of \$1,804,913, or 925.2 percent, above the current year recommendation. The Governor's recommendation is \$399,916, or 4.9 percent, less than the agency's request and includes:

- **Salary and Wage Adjustment.** An additional \$100,084 from special revenue funds for a 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees and a 4.0 percent merit pool for unclassified employees; and
- **Presidential Preference Primary.** An additional \$2,000,000 from the State General Fund to fund a portion of the agency's enhancement request for the presidential preference primary.

House Budget Committee Recommendation

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

1. Delete \$100,084, 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. The Budget Committee recommends that a proviso be added to the \$2.0 million State General Fund appropriation recommended by the Governor for the Presidential Preference Primary. This proviso would make the funding contingent upon the primary being held no later than February 5, 2008. Under current law (KSA 25-4501), the primary must be held on the first Tuesday in April in 2008 or on a common date on which at least five other states will hold a presidential preference primary. The Secretary of State is required to certify this date by November 1 of the proceeding year.

The Budget Committee was informed that the Secretary of State is working with a bipartisan group to establish an appropriate date for the 2008 presidential preference primary, but the Budget Committee believes that it is important to have a date established while the 2006 Legislature is still in session and that this date should be early enough to allow the voters of Kansas to have a meaningful impact on the primary process.

House Committee Recommendation

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

1. Modify item 2 of the Budget Committee's report to change the date by which the primary must be held from February 5, 2008 to February 29, 2008.

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this budget.

Senate Subcommittee Report

Agency: Secretary of State

Bill No. SB 357

Bill Sec. 30

Analyst: Robinson **Analysis Pg. No.** Vol. II-836

Budget Page No. 351

| Expenditure Summary | Agency Request FY 2008 | Governor's Recommendation FY 2008 | Senate Subcommittee Adjustments |
|--------------------------|---------------------------|---|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 2,500,000 | \$ 2,000,000 | \$ 0 |
| Federal Funds | 1,203,135 | 1,205,302 | (2,167) |
| All Other Funds | 4,521,962 | 4,619,879 | (97,917) |
| TOTAL | \$ 8,225,097 | \$ 7,825,181 | \$ (100,084) |
| | | | |
| FTE Positions | 55.0 | 55.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | 55.0 | 55.0 | 0.0 |

Agency Request

The agency requests budget year operating expenditures of \$8,225,097, an increase of \$2,528,845, or 44.4 percent, above the revised current year estimate. The agency requests FY 2008 expenditures of \$2,500,000 from the State General Fund, an increase of \$2,304,913 or 1,181.5 percent above the revised FY 2007 estimate. The agency's request includes Help America Vote Act (HAVA) expenditures totaling \$1,203,135, all from federal grant funds. Excluding HAVA, the agency's FY 2008 request is an increase of \$2,572,346 or 57.8 percent above the revised current year estimate for the regular divisions within the Secretary of State's Office. In addition, the agency requests a total of \$2.5 million from the State General Fund for costs related to holding a Presidential Preference Primary in FY 2008.

Governor's Recommendation

The Governor recommends FY 2008 operating expenditures of \$7,825,181, an increase of \$2,128,929, or 37.4 percent, above the FY 2007 recommendation. The recommendation includes State General Fund expenditures of \$2,000,000, an increase of \$1,804,913, or 925.2 percent, above the current year recommendation. The Governor's recommendation is \$399,916, or 4.9 percent, less than the agency's request and includes:

- **Salary and Wage Adjustment.** An additional \$100,084 from special revenue funds for a 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees and a 4.0 percent merit pool for unclassified employees; and
- **Presidential Preference Primary.** An additional \$2,000,000 from the State General Fund to fund a portion of the agency's enhancement request for the presidential preference primary.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. **Pay Plan Adjustment.** Delete \$100,084, 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. The Subcommittee recommends that a proviso be added to the \$2.0 million State General Fund appropriation recommended by the Governor for the Presidential Preference Primary. This proviso would make the funding contingent upon the primary being held no later than February 29, 2008. Under current law (KSA 25-4501), the primary must be held on the first Tuesday in April in 2008 or on a common date on which at least five other states will hold a presidential preference primary. The Secretary of State is required to certify this date by November 1 of the proceeding year. The Subcommittee believes that it is important to have a date established while the 2007 Legislature is still in session and that this date should be early enough to allow the voters of Kansas to have a meaningful impact on the primary process.

House Budget Committee Report

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

Bill Sec. --

Analyst: O'Hara

Analysis Pg. No. Vol. II-854

Budget Page No. 209

| Expenditure Summary | Agency Estimate FY 07 | Governor's Recommendation FY 07 | House Budget Committee Adjustments |
|---------------------------------|-----------------------------|---------------------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 23,350,787 | 23,053,126 | 0 |
| Subtotal - Operating | \$ 23,350,787 | \$ 23,053,126 | \$ 0 |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 118,745 | 118,745 | 0 |
| Subtotal - Capital Improvements | \$ 118,745 | \$ 118,745 | \$ 0 |
| TOTAL | \$ 23,469,532 | \$ 23,171,871 | \$ 0 |
| | | | |
| FTE Positions | 143.0 | 143.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 4.0 | 4.0 | 0.0 |
| TOTAL | 147.0 | 147.0 | 0.0 |

Agency Estimate

The agency estimates \$23,350,787, all from special revenue funds, for FY 2007 operating expenditures, an increase of \$2,255,705, or 10.7 percent, above the approved amount. The estimate for operating expenditures includes a shrinkage rate of 3.3 percent, and increases in state operations of \$1,010,705, including \$665,044 for Kansas Savings Incentive Program (KSIP) expenditures, \$100,000 for aid to local units for the Firefighters Relief program, and \$1,145,000 for workers' compensation claim payments.

Governor's Recommendation

The Governor recommends \$23,053,126, all from special revenue funds, for FY 2007 operating expenditures, an increase of \$1,958,044, or 9.3 percent, above the approved amount, and a decrease of \$297,661, or 1.3 percent, below the agency's FY 2007 revised estimate. The Governor concurs with the funding for the aid to local units for the Firefighters Relief program and workers' compensation claim payments, but the Governor recommends \$713,044 in state operations, including the KSIP expenditures, and this amount is a decrease of \$297,661 below the agency's revised estimate.

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: Insurance Department **Bill No. --** **Bill Sec. --**
Analyst: O'Hara **Analysis Pg. No.** Vol. II-854 **Budget Page No.** 209

| Expenditure Summary | Agency Estimate FY 07 | Governor's Recommendation FY 07 | Senate Subcommittee Adjustments |
|---------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 23,350,787 | 23,053,126 | 0 |
| Subtotal - Operating | <u>\$ 23,350,787</u> | <u>\$ 23,053,126</u> | <u>\$ 0</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 118,745 | 118,745 | 0 |
| Subtotal - Capital Improvements | <u>\$ 118,745</u> | <u>\$ 118,745</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 23,469,532</u></u> | <u><u>\$ 23,171,871</u></u> | <u><u>\$ 0</u></u> |
| FTE Positions | 143.0 | 143.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 4.0 | 4.0 | 0.0 |
| TOTAL | <u><u>147.0</u></u> | <u><u>147.0</u></u> | <u><u>0.0</u></u> |

Agency Estimate

The agency estimates \$23,350,787, all from special revenue funds, for FY 2007 operating expenditures, an increase of \$2,255,705, or 10.7 percent, above the approved amount. The estimate for operating expenditures includes a shrinkage rate of 3.3 percent, and increases in state operations of \$1,010,705, including \$665,044 for Kansas Savings Incentive Program (KSIP) expenditures, \$100,000 for aid to local units for the Firefighters Relief program, and \$1,145,000 for workers' compensation claim payments.

Governor's Recommendation

The Governor recommends \$23,053,126, all from special revenue funds, for FY 2007 operating expenditures, an increase of \$1,958,044, or 9.3 percent, above the approved amount, and a decrease of \$297,661, or 1.3 percent, below the agency's FY 2007 revised estimate. The Governor concurs with the funding for the aid to local units for the Firefighters Relief program and workers' compensation claim payments, but the Governor recommends \$713,044 in state operations, including the KSIP expenditures, and this amount is a decrease of \$297,661 below the agency's revised estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Insurance Department **Bill No.** HB 2542

Bill Sec. 32

Analyst: O'Hara

Analysis Pg. No. Vol. II-854

Budget Page No. 209

| Expenditure Summary | Agency Request FY 08 | Governor's Recommendation FY 08 | House Budget Committee Adjustments |
|---------------------------------|-----------------------------|---------------------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 23,694,696 | 23,349,883 | (296,757) |
| Subtotal - Operating | <u>\$ 23,694,696</u> | <u>\$ 23,349,883</u> | <u>\$ (296,757)</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 120,861 | 120,861 | 0 |
| Subtotal - Capital Improvements | <u>\$ 120,861</u> | <u>\$ 120,861</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 23,815,557</u></u> | <u><u>\$ 23,470,744</u></u> | <u><u>\$ (296,757)</u></u> |
| FTE Positions | 143.0 | 143.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 4.0 | 4.0 | 0.0 |
| TOTAL | <u><u>147.0</u></u> | <u><u>147.0</u></u> | <u><u>0.0</u></u> |

Agency Request

The agency requests budget year operating expenditures of \$23,694,696, an increase of \$343,909, or 1.5 percent, above the revised current year estimate. The increase in the agency's FY 2008 request is attributable to an increase of \$245,490 in salaries and wages, \$74,985 in contractual services, \$25,550 in commodities, all of which is partially offset by a decrease in debt service interest of \$2,116.

Governor's Recommendation

The Governor recommends budget year operating expenditures of \$23,349,883, a decrease of \$344,813, or 1.5 percent, below the agency's request. The Governor's FY 2008 recommendation is an increase of \$296,757, or 1.3 percent, above the FY 2007 recommendation. As compared to the agency's request, the recommendation includes a decrease in salaries and wages of \$84,520, a decrease in contractual services of \$241,343, and a decrease of \$18,950 in commodities. The Governor's FY 2008 recommendation includes the addition of \$296,757 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.

House Budget Committee Recommendation

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

1. **Pay Plan.** Delete \$296,757, all from special revenue funds, recommended by the Governor 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 the pay plan adjustment and the longevity payment increase will be considered at a later time.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Insurance Department **Bill No.** SB 357 **Bill Sec.** 32

Analyst: O'Hara **Analysis Pg. No.** Vol. II-854 **Budget Page No.** 209

| Expenditure Summary | Agency Request FY 08 | Governor's Recommendation FY 08 | Senate Subcommittee Adjustments |
|---------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 23,694,696 | 23,349,883 | (296,757) |
| Subtotal - Operating | <u>\$ 23,694,696</u> | <u>\$ 23,349,883</u> | <u>\$ (296,757)</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 120,861 | 120,861 | 0 |
| Subtotal - Capital Improvements | <u>\$ 120,861</u> | <u>\$ 120,861</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 23,815,557</u></u> | <u><u>\$ 23,470,744</u></u> | <u><u>\$ (296,757)</u></u> |
| FTE Positions | 143.0 | 143.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 4.0 | 4.0 | 0.0 |
| TOTAL | <u><u>147.0</u></u> | <u><u>147.0</u></u> | <u><u>0.0</u></u> |

Agency Request

The agency requests budget year operating expenditures of \$23,694,696, an increase of \$343,909, or 1.5 percent, above the revised current year estimate. The increase in the agency's FY 2008 request is attributable to an increase of \$245,490 in salaries and wages, \$74,985 in contractual

services, \$25,550 in commodities, all of which is partially offset by a decrease in debt service interest of \$2,116.

Governor's Recommendation

The Governor recommends budget year operating expenditures of \$23,349,883, a decrease of \$344,813, or 1.5 percent, below the agency's request. The Governor's FY 2008 recommendation is an increase of \$296,757, or 1.3 percent, above the FY 2007 recommendation. As compared to the agency's request, the recommendation includes a decrease in salaries and wages of \$84,520, a decrease in contractual services of \$241,343, and a decrease of \$18,950 in commodities. The Governor's FY 2008 recommendation includes the addition of \$296,757 from special revenue funds 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.

Senate Subcommittee Recommendation

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

1. **Pay Plan.** Delete \$296,757, all from special revenue funds, recommended by the Governor 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 the pay plan adjustment and the longevity payment increase will be considered at a later time.

House Budget Committee Report

Agency: State Treasurer

Bill No. --

Bill Sec. - -

Analyst: Klaassen

Analysis Pg. No. Vol. II-869

Budget Page No. 407

| Expenditure Summary | Agency Estimate FY 07 | Governor's Recommendation FY 07 | House Budget Committee Adjustments |
|---------------------------------|-----------------------------|---------------------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ 50,000 | \$ 50,000 | \$ 0 |
| Other Funds | 14,817,589 | 14,194,046 | 0 |
| Subtotal - Operating | <u>\$ 14,867,589</u> | <u>\$ 14,244,046</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>\$ 14,867,589</u></u> | <u><u>\$ 14,244,046</u></u> | <u><u>\$ 0</u></u> |
| FTE Positions | | | |
| | 55.5 | 55.5 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u><u>55.5</u></u> | <u><u>55.5</u></u> | <u><u>0.0</u></u> |

Agency Estimate

The State Treasurer's current year estimate of reportable expenditures is \$14,867,589, an increase of \$3,356,100, or 29.2 percent, above the FY 2007 approved amount. The current year estimate represents an increase of \$1,407,895, or 10.5 percent, above the FY 2006 actual expenditures on the reportable budget. This increase is primarily due to the Pooled Money Investment Board KSIP expenditures of \$1,247,086 in FY 2007 for network technology updates and to provide additional staff training. The Legislature did not provide for restoration of local aid payments from the Local Ad Valorem Tax Reduction Fund (LAVTRF) and the City and County Revenue Sharing Fund (CCRSF).

Nonreportable Budget. The State Treasurer estimates a current year nonreportable operating budget of \$1,554,068. Financing from cash management and voucher processing fees is reported in other state agency budgets as reportable expenditures.

Governor's Recommendation

The Governor recommends operating expenditures of \$14,244,046, an increase of \$2,732,557, or 23.7 percent, above the FY 2007 approved budget. This is \$623,543 less than requested. This decrease is to correct a double posting of the Pooled Money Investment Board's KSIP expenditures in the agency FY 2007 estimate. The Governor concurs with the agency request for nonreportable expenditures.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: State Treasurer **Bill No.** - - **Bill Sec.** - -

Analyst: Klaassen **Analysis Pg. No.** Vol. II-869 **Budget Page No.** 407

| Expenditure Summary | Agency Estimate FY 07 | Governor's Recommendation FY 07 | Senate Subcommittee Adjustments |
|---------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 50,000 | \$ 50,000 | \$ 0 |
| Other Funds | 14,817,589 | 14,194,046 | 0 |
| Subtotal - Operating | <u>\$ 14,867,589</u> | <u>\$ 14,244,046</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>\$ 14,867,589</u></u> | <u><u>\$ 14,244,046</u></u> | <u><u>\$ 0</u></u> |
| FTE Positions | 55.5 | 55.5 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u><u>55.5</u></u> | <u><u>55.5</u></u> | <u><u>0.0</u></u> |

Agency Estimate

The State Treasurer's current year estimate of reportable expenditures is \$14,867,589, an increase of \$3,356,100, or 29.2 percent, above the FY 2007 approved amount. The current year estimate represents an increase of \$1,407,895, or 10.5 percent, above the FY 2006 actual expenditures on the reportable budget. This increase is primarily due to the Pooled Money Investment Board KSIP expenditures of \$1,247,086 in FY 2007 for network technology updates and to provide additional staff training. The Legislature did not provide for restoration of local aid payments from the Local Ad Valorem Tax Reduction Fund (LAVTRF) and the City and County Revenue Sharing Fund (CCRSF).

Nonreportable Budget. The State Treasurer estimates a current year nonreportable operating budget of \$1,554,068. Financing from cash management and voucher processing fees is reported in other state agency budgets as reportable expenditures.

Governor's Recommendation

The Governor recommends operating expenditures of \$14,244,046, an increase of \$2,732,557, or 23.7 percent, above the FY 2007 approved budget. This is \$623,543 less than requested. This decrease is to correct a double posting of the Pooled Money Investment Board's KSIP expenditures in the agency FY 2007 estimate. The Governor concurs with the agency request for nonreportable expenditures.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: State Treasurer

Bill No. HB 2542

Bill Sec. 31

Analyst: Klaassen

Analysis Pg. No. Vol. II-869

Budget Page No. 407

| Expenditure Summary | Agency Request FY 08 | Governor's Recommendation FY 08 | House Budget Committee Adjustments |
|---------------------------------|-----------------------------|---------------------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ 50,000 | \$ 1,049,263 | \$ (999,263) |
| Other Funds | 13,560,255 | 14,167,782 | 905,785 |
| Subtotal - Operating | <u>\$ 13,610,255</u> | <u>\$ 15,217,045</u> | <u>\$ (93,478)</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>\$ 13,610,255</u></u> | <u><u>\$ 15,217,045</u></u> | <u><u>\$ (93,478)</u></u> |
| FTE Positions | 55.5 | 55.5 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u><u>55.5</u></u> | <u><u>55.5</u></u> | <u><u>0.0</u></u> |

Agency Request

The State Treasurer requests a FY 2008 reportable operating budget of \$13,610,255, a net decrease of \$1,257,334, or 8.5 percent, below the revised current year request. This decrease is due to the FY 2007 KSIP expenditures, which were inadvertently double posted. The agency is also requesting \$50,000 from the State General Fund for the marketing of the Learning Quest KIDS program.

The State Treasurer requests a FY 2008 nonreportable budget of \$1,563,312, an increase of \$9,244, or 0.6 percent, above the FY 2007 revised estimate.

Governor's Recommendation

The Governor recommends a FY 2008 reportable operating budget of \$15,217,045, an increase of \$972,999, or 6.8 percent, above the FY 2007 recommendation. This is an increase of \$1,606,790, or 11.8 percent, above the agency's FY 2008 request. The Governor recommends shifting the funding for the Administration and Cash Management program expenditures, currently funded by service fees charged to other state agencies and part of the nonreportable budget, to a fee on unclaimed property of 2.0 percent as funds are deposited with the state and the expenditures would then move onto the reportable budget. The Governor recommends the addition of \$1,307,476 in State General Fund support to fully finance the program. Since the Governor does not recommend a nonreportable budget, the 17.1 FTE positions from the nonreportable budget are shifted to the

reportable budget. The Governor does not recommend the addition of State General Fund for the marketing of the Learning Quest KIDS program, but rather that it be funded by fees associated with the Learning Quest program. The Governor's FY 2008 recommendation includes the addition of \$93,478, including \$11,787 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 House Budget Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete \$93,478, including \$11,787 from the State General 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 \$1,577,656, including \$1,037,476 from the State General Fund, for the funding of the Administration and Cash Management programs, and remove language for the creation of the unclaimed property fee fund. These programs are currently funded by service fees charged to other state agencies and are part of the nonreportable budget.
 3. Reduce State General Fund unclaimed property receipts by \$1,337,476 and prior to deposit into the State General Fund, deposit this amount, \$1,337,476, into the newly created State Treasurer Operating Fund.
 4. Transfer the remaining unencumbered FY 2007 balance of the services reimbursement fund to the State Treasurer Operating Fund.
 5. In addition, authorize expenditures of \$1,577,656 from the State Treasurer Operating Fund. Based on utilizing receipts of unclaimed property, money would be transferred to this special revenue fund periodically during the year per certification of the State Treasurer.
 6. Shift expenditures of \$50,000 from special revenue funds to the State General Fund for the promotion of the Learning Quest KIDS program. The Governor's recommendation shifted the funding to fees generated by the Learning Quest program. The Budget Committee's recommendation would continue the State General Fund expenditure approved for FY 2007.
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Senate Subcommittee Report

Agency: State Treasurer

Bill No. SB 357

Bill Sec. 31

Analyst: Klaassen

Analysis Pg. No. Vol. II-869

Budget Page No. 407

| <u>Expenditure Summary</u> | <u>Agency Request FY 08</u> | <u>Governor's Recommendation FY 08</u> | <u>Senate Subcommittee Adjustments</u> |
|---------------------------------|---------------------------------|--|--|
| Operating Expenditures: | | | |
| State General Fund | \$ 50,000 | \$ 1,049,263 | \$ (999,263) |
| Other Funds | 13,560,255 | 14,167,782 | 955,785 |
| Subtotal - Operating | <u>\$ 13,610,255</u> | <u>\$ 15,217,045</u> | <u>\$ (43,478)</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>\$ 13,610,255</u> | <u>\$ 15,217,045</u> | <u>\$ (43,478)</u> |
| FTE Positions | 55.5 | 55.5 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>55.5</u> | <u>55.5</u> | <u>0.0</u> |

Agency Request

The State Treasurer requests a FY 2008 reportable operating budget of \$13,610,255, a net decrease of \$1,257,334, or 8.5 percent, below the revised current year request. This decrease is due to the FY 2007 KSIP expenditures, which were inadvertently double posted. The agency is also requesting \$50,000 from the State General Fund for the marketing of the Learning Quest KIDS program.

The State Treasurer requests a FY 2008 nonreportable budget of \$1,563,312, an increase of \$9,244, or 0.6 percent, above the FY 2007 revised estimate.

Governor's Recommendation

The Governor recommends a FY 2008 reportable operating budget of \$15,217,045, an increase of \$972,999, or 6.8 percent, above the FY 2007 recommendation. This is an increase of \$1,606,790, or 11.8 percent, above the agency's FY 2008 request. The Governor recommends shifting the funding for the Administration and Cash Management program expenditures, currently funded by service fees charged to other state agencies and part of the nonreportable budget, to a fee on unclaimed property of 2.0 percent as funds are deposited with the state and the expenditures would then move onto the reportable budget. The Governor recommends the addition of \$1,307,476 in State General Fund support to fully finance the program. Since the Governor does not recommend a nonreportable budget, the 17.1 FTE positions from the nonreportable budget are shifted to the

reportable budget. The Governor does not recommend the agency's enhancement request for \$50,000 from the State General Fund for the marketing of the Learning Quest KIDS program. The Governor's FY 2008 recommendation includes the addition of \$93,478, including \$11,787 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 and notation:

1. Delete \$93,478, including \$11,787 from the State General 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 \$1,577,656, including \$1,037,476 from the State General Fund, for the funding of the Administration and Cash Management programs, and remove language for the creation of the unclaimed property fee fund. These programs are currently funded by service fees charged to other state agencies and are part of the nonreportable budget.
3. Reduce State General Fund unclaimed property receipts by \$1,337,476 and prior to deposit into the State General Fund, deposit this amount, \$1,337,476, into the newly created State Treasurer Operating Fund.
4. Transfer the remaining unencumbered FY 2007 balance of the services reimbursement fund to the State Treasurer Operating Fund.
5. In addition, authorize expenditures of \$1,577,656 from the State Treasurer Operating Fund. Based on utilizing receipts of unclaimed property, money would be transferred to this special revenue fund periodically during the year, with an expenditure limitation.
6. Add \$50,000 from the State General Fund for the promotion of the Learning Quest KIDS program. The Senate Subcommittee's recommendation would continue the funding approved for FY 2007. Additionally, the Subcommittee notes that this program is in the second year of a three year pilot program.

House Budget Committee Report

Agency: Health Care Stabilization Fund Board of Governors **Bill No.** HB 2541 **Bill Sec.** 15

Analyst: O'Hara

Analysis Pg. No. Vol. II-898

Budget Page No. 185

| Expenditure Summary | Agency Estimate FY 07 | Governor's Recommendation FY 07 | House Budget Committee Adjustments |
|---------------------------------|-----------------------------|---------------------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 34,384,378 | 34,384,378 | 0 |
| Subtotal - Operating | \$ 34,384,378 | \$ 34,384,378 | \$ 0 |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 0 | 0 | 0 |
| Subtotal - Capital Improvements | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 34,384,378 | \$ 34,384,378 | \$ 0 |
| | | | |
| FTE Positions | 17.0 | 17.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | 17.0 | 17.0 | 0.0 |

Agency Estimate

The agency estimates FY 2007 operating expenditures of \$34,384,378 from the Healthcare Stabilization Fund, which is an increase of \$335,422, or 1.0 percent, above the amount approved by the 2006 Legislature. Of the estimated expenditures, \$5,441,667 is for the Administration program and the remaining \$28,942,711 is for the payment of claims and claims-related expenses. The increase from the amount approved is attributable to increases for the reclassification of agency employees and Kansas Savings Incentive Program (KSIP) expenditures for professional development and technology equipment.

Governor's Recommendation

The Governor concurs with the agency's revised estimate 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: Health Care Stabilization Fund Board of Governors **Bill No.** SB 358 **Bill Sec.** 15

Analyst: O'Hara **Analysis Pg. No.** Vol. II-898 **Budget Page No.** 185

| <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 | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 34,384,378 | 34,384,378 | 0 |
| Subtotal - Operating | <u>\$ 34,384,378</u> | <u>\$ 34,384,378</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>\$ 34,384,378</u></u> | <u><u>\$ 34,384,378</u></u> | <u><u>\$ 0</u></u> |
| FTE Positions | 17.0 | 17.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u><u>17.0</u></u> | <u><u>17.0</u></u> | <u><u>0.0</u></u> |

Agency Estimate

The agency estimates FY 2007 operating expenditures of \$34,384,378 from the Healthcare Stabilization Fund, which is an increase of \$335,422, or 1.0 percent, above the amount approved by the 2006 Legislature. Of the estimated expenditures, \$5,441,667 is for the Administration program and the remaining \$28,942,711 is for the payment of claims and claims-related expenses. The increase from the amount approved is attributable to increases for the reclassification of agency employees and Kansas Savings Incentive Program (KSIP) expenditures for professional development and technology equipment.

Governor's Recommendation

The Governor concurs with the agency's revised estimate for FY 2007.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Health Care Stabilization Fund Board of Governors **Bill No.** HB 2542 **Bill Sec.** 33

Analyst: O'Hara

Analysis Pg. No. Vol. II-898

Budget Page No. 185

| Expenditure Summary | Agency Request FY 08 | Governor's Recommendation FY 08 | House Budget Committee Adjustments |
|---------------------------------|-----------------------------|---------------------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ 0 | \$ 0 | 0 |
| Other Funds | <u>34,264,628</u> | <u>34,299,904</u> | <u>(35,276)</u> |
| Subtotal - Operating | \$ 34,264,628 | \$ 34,299,904 | \$ (35,276) |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | 0 |
| Other Funds | <u>0</u> | <u>0</u> | <u>0</u> |
| Subtotal - Capital Improvements | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | <u>\$ 34,264,628</u> | <u>\$ 34,299,904</u> | <u>\$ (35,276)</u> |
| FTE Positions | 17.0 | 17.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| TOTAL | <u>17.0</u> | <u>17.0</u> | <u>0.0</u> |

Agency Request

The agency requests FY 2008 operating expenditures of \$34,264,628 from the Healthcare Stabilization Fund, a decrease of \$119,750, or 0.3 percent, below the FY 2007 estimate. The request includes Administration program expenditures of \$5,321,917, a decrease of \$119,750, or 8.7 percent, below the FY 2007 amount. This decrease represents the entire decrease of the agency as there was no change in the estimate for claims-related expenses. Of this decrease, \$109,674 is in capital outlay, which reflects the absence of Kansas Savings Incentive Program (KSIP) expenditures budgeted for this purpose in FY 2007.

Governor's Recommendation

The Governor recommends expenditures of \$34,299,904, a reduction of \$84,474, or 0.2 percent, below the Governor's FY 2007 recommendation, but an increase of \$35,276, or 0.1 percent, above the agency's request. This increase is attributable to increases associated with a Governor's pay plan. The Governor's recommendation includes the addition of \$35,276 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 House Budget Committee concurs with the Governor's recommendation, with the following adjustment:

- **Pay Plan.** Delete \$35,276, all from the Healthcare Stabilization 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 the pay plan adjustment and the longevity payment increase will be considered at a later time.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Health Care Stabilization Fund Board of Governors **Bill No.** SB 357 **Bill Sec.** 33

Analyst: O'Hara **Analysis Pg. No.** Vol. II-898 **Budget Page No.** 185

| Expenditure Summary | Agency Request FY 08 | Governor's Recommendation FY 08 | Senate Subcommittee Adjustments |
|---------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 34,264,628 | 34,299,904 | (35,276) |
| Subtotal - Operating | <u>\$ 34,264,628</u> | <u>\$ 34,299,904</u> | <u>\$ (35,276)</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>\$ 34,264,628</u></u> | <u><u>\$ 34,299,904</u></u> | <u><u>\$ (35,276)</u></u> |
| FTE Positions | 17.0 | 17.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u><u>17.0</u></u> | <u><u>17.0</u></u> | <u><u>0.0</u></u> |

Agency Request

The agency requests FY 2008 operating expenditures of \$34,264,628 from the Healthcare Stabilization Fund, a decrease of \$119,750, or 0.3 percent, below the FY 2007 estimate. The request includes Administration program expenditures of \$5,321,917, a decrease of \$119,750, or 8.7 percent, below the FY 2007 amount. This decrease represents the entire decrease of the

agency as there was no change in the estimate for claims-related expenses. Of this decrease, \$109,674 is in capital outlay, which reflects the absence of Kansas Savings Incentive Program (KSIP) expenditures budgeted for this purpose in FY 2007.

Governor's Recommendation

The Governor recommends expenditures of \$34,299,904, a decrease of \$84,474, or 0.2 percent, below the Governor's FY 2007 recommendation, but an increase of \$35,276, or 0.1 percent, above the agency's request. This increase is attributable to increases associated with a Governor's pay plan. The Governor's recommendation includes the addition of \$35,276 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 adjustment:

- **Pay Plan.** Delete \$35,276, all from the Healthcare Stabilization 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 the pay plan adjustment and the longevity payment increase will be considered at a later time.

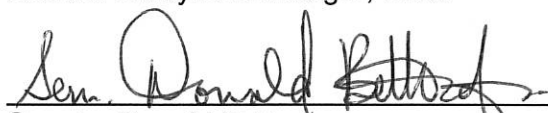
FY 2007 and FY 2008

SENATE WAYS AND MEANS SUBCOMMITTEE

Social and Rehabilitation Services



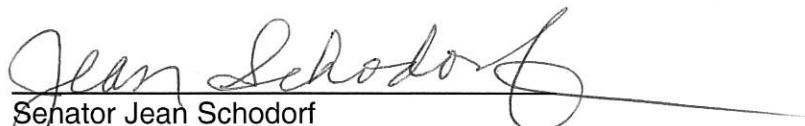
Senator Dwayne Umbarger, Chair



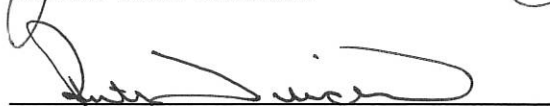
Senator Donald Betts



Senator Carolyn McGinn



Senator Jean Schodorf



Senator Ruth Teichman

House Budget Committee Report

Agency: Social and Rehabilitation Services

Bill No. HB 2541

Bill Sec. 33

Analyst: Kannarr

Analysis Pg. No. Vol. I - 348

Budget Page No. 365

| Expenditure Summary | Agency Estimate FY 07 | Governor's Recommendation FY 07 | House Budget Committee Adjustments |
|---------------------------------|--------------------------------|---------------------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ 564,020,534 | \$ 542,355,961 | \$ 0 |
| Other Funds | 840,133,766 | 860,695,961 | 0 |
| Subtotal - Operating | <u>\$ 1,404,154,300</u> | <u>\$ 1,403,051,922</u> | <u>\$ 0</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | 0 |
| Other Funds | 5,340,156 | 5,340,156 | 0 |
| Subtotal - Capital Improvements | <u>\$ 5,340,156</u> | <u>\$ 5,340,156</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 1,409,494,456</u></u> | <u><u>\$ 1,408,392,078</u></u> | <u><u>\$ 0</u></u> |
| FTE Positions | 3,813.6 | 3,670.6 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 65.6 | 65.6 | 0.0 |
| TOTAL | <u><u>3,879.2</u></u> | <u><u>3,736.2</u></u> | <u><u>0.0</u></u> |

Agency Estimate

The agency estimates FY 2007 operating expenditures of \$1.4 billion, including \$564.0 million from the State General Fund. The estimate is an all funds increase of \$50.1 million, or 3.7 percent, and a State General Fund increase of \$36.9 million, or 7.0 percent, above the amount approved by the 2006 Legislature.

The State General Fund estimate includes supplemental requests of \$32.5 million; a State General Fund reappropriation of \$4.8 million; a transfer of \$53,439 to the Kansas Health Policy Authority; a transfer of \$524,153 to Larned State Hospital for the Sexual Predator Transition Program; and additional funding of \$206,688 for the salary plan approved by the 2006 Legislature.

Governor's Recommendation

The Governor recommends FY 2007 expenditures of \$1.4 billion, including \$542.4 million from the State General Fund. The recommendation is an all funds increase of \$49.0 million, or 3.6 percent, and a State General Fund increase of \$15.3 million, or 2.9 percent, above the amount approved by the 2006 Legislature.

The Governor's recommendation is an all funds decrease of \$1.1 million, or 0.1 percent, and a State General Fund decrease of \$21.7 million, or 3.8 percent, below the agency request. The recommendation includes the following adjustments to the agency request:

- Supplementals of \$1,500,000, a decrease of \$31,044,882, or 95.4 percent, below the agency request;
- Additional federal grant awards of \$2,888,726 awarded to the agency after the budget submission;
- Increases in special revenue fund expenditures of \$30.1 million to reflect additional federal fund received and carry forward balances from FY 2006; and
- Adjustments to reflect the November 2006 consensus caseload estimates for entitlement programs.

House Budget Committee Recommendation

The Social Services Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the Budget Committee Recommendation.

Senate Subcommittee Report

Agency: Social and Rehabilitation Services **Bill No.** SB 358 **Bill Sec.** 33

Analyst: Kannarr **Analysis Pg. No.** Vol. I - 192 **Budget Page No.** 187

| Expenditure Summary | Agency Estimate FY 07 | Governor's Recommendation FY 07 | Senate Subcommittee Adjustments |
|---------------------------------|--------------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 564,020,534 | \$ 542,355,961 | \$ 0 |
| Other Funds | 840,133,766 | 860,695,961 | 0 |
| Subtotal - Operating | <u>\$ 1,404,154,300</u> | <u>\$ 1,403,051,922</u> | <u>\$ 0</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | 0 |
| Other Funds | 5,340,156 | 5,340,156 | 0 |
| Subtotal - Capital Improvements | <u>\$ 5,340,156</u> | <u>\$ 5,340,156</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 1,409,494,456</u></u> | <u><u>\$ 1,408,392,078</u></u> | <u><u>\$ 0</u></u> |
| FTE Positions | 3,813.6 | 3,670.6 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 65.6 | 65.6 | 0.0 |
| TOTAL | <u><u>3,879.2</u></u> | <u><u>3,736.2</u></u> | <u><u>0.0</u></u> |

Agency Estimate

The agency estimates FY 2007 operating expenditures of \$1.4 billion, including \$564.0 million from the State General Fund. The estimate is an all funds increase of \$50.1 million, or 3.7 percent, and a State General Fund increase of \$36.9 million, or 7.0 percent, above the amount approved by the 2006 Legislature. The State General Fund estimate includes supplemental requests of \$32.5 million; a State General Fund reappropriation of \$4.8 million; a transfer of \$53,439 to the Kansas Health Policy Authority; a transfer of \$524,153 to Larned State Hospital for the Sexual Predator Transition Program; and additional funding of \$206,688 for the salary plan approved by the 2006 Legislature.

Governor's Recommendation

The Governor recommends FY 2007 expenditures of \$1.4 billion, including \$542.4 million from the State General Fund. The recommendation is an all funds increase of \$49.0 million, or 3.6 percent, and a State General Fund increase of \$15.3 million, or 2.9 percent, above the amount approved by the 2006 Legislature. The Governor's recommendation is an all funds decrease of \$1.1 million, or 0.1 percent, and a State General Fund decrease of \$21.7 million, or 3.8 percent, below the agency request. The recommendation includes the following adjustments to the agency request:

- Supplementals of \$1,500,000, a decrease of \$31,044,882, or 95.4 percent, below the agency request;
- Additional federal grant awards of \$2,888,726 awarded to the agency after the budget submission;
- Increases in special revenue fund expenditures of \$30.1 million to reflect additional federal fund received and carry forward balances from FY 2006; and
- Adjustments to reflect the November 2006 consensus caseload estimates human services programs.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Social and Rehabilitation Services **Bill No.** HB 2542

Bill Sec. 55

Analyst: Kannarr

Analysis Pg. No. Vol. I - 348

Budget Page No. 365

| Expenditure Summary | Agency Request FY 08 | Governor's Recommendation FY 08 | House Budget Committee Adjustments |
|---------------------------------|--------------------------------|---------------------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ 645,490,798 | \$ 607,827,673 | \$ (50,132,868) |
| Other Funds | 830,511,134 | 837,199,405 | (28,871,772) |
| Subtotal - Operating | <u>\$ 1,476,001,932</u> | <u>\$ 1,445,027,078</u> | <u>\$ (79,004,640)</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | 0 |
| Other Funds | 4,708,100 | 4,608,100 | 0 |
| Subtotal - Capital Improvements | <u>\$ 4,708,100</u> | <u>\$ 4,608,100</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 1,480,710,032</u></u> | <u><u>\$ 1,449,635,178</u></u> | <u><u>\$ (79,004,640)</u></u> |
| FTE Positions | 4,134.5 | 3,670.6 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 65.6 | 65.6 | 0.0 |
| TOTAL | <u><u>4,200.1</u></u> | <u><u>3,736.2</u></u> | <u><u>0.0</u></u> |

Agency Request

The agency requests FY 2008 expenditures of \$1.5 billion, an increase of \$71.8 million, or 5.1 percent, above the FY 2007 estimate. The request includes State General Fund expenditures of \$645.5 million, an increase of \$81.5 million, or 14.4 percent, above the FY 2007 estimate and Children's Initiatives Fund expenditures of \$28.9 million, the same amount as approved for FY 2007.

Enhancements of \$116.2 million, including \$91.6 million from the State General Fund, and 463.9 FTE positions are requested. Of the requested FTE positions, 143.0 FTE are continued from the FY 2007 supplemental request. The enhancement represents the entire increase for the base budget established by the Governor for the agency.

Governor's Recommendation

The Governor recommends FY 2008 expenditures of \$1.4 billion, including \$607.8 million from the State General Fund. The Governor's recommendation is an all funds increase of \$42.0 million, or 3.0 percent, and a State General Fund increase of \$65.5 million, or 12.1 percent, above the FY 2007 recommendation.

The recommendation is an all funds decrease of \$31.0 million, or 2.1 percent, and a State General Fund decrease of \$37.7 million, or 5.8 percent, below the agency request. The recommendation includes the following adjustments to the agency request:

- The Governor recommends enhancements of \$62,735,411, including \$36,759,953 from the State General Fund, an all funds decrease of \$53,477,139 and a State General Fund decrease of \$55,882,065 below the agency's enhancement request. Included in the recommendation are two enhancements not requested by the agency totaling \$4,500,000 from the Children's Initiatives Fund. These enhancements include an expansion of the Pre-K Pilot begun in FY 2007 and Child Care Quality Initiatives.
- The Governor's FY 2008 recommendation includes the addition of \$6,356,601, including \$3,903,245 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 Governor recommends additional federal grant awards of \$2,888,726 awarded to the agency after the budget submission.
- The Governor adjusts the agency's budget to reflect the November 2006 consensus caseload estimates for entitlement programs resulting in an all funds decrease of \$8.5 million and a State General Fund increase of \$14.6 million as compared to the revised FY 2007 estimate.

House Budget Committee Recommendation

The Social Services Budget Committee concurs with the Governor's recommendation with the following exceptions and notations:

1. Delete \$6,356,601, including \$3,903,245 from the State General Fund or 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 \$540,000, including \$351,000 from the State General Fund or all from special revenue funds, to remove recommended funding to replace 45 vehicles for consideration at Omnibus.
3. Delete funding for the following items which were recommended by the Governor and review at Omnibus:
 - a. Delete \$6,409,508, including \$6,200,000 from the State General Fund, to remove funding recommended to decrease the shrinkage rate in regional management areas.
 - b. Delete \$4,493,645 from the State General Fund, to remove funding recommended to replace Medicaid funding lost due to a decrease in the federal matching percentage.
 - c. Delete \$1,486,621, including \$600,000 from the State General Fund, to remove funding recommended to initiate a Medicaid Home and Community Based Services (HCBS) waiver for children with autism.

- d. Delete \$1,839,372, including \$955,952 from the State General Fund, to remove funding recommended to address increased caseloads in adoption subsidy payments.
 - e. Delete \$9,881,250, including \$3,988,073 from the State General Fund, to remove funding recommended to reduce the waiting list for the HCBS waiver for persons with developmental disabilities.
 - f. Delete \$9,910,805, including \$4,000,000 from the State General Fund, to remove funding recommended to address the waiting list for the HCBS waiver for persons with physical disabilities.
 - g. Delete \$2,003,640 from the State General Fund to remove funding recommended to annualize the Grandparents as Caregivers program.
 - h. Delete \$6,352,757, including \$4,242,838 from the State General Fund, to remove funding recommended to increase reimbursement rates in six different assistance programs.
 - i. Delete \$400,000 from the State General Fund to remove funding recommended for a program to reduce tobacco sales to minors and prevent the loss of federal funding.
 - j. Delete \$2,193,960, including \$593,960 from the State General Fund and \$1.6 million from the Children's Initiatives Fund, to remove funding recommended to expand Early Head Start.
 - k. Delete \$4,448,680 from the State General Fund to remove funding recommended to improve job retention in the Temporary Assistance for Families program.
 - l. Delete \$800,000 from the State General Fund to remove funding recommended to increase grants to Independent Living Centers.
 - m. Delete \$3.5 million from the Children's Initiatives Fund recommended to expand the Pre-K pilot program.
 - n. Delete \$1.0 million from the Children's Initiatives Fund recommended for a new Child Care Quality initiative.
 - o. Delete \$6,418,131, including \$2,182,165 from the State General Fund, to remove funding recommended to replace federal Child Support Enforcement funding lost due to the Deficit Reduction Act of 2005.
 - p. Delete \$10,969,670 from the State General Fund recommended to replace other sources of revenue, such as Intergovernmental Transfer and fee fund, which are no longer available.
4. The Budget Committee requests that the agency prioritize its budget requests before Omnibus consideration.

5. The Budget Committee notes the State General Fund resources required in FY 2008 are increased because of the unavailability of other funding sources, such as the Intergovernmental Transfer.
6. The Budget Committee received information regarding the changes in residential mental health services for children in state custody to satisfy federal concerns about Medicaid funding for these services. Psychiatric Residential Treatment Facilities (PRTFs) will be more oriented toward a traditional medical model versus the services currently provided in Level V and VI treatment facilities. The Budget Committee recognizes that additional resources will be needed to address the change in inpatient services and for other services required outside of these facilities for children who are determined not to need that level of service but may need intensive services. The Budget Committee was informed that the Community Mental Health Centers will incur some of these additional costs. Some concern has been expressed about the changes and that current CMHC grant dollars will be redirected to pay for additional services required under the new system. The amount of additional funding which will be needed is unknown at this time. The Budget Committee recommends information be presented by Omnibus regarding the estimated amount of additional funding needed to address these issues.
7. The Budget Committee notes testimony it received that providing services in the community is less expensive and requests additional information by Omnibus regarding a comparison of costs for providing services on the HCBS developmental disabilities waiver versus the cost to provide services in an inpatient setting such as a state hospital or private Intermediate Care Facility for the Mentally Retarded.
8. The Budget Committee notes significant testimony it received regarding the need for more mental health resources in the community and in inpatient services and requests additional information by Omnibus on these issues. Conferees told the Budget Committee that Kansas is facing a crisis in the number of inpatient beds available to serve people who are the most sick. Inpatient resource include both the state mental health hospitals and acute care beds in local hospitals. A number of conferees also referred to an interim Legislative Budget Committee recommendation to add funding to allow SRS to enter into contracts with local hospitals to provide acute care inpatient services to supplement state hospital beds and allow persons to receive treatment closer to home. The agency estimates that the cost of entering into these relationships, based on conversations to this point, would be approximately \$2.5 million and looks most promising for services for youth.
9. The Budget Committee notes testimony it heard regarding the importance of support services for individuals with mental illness and recommends the issue be revisited at Omnibus. These services could including case management, respite care, education, peer support, housing, and transportation. Organizations providing these types of services include Keys for Networking and the National Alliance for the Mentally Ill. Further, the Budget Committee notes requests received for specific funding to support these organizations to allow them to maintain consumer and family mental health support services. The Budget Committee believes it is critical to examine how we work with consumers and family members to provide services and how we can be more effective in providing services and working with families.

10. The Budget Committee received significant testimony on the revisions submitted to the Medicaid State Plan affecting the mental health service delivery system and requests additional information at Omnibus. One of the changes in the new state plan is the conversion to a Prepaid Ambulatory Health Plan (PAHP) for public mental health services which are accessed through a Community Mental Health Center (CMHC) which has the responsibility for the new managed system of care. Services will be delivered by the CMHC, with other associated providers or by referrals to inpatient services. The Budget Committee requests information be provided by Omnibus regarding where community mental health dollars are spent currently and where they will be going under the new system which is effective July 1, 2007. The Budget Committee is concerned that current grant dollars may be redirected for purposes other than for what they were intended. In addition, the Budget Committee recommends the agency provide regular quarterly reports to the Legislature and stakeholders about the status of the new system including how it is working, what barriers have been encountered and how difficulties are being addressed.

The quarterly status report from the agency should also include information about compliance with federal "any willing provider" requirements and whether people are getting access to additional providers. The Budget Committee does note that while it supports access to additional providers outside CMHCs, it does not want it to negatively impact the ability of the CMHCs to provide comprehensive services.

11. The Budget Committee notes the Governor's recommendation for an expansion of the Early Head Start and Pre-K programs. Testimony received indicated that 90 percent of a child's brain development is complete by the age of five. In addition, testimony reflected that children who have access to quality early learning programs are prepared to learn when entering school, require fewer special education services and achieve higher levels of education and income. The Budget Committee acknowledges the importance of these types of services and supports the availability of these services to children in families at all income levels. However, the Budget Committee requests information about the success of this program including measurable outcomes to show the effective use of the funds provided.
12. The Budget Committee expresses concern as to the size of caseloads carried by staff in the regional service areas and the ability of staff to adequately perform their jobs, especially in the area of child welfare, and requests additional information at Omnibus. An awareness of the size of these caseloads and an analysis of whether they are manageable is required to ensure that we are not asking too much of current staff. If caseloads are unmanageable, the Budget Committee believes additional resources need to be made available to decrease worker caseloads. The Budget Committee notes information it received about the large number of vacant positions in the regional offices due to budget constraints. In addition, the Budget Committee notes the Governor's recommendation for funding to reduce the shrinkage rate to allow the agency to fill some of these vacant positions in lieu of adding additional FTE positions as the agency had requested.
13. The Budget Committee notes the Governor's recommendation to implement a new Home and Community Based Services waiver for children with autism spectrum disorders. In addition, the Budget Committee acknowledges the

significant amount of testimony presented to various legislative committees last session and during the interim supporting the need for this waiver which will provide needed services currently not available from other programs.

14. The Budget Committee supports the policy of money following a person from institutional care into the community and notes that it was one of the basic concepts behind the closure of Winfield State Hospital and Training Center nearly a decade ago.
15. The Budget Committee notes the significant testimony it received regarding reimbursement rates in the Medicaid Home and Community Based Services waivers. The two top issues were the adequacy of the rates to allow organizations to pay direct care staff adequate wages and the second was the parity of rates between the different waivers.

A number of conferees testified about the inadequacy of current HCBS waiver reimbursement rates to allow organizations to pay high enough wages to hire adequate staff and retain employees. Conferees commented that the current wage structure makes it difficult to compete with other employment that may be less demanding but pay similar or higher wages. Additionally, conferees told the committee that constant staff turnover has negative affects on the individuals being served and creates difficulties for their organizations to ensure appropriate services are being provided. The Budget Committee is supportive of additional funding to increase wage rates for direct care staff but acknowledges that the state does not directly control the level of wages paid, only the overall reimbursement rate for services.

The Budget Committee also received testimony about the lack of parity in reimbursement rates between the various HCBS waivers. According to testimony, the rates paid for services such as personal assistance varies in amount and type of payment depending on the waiver being utilized but that the level of staff and type of service does not significantly vary. The Budget Committee was provided with information about the varying rates for Personal Assistance Services and a request was made for \$7.2 million from the State General Fund to achieve parity in reimbursement rates for these services. The Budget Committee acknowledges that complete parity may never be achieved but supports efforts to address the issue.

16. The Budget Committee expresses concern about the existence of waiting lists for HCBS waivers, particularly the waiver for persons with developmental disabilities which consistently has a significant waiting list. The Budget Committee understands the negative effects waiting lists for services can have on the individuals and families seeking services. As a result, the Budget Committee requests additional information about how the waiting lists develop, why they get so long and what the Legislature can do to help address these issues. In particular, the Budget Committee wants to know if it is solely a funding issue or if there are other structural or policy issues that contribute.
17. The Budget Committee received significant testimony about the HCBS waiver for persons with traumatic brain injury and requests additional information from SRS by Omnibus. Three major issues were discussed: the adequacy of available case management hours allowed under the current program; the adequacy of reimbursement rates; and the definition of brain injury that controls

eligibility for the waiver. The Budget Committee notes that this waiver is unique in that it is designed to be a short term program to rehabilitate persons with traumatic brain injury to their best level of functioning, after which they will no longer need services or will transition to other programs such as the HCBS waiver for persons with physical disabilities.

- a. The Budget Committee heard testimony that the current waiver caps the number of case management hours which can be provided and that these hours are inadequate. A request was made to remove the cap on the number of case management hours and direct the agency to approve additional number of hours. The Budget Committee requests the agency to examine the number of hours allowed for case management and provide information on the adequacy of the hours allowed to rehabilitate individuals; a cost estimate for increasing those hours; and the reason behind limiting the hours in the original waiver.
- b. Conferees testified that current reimbursement rates are inadequate to allow organizations to recruit and retain therapists to provide services and requested a rate increase for rehabilitation therapy and an annual inflation factor be incorporated into the rate.
- c. Conferees testified that the current definition used to determine eligibility for the waiver excludes person who have a non-traumatic brain injury. The conferees requested that the definition be changed to an acquired brain injury or that a separate waiver be created to these types of injury. The Budget Committee requests additional information on the original reason for limiting eligibility to those with traumatic brain injuries and the potential effects of expanding the definition including the increased number of persons and costs.

Finally, the Budget Committee requests a report from the agency on carryover balances in previous years and the ability to expand the waiver under current resources. This information should also include a five year history of expenditures and number of people served and the reasons for the increases in the number of people using the waiver.

18. The Budget Committee recommends Omnibus consideration of additional funding for the Funeral Assistance program. Testimony was presented which indicated that the rate the state pays funeral homes to provide burial services has remained at \$550 since FY 1998. According to testimony, this benefit does not cover the funeral home's expenses for a funeral, burial or cremation. The testimony requested an additional \$156,000 to increase the rate from \$550 to \$680 which represents the inflationary increase from 1998 to 2006. In addition, the Budget Committee was requested to add \$134,000 to address increases in the number of funerals covered by the program. The Budget Committee notes the importance providing funding for these services and comments that if the state does not pay for burial of indigent citizens the counties will have to pick up the cost.
19. The Budget Committee notes the Governor's recommendation for additional federal funding in the child care assistance program to address increasing caseloads in this program and recommends the issue be revisited at Omnibus.

The agency indicated in its budget submission that the program, which provides payments to child care providers for eligible families, is facing a funding shortfall due to increased demand for services. The Budget Committee understands that in order to keep people employed and out of assistance programs, families need to have access to appropriate child care and that the increased demand for services reflects increased numbers of people entering employment. The Governor's recommendation for funding is slightly less than half of what the agency requested in its budget submission, indicating that there could be a shortfall in this program.

20. The Budget Committee requests additional information at Omnibus on the implementation of dental services for adults on the HCBS waivers. Included in this report should be information on planning efforts regarding the provision of dental services now that the state has a dental director at the Kansas Department of Health and Environment.
21. The Budget Committee expresses concern about the effect of the new Presumptive Disability Determination process on people receiving General Assistance and requests additional information before Omnibus regarding the status of the General Assistance program.
22. The Budget Committee notes the Governor's recommendation to fully fund the Grandparents as Caregivers Program which was implemented in January 2007. Testimony received indicates that the program has begun operations and that approximately 80 persons are receiving payments. SRS informed the Budget Committee about the efforts being made to publicize the program and potential barriers that exist to enrollment. One barrier noted by the agency is the number of grandparents who may be caring for their grandchild but who do not have legal custody which is required to be eligible for the program. The agency indicated that it will begin working with these grandparents to establish legal custody. The Budget Committee supports this program, which was created by the 2006 Legislature, and supports the full funding of the program.
23. The Budget Committee notes testimony it received regarding Attendant Care for Independent Living (ACIL) services which are provided to children with severe medical conditions who require intensive medical services to help them receive services at home as opposed to requiring more expensive inpatient treatment. The Budget Committee supports the use ACIL services and notes their cost effectiveness as compared to inpatient services.
24. The Budget Committee notes that Foster Care Educational Assistance Act, which was passed last session, is set to expire at the end of FY 2008 and recommends the introduction of legislation to continue the program beyond that date.

House Committee Recommendation

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

1. Add \$2.4 million, all from the State General Fund, to restore funding for increased reimbursement rates for Addiction and Prevention Services grants which was reduced by the Budget Committee as part of Item 3h.

2. Add \$4,493,645, all from the State General Fund, to restore funding recommended to replace Medicaid funds lost due to a decrease in the federal matching percentage which was deleted by the Budget Committee in Item 3b.
 3. Add \$1,839,372, including \$955,952 from the State General Fund, to restore funding recommended to provide adoption subsidy payments to additional families which was deleted by the Budget Committee in Item 3d.
 4. Add \$6,418,131, including \$2,182,165 from the State General Fund, to restore funding recommended to replace federal Child Support Enforcement funding lost due to Deficit Reduction Act changes which was deleted by the Budget Committee in Item 3o.
 5. Add \$10,969,670, all from the State General Fund, to restore funding recommended to replace other source of revenue, such as Intergovernmental Transfer, which will not be available in FY 2008. This funding was deleted by the Budget Committee in Item 3p.
 6. Add \$1,486,621, including \$600,000 from the State General Fund, to restore funding recommended to initiate a Home and Community Based Services waiver for children with autism which was deleted by the Budget Committee in Item 3c.
 7. Add \$1,250,000, including \$500,000 from the State General Fund, to the Home and Community Services-Based Waiver for persons with Traumatic Brain Injury to increase reimbursements rates (\$100,000) and cover all "acquired" brain injuries (\$400,000).
 8. Add \$1,800,000, all from the State General Fund to allow the agency to enter into contracts with local hospitals for inpatient mental health services for youth.
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Senate Subcommittee Report

Agency: Social and Rehabilitation Services **Bill No.** SB 357

Bill Sec. 55

Analyst: Kannarr

Analysis Pg. No. Vol. I -192

Budget Page No. 187

| <u>Expenditure Summary</u> | <u>Agency Request FY 08</u> | <u>Governor's Recommendation FY 08</u> | <u>Senate Subcommittee Adjustments</u> |
|---------------------------------|---------------------------------|--|--|
| Operating Expenditures: | | | |
| State General Fund | \$ 645,490,798 | \$ 607,827,673 | \$ (28,187,388) |
| Other Funds | 830,511,134 | 837,199,405 | (24,193,602) |
| Subtotal - Operating | <u>\$ 1,476,001,932</u> | <u>\$ 1,445,027,078</u> | <u>\$ (52,380,990)</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | 0 |
| Other Funds | 4,708,100 | 4,608,100 | 0 |
| Subtotal - Capital Improvements | <u>\$ 4,708,100</u> | <u>\$ 4,608,100</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 1,480,710,032</u></u> | <u><u>\$ 1,449,635,178</u></u> | <u><u>\$ (52,380,990)</u></u> |
| FTE Positions | 4,134.5 | 3,670.6 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 65.6 | 65.6 | 0.0 |
| TOTAL | <u><u>4,200.1</u></u> | <u><u>3,736.2</u></u> | <u><u>0.0</u></u> |

Agency Request

The agency requests FY 2008 expenditures of \$1.5 billion, an increase of \$71.8 million, or 5.1 percent, above the FY 2007 estimate. The request includes State General Fund expenditures of \$645.5 million, an increase of \$81.5 million, or 14.4 percent, above the FY 2007 estimate and Children's Initiatives Fund expenditures of \$28.9 million, the same amount as approved for FY 2007. Enhancements of \$116.2 million, including \$91.6 million from the State General Fund, and 463.9 FTE positions are requested. Of the requested FTE positions, 143.0 FTE are continued from the FY 2007 supplemental request. The enhancement represents the entire increase for the base budget established by the Governor for the agency.

Governor's Recommendation

The Governor recommends FY 2008 expenditures of \$1.4 billion, including \$607.8 million from the State General Fund. The Governor's recommendation is an all funds increase of \$42.0 million, or 3.0 percent, and a State General Fund increase of \$65.5 million, or 12.1 percent, above the FY 2007 recommendation. The recommendation is an all funds decrease of \$31.0 million, or 2.1 percent, and a State General Fund decrease of \$37.7 million, or 5.8 percent, below the agency request. The recommendation includes the following adjustments to the agency request:

- The Governor recommends enhancements of \$62,735,411, including \$36,759,953 from the State General Fund, an all funds decrease of \$53,477,139

and a State General Fund decrease of \$55,882,065 below the agency's enhancement request. Included in the recommendation are two enhancements not requested by the agency totaling \$4,500,000 from the Children's Initiatives Fund. These enhancements include an expansion of the Pre-K Pilot and Child Care Quality Initiatives.

- The Governor's FY 2008 recommendation includes the addition of \$6,356,601, including \$3,903,245 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 Governor recommends additional federal grant awards of \$2,888,726 awarded to the agency after the budget submission.
- The Governor adjusts the agency's budget to reflect the November 2006 consensus caseload estimates for entitlement programs resulting in an all funds decrease of \$8.5 million and a State General Fund increase of \$14.6 million as compared to the revised FY 2007 estimate.

Senate Subcommittee Recommendation

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

1. Delete \$6,356,601, including \$3,903,245 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 \$540,000, including \$351,000 from the State General Fund, to remove recommended funding to replace 45 vehicles for review at Omnibus.
3. Delete \$6,409,508, including \$6,200,000 from the State General Fund, to remove funding recommended to decrease the shrinkage rate in regional management areas and review at Omnibus.
4. Delete \$744,417, including \$300,000 from the State General Fund, to remove half of the funding recommended to initiate a Medicaid Home and Community Based Services (HCBS) waiver for children with autism and review the remainder of the funding at Omnibus. The Governor recommended \$1,486,621, including \$600,000 from the State General Fund for this item.
5. Delete \$1,839,372, including \$955,952 from the State General Fund, to remove funding recommended to address increased caseloads in adoption subsidy payments and review at Omnibus.
6. Delete \$9,881,250, including \$3,988,073 from the State General Fund, to remove funding recommended to reduce the waiting list for the HCBS waiver for persons with developmental disabilities and review at Omnibus.

7. Delete \$9,910,805, including \$4,000,000 from the State General Fund, to remove funding recommended to address the waiting list for the HCBS waiver for persons with physical disabilities and review at Omnibus.
8. Delete \$2,003,640 from the State General Fund to remove funding recommended to annualize the Grandparents as Caregivers program and review at Omnibus.
9. Delete \$5,152,757, including \$3,042,838 from the State General Fund, to remove funding recommended to increase reimbursement rates in six different assistance programs and review at Omnibus. The Subcommittee recommendation results in an increase of \$1.2 million, all from the State General Fund, for an increase in rates paid to providers in the Alcohol and Prevention Services grant program which is half of the amount recommended by the Governor. Other programs for which funding increases are deleted include Home and Community Based Services waivers for traumatic brain injury, physical disabilities and technology assistance, Intermediate Care Facilities for the Mentally Retarded and developmental disability grants.
10. Delete \$2,193,960, including \$593,960 from the State General Fund and \$1.6 million from the Children's Initiatives Fund, to remove funding recommended to expand Early Head Start and review at Omnibus.
11. Delete \$4,448,680, all from the State General Fund, to remove funding recommended to improve job retention in the Temporary Assistance for Families program and review at Omnibus.
12. Delete \$400,000, all from the State General Fund, to remove half of the funding recommended to increase grants to Independent Living Centers and review at Omnibus.
13. Delete \$3.5 million from the Children's Initiatives Fund recommended to expand the Pre-K pilot program and review at Omnibus.
14. Delete \$1.0 million from the Children's Initiatives Fund recommended for a new Child Care Quality initiative.
15. Add \$2.0 million, all from the State General Fund, for contracts with local hospitals to provide inpatient mental health services for youth. The Subcommittee notes that if the agency is able to create additional inpatient beds in the community for youth, it should free up youth beds at the state mental health hospitals to provide additional capacity for adults.
16. The Subcommittee recommends a review of requests for additional funding for the Funeral Assistance program at Omnibus. The Subcommittee received requests for \$134,000 to pay for additional funerals and \$156,000 to increase the reimbursements paid to funeral homes.
17. The Subcommittee requests that the agency report back to the Senate Ways and Means Committee during the 2008 Session with information on the implementation of the Prepaid Ambulatory Health Plan (PAHP). The Subcommittee acknowledges that the implementation of the PAHP in July 2007 is a major shift in the provision of community mental health services and wants to monitor the progress of the new program.

18. The Subcommittee recommends the agency calculate the impact of expanding the Medicaid Home and Community Based Services waiver for persons with traumatic brain injury to include all "acquired" brain injuries and report back the results during Omnibus. The Subcommittee received testimony that the definition of brain injury in the current waiver limits services to those whose injury results from external traumatic events and excludes internal injuries such as anoxia and stroke even though the resulting injuries and rehabilitation are the same.
19. The Subcommittee requests that the agency report back to the Senate Ways and Means Committee during the 2008 Session on the implementation of the Psychiatric Residential Treatment Facility (PRTF) program. These facilities are designed to replace the current level V and VI residential treatment facility system. The Subcommittee was informed that because the PRTF system will be based on medical necessity, to accommodate Federal Medicaid rules, there will need to be additional services built into the system to serve children who are not found to need the PRTF level of service when they are screened by the Community Mental Health Centers prior to admission. The Subcommittee requests that the report include information on how services are being delivered to all children needed these levels of service.
20. The Subcommittee notes that Kansas has a strong mental health system that operates under a state mandate to serve all individuals regardless of their ability to pay for those services. Kansans who are not eligible for Medicaid must be served under that mandate. The Subcommittee expresses concern that in fully funding the Medicaid system for mental health services, there is not adequate funding remaining in the system to serve Kansans who are not Medicaid eligible. The State General Fund grant funds provided to Community Mental Health Centers (CMHCs) are the cornerstone of the public access to mental health services and must be protected. The Subcommittee recommends the agency work closely with the CMHCs to ensure the majority of grant funds, not less than two-thirds, remain available to provide services for non-Medicaid eligible Kansans during FY 2008, and to return the grant funds to their original amounts as allocated in FY 2007, for FY 2009, to ensure access to mental health services for all Kansans. The Subcommittee recommends this issue be reviewed at Omnibus.

Kansas Department of

Social and Rehabilitation Services

Don Jordan, Secretary

Senate Committee on Ways and Means

March 14, 2007

Child Support Enforcement (CSE) Update

Integrated Service Delivery

Candy Shively, Deputy Secretary

785-296-3271

For additional information contact:
Public and Governmental Services Division
Kyle Kessler, Deputy Secretary

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Senate Ways and Means
3-14-07
Attachment 3

**Kansas Department of Social and Rehabilitation Services
Don Jordan, Secretary**

Senate Committee on Ways and Means
March 14, 2007

Child Support Enforcement (CSE) Update

CSE Customer Service Center

Taking a cue from our sister states of Nebraska and Oklahoma, the Kansas CSE Program is establishing a customer service center to improve the productivity of our professional staff and the quality of our interactions with customers. The new Center will be located in a Kansas community that does not presently host a significant State presence—giving SRS the opportunity to tap resources that are sometimes overlooked, while providing a meaningful opportunity for community development in that location. Key features of the Center will be:

- Operating with extended hours and live customer service staff on weekdays, as well as providing an around-the-clock IVR (Interactive Voice Response) system at all times;
- Using the CSE automated system to record activities, so CSE program workers and legal staff will have the information about customer contacts at their fingertips;
- Adhering to strict confidentiality standards; and
- Submitting management reports, including summary information about who is calling and why.

The procurement process for the CSE Customer Service Center is well under way. Although we are still in the “quiet” period when communications are extremely limited, I can tell you that we have seen a good level of interest from vendors and their community partners. The purpose of the quiet period is to insure that no bidder gains an unfair advantage during the negotiated procurement, which could jeopardize the whole process and prevent the State of Kansas from getting the best bargain possible.

This has been a very complex procurement for CSE—for each bid, the actual bidder is a qualified vendor that is familiar with child support and managing CSE customer services, who has partnered with a qualified Kansas community that has the infrastructure to support the anticipated technological and workload demands. At this stage, we are unable to predict when negotiations will be completed, but we pledge to seek the best balance of high quality services and value for the State of Kansas.

Kansas Payment Center

The Kansas Payment Center (KPC), a joint venture between CSE and the Office of Judicial Administration, is Kansas' central unit for receiving, recording, and disbursing nearly all support payments for the State of Kansas. Due to the scheduled expiration of the original KPC contract, a second round of KPC procurement was recently completed. SRS and OJA took advantage of this opportunity to increase our expectations for electronic services that will give Kansas parents additional conveniences and options. For example, we expect to offer custodial parents the convenience of receiving support payments on a debit card, as an alternative to direct deposits or checks. These cards have been well-received by customers in other states, who find them both faster and more convenient than conventional checks.

JPMorgan Chase was selected to succeed Tier Technologies as the vendor for the Kansas Payment Center. July 1 has been identified as the "Go Live" date for the actual transition, which we intend to make as transparent to customers as possible. We are pleased with the work accomplished by the JPMorgan Chase team and with their energetic approach to project management. SRS will be providing regular updates about the transition project to the Legislature through the Kansas Information Technology Office and the Joint Committee on Information Technology.

Federal and State Legislation

As many of you are aware, the U.S. Congress enacted major changes for human services last winter in the Deficit Reduction Act of 2005. A summary of the child support provisions included in that legislation is attached.

Today, I only want to highlight two provisions that require legislative action to keep the CSE State Plan in good standing under Title IV-D. Both topics are covered in House Bill 2451, which is currently referred to the House Federal and State Affairs Committee. The two items Kansas needs to address are:

- Providing the legal framework for a new, annual \$25 fee. The fee only applies in "Never TAF" cases where the CSE program has actually collected and sent to the family \$500 of support. Because we need legislation to clarify an ambiguity in our existing fee statute, we will not be required to begin applying the new fee until October 2007.
- Stating clearly in our laws that all support orders must address the medical support needs of the child, and outlining the primary ways for doing so. In actual practice, the courts are doing this by carefully applying the Kansas Child Support Guidelines, but codifying those policies and practices in statute will ensure our compliance.

In addition to HB 2451, CSE has proposed a measure for matching CSE debts against pending insurance payouts for workers compensation and personal injury claims. That bill is HB 2503, currently referred to the House Health and Human Services Committee. We believe it can be a meaningful tool for identifying assets and collecting child support on behalf of many families for whom the current tools just are not working.

In closing, I would like to provide an update concerning last year's CSE legislation. The 2006 Legislature authorized CSE to impose, administratively, sanctions against driving privileges and recreational licenses. The key to using both new tools effectively is communications with child support debtors—the goal, after all, is not to deny or restrict licenses but to trigger voluntary support payments that will prevent the new sanctions from applying.

Under the first new law, a driver who owes more than \$500 and is not making support payments may have restrictions placed on his or her Kansas driving privileges. Under the other new law, any recreational license or permit issued by the Department of Wildlife and Parks may be denied to an applicant who is failing to make child support payments as ordered in a CSE case.

Implementing these new processes requires:

- Extensive planning and consultation with a variety of stakeholders;
- CSE system enhancements;
- System changes for the Department of Wildlife and Parks and for the Division of Vehicles;
- Writing, printing, and distributing materials for recreational license vendors; and
- Training for CSE staff and others affected by the new processes.

A task force, composed of a cross-section of CSE stakeholders, has been hard at work going over the myriad policy details and designing the necessary procedures and automation. By working carefully and deliberately, the work group seeks to prevent errors and unexpected outcomes when the new sanctions go into production, while allowing automation to perform routine tasks as often as possible. We look forward to using these new tools, but we want to make sure that they work effectively and as intended.

Attachment A

The Deficit Reduction Act of 2005 (DRA 2005)

Highlights of Child Support Enforcement Provisions, Sections 7301-7311

Assignment of Support Rights. The assignment of support rights, required as a condition of eligibility for TAF (Temporary Assistance to Families) and from which the State may retain collections as reimbursement, will be limited to support which accrues during the period that a family receives TAF. States will no longer be permitted to retain pre-assistance arrearages for reimbursement of state or federal TAF costs. Effective October 1, 2009.

Distribution; General rule. Unless a State elects one or more of the “family first” options, the State must continue to distribute collections in TAF and former TAF cases under current distribution rules. The new options become available October 2009, or as early as October 2008 if the State chooses.

“Family First” distribution options. Choosing any or all of the “family first” options automatically requires the State to distribute collections from federal income tax refunds to families before applying any such collections to a reimbursement claim. This reverses the current rule and significantly increases funding risks for any State that relies upon reimbursement collections to fund the CSE program. Also, rules for distribution in Title IV-E foster care and Medicaid cases appear unchanged.

Open TAF Cases: States may distribute to the family any current support collections up to \$100 per month (for one child) or \$200 per month (two or more children) instead of retaining the collections for reimbursement. The federal share will be waived.

Former TAF cases: States will continue to pay current support to the family, plus any collections not assigned to the State for reimbursement (i.e., any post-assistance arrearages and, beginning October 2009, all pre-assistance arrearages). However, the State may elect to distribute to the family all collections assigned for reimbursement; the federal share will be waived.

Other elections. A State may elect to discontinue all or part of its claims to pre-assistance arrearages that accrued before October 2009.

Federal Income Tax Refund Offsets: Beginning October 2007, federal tax refund offsets apply to support owed for any child, whether or not a minor. Beginning October 2009, all IV-D child support claims will have priority over claims made by federal agencies, except for unpaid federal taxes.

Mandatory Review and Adjustment of Child Support Orders for Families Receiving TAF. Effective October 2007, States must review and, if appropriate, adjust a current support order upon request of either parent or if there is an open TAF case. States may adopt an automatic cost of living adjustment if preferred.

Lower Child Support Arrearage to Trigger Passport Denial. Effective October 2006, the arrearage trigger for passport denial was reduced from \$5,000 to \$2,500.

Maintenance of Technical Assistance and FPLS (Federal Parent Locator Service) Funding. Federal funds set aside for child support technical assistance and the FPS are set at 1 and 2% of the federal share of reimbursement collections each year, or the FY2002 amount, whichever is greater.

Information Comparisons with Insurance Data. Federal Office of Child Support Enforcement (OCSE) is authorized to establish a voluntary program for matching State data against insurers' data about insurance claims, settlements, awards and payments, then forward information resulting from matches to States for possible enforcement actions. A participating insurer is protected from liability. States will reimburse OCSE

for its costs. Effective October 1, 2005

Medical Support Requirements. States must enact laws under which all child support orders will include medical support to be provided by either or both parents. States must enforce such orders against noncustodial parents, and may enforce them against custodial parents at the State's option. OCSE is directed to adopt regulations. (NOTE: One proposed OCSE regulation requires that the child's access to medical benefits be considered in determining the coverage that will be ordered.)

Reduced Federal Match Rate for Laboratory Costs for Determining Paternity. Beginning October 2006, Federal reimbursement for laboratory costs incurred in determining paternity is reduced from 90 percent to 66 percent.

Ending Federal Match for State's Spending of IV-D Incentive Payments. Effective October 2007, no Federal funds will be paid to a State for amounts expended from IV-D incentive payments made to the State. (NOTE: An existing federal regulation requires States to spend all incentives on IV-D program costs, unless HHS has previously authorized spending incentives on a related Non-IV-D expense.)

Mandatory \$25 Annual Fee for Successful Collections On Behalf of Family That Has Never Received TAF. Effective October 2006 (or 2007, if State legislation is required), the State must impose an annual fee of \$25 if the family has never received TAF and the State collects at least \$500 of support on the family's behalf. After the family has received \$500 during the federal fiscal year, the fee may be paid by the custodial parent, retained from subsequent support collections, collected from the absent parent, or paid by the State out of its own funds. If the State pays the fee out of its own funds, the fee shall not be considered an administrative cost for Federal funding, and the fee shall be considered program income (i.e., the State must pay 66% to OCSE).

Attachment B

Child Support Enforcement Fact Sheet

January 9, 2007

The Kansas Child Support Enforcement Program, operating under Title IV-D of the federal social security act, has two purposes: (1) to promote genuine financial stability for households with children, and (2) to ease somewhat the taxpayers' burden for public assistance provided to children not being supported by both parents. By pursuing these twin goals CSE helps families become and remain independent of public assistance, which in turn allows the State to manage public resources more effectively on behalf of all Kansans. CSE's work also enables custodial parents to take the initiative in expanding their children's opportunities to learn, grow up healthy, and develop talents and abilities to the fullest—a vital investment in Kansas' future.

The Kansas CSE Program. The Department of Social and Rehabilitation Services is the designated Title IV-D (CSE) agency for the State of Kansas. CSE operates within the Integrated Service Delivery Division of SRS.

The Kansas CSE Program is a multifaceted operation that combines state, county, judicial, and private resources to meet detailed federal requirements concerning all phases of operation. CSE services include:

- Locating noncustodial parents and their assets;
- Establishing parentage, as needed;
- Establishing support orders, including medical coverage;
- Ensuring regular payment of support through income withholding orders;
- Enforcing support through administrative actions, such as passport denial or interception of tax refunds, lottery winnings, and unemployment benefits;
- Enforcing past due support through court actions, such as garnishment of bank accounts;
- Modifying ongoing support orders, as needed, to reflect the child's current needs and the parents' ability to provide support; and
- Receiving and disbursing support payments through a statewide unit, the Kansas Payment Center.

Outsourcing CSE Functions. These various CSE services are provided across Kansas not only by full and part-time SRS staff, but also by more than 20 contractors selected through competitive procurement. CSE's enforcement contractors presently include a county prosecutor, several district court trustees, and an assortment of private sector

providers. Other CSE private contractors are the vendor operating the Kansas Payment Center, a paternity testing laboratory, credit bureaus, and process servers.

Strategic use of outsourcing allows CSE to remain compliant with federal requirements, to compete more effectively with other States for federal incentives, and to tap expertise and specialized services that are not readily available within the public sector. Competitive procurement allows the State to obtain good value by balancing high standards for performance with competitive pricing.

Before SRS prepares a formal request for proposals (RFP), vendors—including potential bidders—are often invited to share their educational information about successful or innovative solutions. Such background information is often helpful in preventing costly mistakes or adapting cutting-edge ideas to Kansas' particular needs. The RFP itself is prepared by knowledgeable CSE staff in collaboration with Department of Administration's procurement staff. They also draw upon the experience and resources of Kansas CSE and SRS staff, other key stakeholders (for example, the Office of Judicial Administration), other state CSE programs, and the federal Office of Child Support Enforcement.

Once the RFP is published by Department of Administration, Kansas law imposes a "quiet period" during which contact with potential vendors and anyone else concerning the subject of the RFP is strictly limited and controlled. For example, SRS staff involved with the RFP are forbidden to comment even to other SRS staff about the pending procurement except as authorized by Dept. of Administration. In Kansas, this quiet period extends from publication of the RFP until the Dept. of Administration announces that the final contract has been signed by all necessary parties. The quiet period can be quite frustrating and difficult to observe, but its purpose is to assure that no bidder gains an unfair advantage—an advantage which would likely work against the best interests of the State of Kansas.

An important outsourced function that CSE administers is the Kansas Payment Center (KPC), a joint venture between CSE and the Office of Judicial Administration. The KPC is Kansas' central unit for receiving and disbursing all support payments—both in CSE and non-CSE (i.e., private) cases—ensuring that an accurate history of payments is available to the courts and interested parties. Before the KPC was created in 2000, this function was performed in the local district courts. The district courts continue to provide certified payment records upon request, and they enter or update data in the KPC database for new and modified orders as they are issued.

The KPC offers a number of customer-friendly functions statewide, including 24-hour access to payment and disbursement information by telephone or via the Internet, toll free

customer assistance for parents and employers, and direct deposit of support disbursements. Taken together, these elements have enabled families to monitor support payments independently and use up-to-date information for planning and managing their household expenses. Successful as the initial procurement has been, SRS and OJA recently took advantage of the second round of KPC procurement to increase the expectations for KPC operations. When fully developed and implemented, these advances in electronic services will offer Kansas parents who pay or receive support additional conveniences and options. As implementation progresses, SRS will report regularly to the Legislature's Joint Committee on Information Technology.

The CSE Caseload. The CSE caseload consists of approximately 132,000 cases serving over a quarter million people. CSE cases fall into two broad categories:

- *Temporary Assistance to Families (TAF).* When a child's custodian applies for Temporary Assistance to Families, that child's support rights are assigned to the State. If CSE collects support in a TAF case, it is used to reimburse the state and federal governments for public assistance provided to the child's family. Any collections beyond the claim for reimbursement are passed on to the family. If the TAF eligibility worker determines that monthly child support collections regularly exceed the monthly TAF grant, the TAF cash grant may be ended. When that happens, appropriate transitional services and supports for the family continue, including CSE services.
- *Non-TAF.* Federal law requires the CSE Program to provide services to any family, regardless of income, that applies for support enforcement services. CSE is also required to provide Non-TAF services when a family stops receiving cash TAF benefits, at the custodial parent's discretion. The idea is to prevent the need for TAF and other forms of public assistance by insuring reliable child support income, and to provide equal treatment under the law for all children. It is important to note that over two-thirds of Kansas Non-TAF families formerly received public assistance.

The CSE Non-TAF caseload also includes families that are receiving only Child Care Assistance, Food Assistance, or Medical Assistance. When CSE successfully collects support in such a case, current support (and any past due support that is not subject to an SRS claim for reimbursement) goes directly to the family. For a family receiving Child Care Assistance, this child support income enables them to make their child care co-payments and, after Child Care Assistance ends, pay independently for child care services from the provider of their choice. In similar

fashion, child support income that goes to families receiving Food or Medical Assistance helps them to transition more smoothly to financial independence.

Although SRS normally deducts a 4% cost recovery fee from Non-TAF collections, families receiving Child Care Assistance, Medicaid, or Food Assistance are all exempt from the fee. In addition, all of SRS' CSE cases are automatically exempt from any district court trustee fee that might otherwise apply.

CSE funding streams. Kansas currently funds the CSE Program from five sources:

- *Title IV-D federal financial participation (FFP).* The current FFP rate for eligible CSE administrative costs is 66%. To qualify for IV-D federal funds, the Kansas CSE Program must be in compliance with IV-D state plan requirements.
- *Title IV-D federal incentive payments based on performance.* Since 1997, incentive payments have been allocated to the States from a capped pool of federal funds; in effect, the States compete with each other for those funds. Allocations are based upon a complex formula that factors in the size of the State's program (Kansas represents 1% of the national caseload) and the State's performance in five areas: collection of current support, collection of past due support, paternity establishment, establishment of support orders, and cost-effectiveness. To qualify for IV-D federal funds, the CSE Program must be in compliance with IV-D state plan requirements.

Effective October 1, 2007, States will no longer be allowed to use incentives earned for CSE performance as the State match for IV-D FFP. Federal law continues to require CSE incentives to be reinvested in the State IV-D program, however.

- *The State's share of retained support collections (i.e., reimbursement).* For cases in the TAF or federally-funded foster care programs, Kansas keeps 40% of any collections that are retained under federal law for reimbursement of assistance; the other 60% goes to the federal government. For cases in state-funded assistance programs, Kansas retains 100% of such collections because there is no federal share to be paid. The State's share of collections for both categories represents only 10% of all CSE collections during the year.

Not later than October 1, 2009, the federal rules defining which collections may be retained for reimbursement will change, requiring more collections to be disbursed to families. Although this change will be beneficial to families leaving public assistance, it will erode the ability of the Kansas CSE Program to pay for itself.

- *IV-D cost recovery fees.* Currently, a 4% cost recovery fee is charged on all collections for cases not currently open for TAF, Medical Assistance, Food Assistance, or Child Care Assistance. Under federal law, 66% of this IV-D program income from fees must go to the federal government.

- *State general funds.* State general funds are only required for any portion of CSE Program costs that exceed CSE's total revenue from federal funding, the State's share of support collected and retained, and IV-D cost recovery fees. Until recently, state general funds have not been needed to fund the CSE program. However, the cap on federal incentive payments that may be earned, the new prohibition against using incentive payments as the state match, and the newly-enacted limits on State-retained collections all make it more likely that state general funds will be needed in the future to fund CSE services at their present level and to maintain compliance with federal requirements.

Performance and other features of the Kansas CSE Program.

- In state fiscal year 2006, CSE's annual support collections reached nearly \$161 million, about 75% of which was passed on to families. Altogether, nearly 2.2 billion dollars of support have been collected for families and taxpayers since the Kansas IV-D program's inception in 1976.

- In state fiscal year 2006, CSE established over 10,600 child support obligations. The Child Support Guidelines, established by the Kansas Supreme Court, are used to calculate all current support orders in Kansas. The Kansas Guidelines call for work-related child care expenses and the child's health insurance premiums to be factored into the monthly support award, so that the parent who actually pays for child care and/or health coverage will receive a fair contribution toward that expense from the other parent. When appropriate, CSE also establishes a medical support order that specifically requires group health coverage for the child.

- Paternity establishment by the CSE Program also plays a vital role in the SRS mission. Children benefit from having their parentage established because it opens the avenue to cash and medical support from the second parent, assures them access to complete family medical information, and paves the way for potential inheritance and other rights. It also gives the child certainty about his or her family background, which is so important to the child's emotional development and confidence.

- Federal rules permit TAF cash assistance to be ended when current support payments regularly exceed the cash grant. Such closures provide significant advantages to the

State, allowing scarce public assistance resources to be focused on the people most in need. CSE services to the former TAF family continue automatically, providing a safety net that reduces the risk of the family returning to dependence on public assistance. This is especially important for people affected by the five-year lifetime limit on TAF eligibility.

- Whenever CSE secures regular child support income for a household receiving Child Care Assistance, Kansas has the opportunity to stretch its limited child care funds a bit further and help additional working families. Dependable income from child support gives a working parent greater confidence that, in spite of ups and downs in public child care funding, he or she will be able to purchase child care services that the family needs.
- Historic information about the Kansas CSE Program:

| | State FY 2003 | State FY 2004 | State FY 2005 | State FY 2006 |
|--|----------------------|----------------------|----------------------|----------------------|
| CSE cases | 144,544 | 134,115 | 131,616 | 131,729 |
| Total collections | \$146.8 million | \$151.7 million | \$156.3 million | \$161.0 million |
| Collections paid out to KS families | \$109.8 million | \$112.8 million | \$116.6 million | \$120.6 million |
| Collections paid out to federal gov't and other states | \$21.3 million | \$21.7 million | \$22.9 million | \$24.4 million |
| State's share | \$15.7 million | \$17.2 million | \$16.8 million | \$16.0 million |

**Recommended State Employee
Pay Plan for FY 2008 by the
House Select Committee on State Employee Pay**

- **Provide a 1.0 percent base salary adjustment for all employees** (classified and unclassified) effective at the beginning of the fiscal year. For unclassified employees, the funding would go into a merit pool for the appointing authority to actually make the decision on the exact increase.
- **Provide a \$1,450 one-time salary bonus (paid in two installments)** in FY 2008 for all employees (classified) who earn a satisfactory or better performance rating. For unclassified employees, the funding would go into a merit pool for the appointing authority to actually make the decision on the exact increase.
 - **Pay \$450 on June 29th;** and
 - **Pay another \$1,000 on December 14th.**
 - It is noteworthy that the salary bonus would not go into the employee's base salary. However, the goal would be to work toward a new state employee pay plan for next fiscal year (FY 2009).
- **Provide \$150 for every employee for the employee's deferred compensation plan (457) that must be matched dollar for dollar by the employee to receive the funds.**
- **Provide a permanent 5.0 percent increase (in addition to the 1.0 percent base salary adjustment and the one-time salary bonus) for those job classes that were more than 25 percent behind the average market pay in the recent Hay Group Pay Study - Phase I.** This would increase each job class one pay grade or 5.0 percent. All positions in the job class would be moved upward one pay grade to the same salary step on their current pay grade. A total of 1,533 employees would receive this increase.
- **Shift the funding of \$1.5 million from the State General Fund for the recommended classified longevity bonus payment increase** (\$40 to \$50 per year) into the FY 2008 salary funding to help pay for the 1.0 percent base salary adjustment and the one-time salary bonus.
- **Create a State Employee Pay Philosophy Task Force** to establish a pay philosophy for the State of Kansas. The pay philosophy would provide the philosophical framework for the development of the new state employee pay

plan. The Task Force would be required to have their work completed by no later than June 15, 2007. The 11 member task force would be composed of the following members:

- Three members from the Senate (two members appointed by the Senate President and one member appointed by the Senate Minority Leader);
 - Three members from the House (two members appointed by the Speaker and one member appointed by the House Minority Leader);
 - Three members appointed by the Governor;
 - One member appointed by the Chief Justice; and
 - One member appointed by the Chairperson of the Board of Regents.
- **Create a 9 member State Employee Pay Plan Special Committee (Senate and House members)** to begin work on the development of a new state employee pay plan for presentation to the 2008 Legislature. The Special Committee would be an interim committee appointed by the Legislative Coordinating Council. The State Employee Pay Plan Special Committee would consist of:
 - 5 members from the House of Representatives (3 from the majority party and 2 from the minority party);
 - 4 members from the Senate (3 from the majority party and 1 from the minority party);
 - The Special Committee would be required to start meeting no later than June 8, 2007;
 - The Special Committee would regularly consult with the Secretary of Administration and the various employee organizations to receive their input on the development of the new state employee pay plan.
 - The Special Committee would focus on the development of a new classified employee pay plan;
 - The Special Committee would also review classified employee fringe benefits in addition to pay, to understand the full value of total compensation provided to classified state employees.
 - Appropriate \$100,000 from the State General Fund to the Legislative Coordinating Council for consultant services to assist in determining the appropriateness and recommended level of classified employee fringe benefits. This would be Phase III of the current State Employee Pay Plan Study.
- **The goal would be to spend the same dollar amount that the Governor has recommended for state employee pay increases** and for the classified employee longevity bonus payment increase (**\$86.5 million** from all funds, including **\$44.3 million** from the State General Fund).

House Select Committee on State Employee Pay Recommendations

State General Fund Costs (amounts in millions)

| <u>FY 2008 Pay Plan Components</u> | <u>State General Fund</u> |
|--|-------------------------------|
| 1.0 Percent Base Increase for All Employees Permanent, temporary, judges, elected officials. | \$ 10.7 |
| 5.0 Percent Targeted Increase for Classified Employees That Are More Than 25 Percent Below Market - 1,533 Employees | 1.7 |
| Bonus Payment of \$1,450 Paid in Two Installments One Bonus Payment of \$450 on June 29, 2007 One Bonus Payment of \$1,000 on December 14, 2007 Payment excluded from retirement calculations | 28.8 |
| Pay Plan Consultant - Phase III | 0.1 |
| \$150 Per Employee 457 Plan Contribution Matched Dollar for Dollar by Employee | 3.0 |
| Grand Total: | \$ 44.3 |

Estimated all funds cost is \$86.5 million.

One Pay Grade Increase for Classes 25% and Greater

Total Employees 1,533
Total Cost Estimate (salary only) \$2,916,752

| Class Title | Pay Grade | Hay | Total Emp. |
|--------------------------------|-----------|-----|------------|
| Microbiologist I (-25%) | 23 | X | 4 |
| Microbiologist II | 25 | | 19 |
| Microbiologist III | 28 | | 7 |
| Total | | | 30 |
| Environmental Tech. I | 14 | | 1 |
| Environmental Tech. II (-26%) | 19 | X | 6 |
| Environmental Tech. III | 23 | | 57 |
| Environmental Tech. IV (-25%) | 26 | X | 28 |
| Total | | | 92 |
| Legal Assistant (-31%) | 19 | X | 57 |
| Graphic Designer | 20 | | 4 |
| Graphic Designer Senior (-26%) | 23 | X | 19 |
| Graphic Designer Spec. | 26 | | 9 |
| Total | | | 32 |
| Rehab Suport Worker I (-38%) | 11 | X | 4 |
| Rehab Suport Worker II | 13 | | 1 |
| Rehab Instructor | 16 | | 4 |
| Total | | | 9 |
| Storekeeper | 9 | | 1 |
| Storekeeper Senior (-25%) | 13 | X | 56 |
| Storekeeper Specialist | 16 | | 66 |
| Total | | | 123 |
| Grounds Maint. Sprv. I (-37%) | 16 | X | 8 |
| Grounds Maint. Sprv. II | 18 | | 13 |
| Total | | | 21 |
| Power Plant Operator (-29%) | 13 | X | 8 |
| Power Plant Operator Sr. | 16 | | 20 |
| Total | | | 28 |
| Plumber (-32%) | 16 | X | 9 |
| Plumber Senior | 19 | | 34 |
| Total | | | 43 |
| Electrician (-31%) | 16 | X | 13 |
| Electrician Senior | 19 | | 40 |
| Total | | | 53 |

| | | | |
|-----------------------------------|----|---|------------|
| Lock Systems Specialist (-28%) | 16 | X | 4 |
| Lock Systems Spec. Sr. | 19 | | <u>12</u> |
| Total | | | 16 |
| | | | |
| Automotive Driver (-35%) | 8 | X | 12 |
| Computer Operator I (-18%) | 18 | X | 17 |
| Computer Operator II | 20 | | 39 |
| Computer Operations Sprvr (-31%) | 23 | X | 17 |
| Computer Oper. Facilities Tech. | 23 | | 2 |
| Computer Operations Mgr (-36%) | 25 | X | <u>4</u> |
| Total | | | 79 |
| | | | |
| Network Control Tech. I | 22 | | 5 |
| Network Control Tech. II (-26%) | 25 | X | 16 |
| Network Control Tech. III | 27 | | 4 |
| Network Control Supervisor (-16%) | 29 | X | <u>2</u> |
| Total | | | 27 |
| | | | |
| Food Service Worker (-11%) | 9 | X | 74 |
| Cook (-11%) | 11 | X | 61 |
| Cook Senior | 13 | | 32 |
| Food Service Sprvr. (-16%) | 15 | X | 38 |
| Food Service Sprvr. Senior | 17 | | 2 |
| Food Service Mgr (-30%) | 19 | X | <u>5</u> |
| Total | | | 212 |
| | | | |
| Custodial Worker (-20%) | 9 | X | 149 |
| Custodial Specialist | 11 | | 378 |
| Custodial Crew Leader | 11 | | 31 |
| Custodial Supervisor (-22%) | 15 | X | 71 |
| Custodial Supervisor Senior | 17 | | 25 |
| Custodial Manager (-27%) | 19 | X | <u>18</u> |
| Total | | | 672 |
| | | | |
| Utility Worker (-32%) | 10 | X | 27 |

Division of Personnel Services
March 2, 2007

**KANSAS SENATE WAYS & MEANS COMMITTEE
PAUL JOHNSON – KANSAS CATHOLIC CONFERENCE
CHILD SUPPORT ISSUES TESTIMONY – MARCH 14, 2007**

Thank you for this opportunity to provide comments on the opportunities and the challenges facing the child support system in Kansas. The Kansas Legislature should be commended for the development of a customer call center for child support questions and for passing legislation sanctioning drivers, hunting and fishing licenses when child support payments are past due. Unfortunately Kansas is still 37th out of the 50 states with a 55% collection rate of current monthly child support collected in IV-D cases. There are many structural challenges facing the child support system in Kansas that must be researched and rectified.

Child Support Staffing & Computers: SRS should have 445 FTE's working child support but due to budgetary limitations 44 of these positions are kept vacant. The result is that SRS CSE collection officers have a caseload of 655 that is twice a normal caseload. The new customer call center will help with some of these staffing needs. The SRS child support computer system - that runs on a program from the 1970's (the Cool-Jen program) - struggles under the weight of 131,000 cases. Any modifications to this program take weeks to change.

Kansas Payment Center (KPC): The KPC now has 244,000 child support orders on file with 117,000 of these being IV-D (SRS related) and 127,000 non IV-D (private) cases. SRS has very detailed statistics on the IV-D cases but not on the private cases except for cases in Johnson County and Sedgwick County court trustee offices. With J.P. Morgan taking over the KPC, this data shortfall could be rectified for a price. The KPC handles 170,000 – 180,000 transactions monthly with 45% of these transactions being sent electronically and the rest by check. Kansas can save money by increasing the number of electronic transactions. This should assist thousands of 'non-banked' custodial parents with developing a positive connection to financial institutions.

Collection Tools: Many states have developed working relations between the financial institutions and child support to match resource data. Kansas has only one major financial institution (Capitol Federal) voluntarily cooperating to assist child support in matching financial resources. Why are the other major financial institutions in Kansas able to do this in surrounding states but not in Kansas? Many states have laws matching insurance settlements with child support obligations. States with administrative processes to establish child support have better collection rates and the process is easier for non-custodial parents.

The Kansas Catholic Conference supports an interim study on the staffing needs, KPC and collection tools for child support in Kansas.

*Senate Ways and Means
3-14-07
Attachment 5*

Category Child Support Enforcement Statistics

Base

Fiscal Year

| | 2006 | 2005 | 2004 |
|--|---------------|---------------|---------------|
| Ave. Total Caseload | 131,694 | 131,616 | 134,115 |
| Active Children | 175,511 | 172,135 | 172,138 |
| Ave. # Collection Officers | 201 | 204 | 210 |
| Ave Cases per Collection Officer | 655 | 645 | 640 |
| Collection per Case | 1,222 | 1,188 | 1,131 |
| Cases with Financial Orders | 92,282 | 91,233 | 89,061 |
| <i>% with Financial Orders</i> | <i>70.0%</i> | <i>69.0%</i> | <i>66.4%</i> |
| Cases with Current Support Ordered | 66,405 | 65,421 | 63,831 |
| <i>% with Current Support Ordered</i> | <i>50.4%</i> | <i>49.7%</i> | <i>47.6%</i> |
| Total Collections | \$160,976,628 | \$156,391,906 | \$151,735,429 |
| Support Paid to Families | \$127,944,373 | \$122,970,832 | \$118,950,065 |
| To Kansas Families | \$120,623,526 | \$116,576,055 | \$112,779,315 |
| To Families in other States | \$7,320,847 | \$6,394,777 | \$6,170,750 |
| Fees paid by Families | \$2,655,661 | \$2,594,239 | \$2,619,591 |
| Ave. Current Support Due for the Month | \$15,453,566 | \$14,608,500 | \$14,089,804 |
| Ave. Current Support Paid for the Month | \$8,544,563 | \$7,944,810 | \$7,791,982 |
| <i>Percent of Current Support Paid</i> | <i>55.3%</i> | <i>54.4%</i> | <i>55.3%</i> |
| Children with Current Support Orders | 87,907 | 86,872 | 84,943 |
| Total Arrears due | \$610,819,512 | \$576,822,313 | \$543,022,689 |
| Arrears Collected | \$53,348,632 | \$48,672,827 | \$47,839,797 |
| Cases with Arrears Due (During the Year) | 96954 | 93,985 | 92,038 |
| <i>% of Cases with Arrears Due</i> | <i>73.6%</i> | <i>71.4%</i> | <i>68.6%</i> |
| Average Arrears | \$7,000 | \$6,819 | \$6,704 |
| Cases with a Payment on Arrears (During Year) | 61354 | 58,555 | 57,024 |
| <i>Percent Paying on Arrears</i> | <i>63.3%</i> | <i>62.3%</i> | <i>62.0%</i> |
| TANF related cases | 21,446 | 22,188 | 21,400 |
| State Debt Only Case | 28,306 | 2,625 | 3,240 |
| TAF Foster Care related | 2,242 | 1,794 | 1,901 |
| GA and JJA Foster Care | 4,618 | 4,581 | 4,533 |
| Non TANF Cases | 93,390 | 92,617 | 95,694 |
| Interstate Cases | 6,994 | 7,196 | 8,381 |
| <i>% of Children with Health Insurance Order</i> | <i>52.0%</i> | <i>46.0%</i> | <i>35.0%</i> |
| <i>% of TAF Recovered</i> | <i>35.0%</i> | <i>35.2%</i> | <i>37.6%</i> |
| TAF Cases Closed with support | 3,890 | 3,609 | 3,326 |
| Current Support Orders Established | 10,604 | 10,332 | 9,813 |
| Orders Est. per Collection Officer | 53 | 51 | 47 |